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.  o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) 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.  o

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.  o

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.  o

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  ý

If an emerging growth company that prepares its financial statements in accordance with US 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.  o

CALCULATION OF REGISTRATION FEE

<table>
<thead>
<tr>
<th>Title of each class of securities to be registered</th>
<th>Proposed maximum aggregate offering price(3)</th>
<th>Amount of registration fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares, par value US$0.0001 per share(2)(3)</td>
<td>US$500,000,000</td>
<td>US$60,600</td>
</tr>
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</table>

(1) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(2) Includes 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, and also includes ordinary shares that may be purchased by the underwriters pursuant to an over-allotment option. These ordinary shares are not being registered for the purpose of sales outside the United States.

(3) American depositary shares issuable upon deposit of the ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No.333- ). Each American depositary share represents ordinary shares.

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, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to such Section 8(a), may determine.

† 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.
This is an initial public offering of American depositary shares, or ADSs, representing ordinary shares of DouYu International Holdings Limited.

We are offering ADSs. [The selling shareholders identified in this prospectus are offering an additional ADSs. We will not receive any of the proceeds from the sale of the ADSs being sold by the selling shareholders.] Each ADS represents of our ordinary shares, par value US$0.0001 per share.

Prior to this offering, there has been no public market for the ADSs. It is currently estimated that the initial public offering price per share will be between US$ and US$.

We will apply for listing the ADSs on the New York Stock Exchange under the symbol "DOYU."

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

See "Risk Factors" beginning on page 16 for factors you should consider before buying the ADSs.

Neither the United States Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

<table>
<thead>
<tr>
<th></th>
<th>Per ADS</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public offering price</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions(1)</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>Proceeds, before expenses, to us</td>
<td>US$</td>
<td>US$</td>
</tr>
<tr>
<td>[Proceeds, before expenses, to the selling shareholders]</td>
<td>US$</td>
<td>US$</td>
</tr>
</tbody>
</table>

(1) For a description of the compensation payable to the underwriters, see “Underwriting.”

The underwriters have an option to purchase up to an additional ADSs from us [and certain selling shareholders] at the initial public offering price less the underwriting discount, within 30 days from the date of this prospectus.

The underwriters expect to deliver the ADSs against payment in U.S. dollars in New York, New York on , 2019.
The date of this prospectus is , 2019.
The **LARGEST GAME-CENTRIC** Live Streaming Platform in China(1) and a **PIONEER** in the **E-SPORTS** Value Chain

**Average Total MAUs**(2)

153.5 MM

**No.1**

**Average Total Daily Time Spent by Active Users**(3)

24.2 MM Hours

**2.1Bn+**

4Q2018 Bullet Chats

**RMB3.7Bn**

FY2018 Revenue

**4.2MM**

Quarterly Paying Users(4)

**Notes:**

1. In terms of (i) average total MAUs on both mobile and PC platforms in the fourth quarter of 2017 and 2018; (ii) average total daily time spent by active users in the fourth quarter of 2017 and 2018; and (iii) number of top 100 game streamers with whom we contracted in December 2017 and 2018, according to the iResearch Report, an industry report commissioned by us and prepared by iResearch Consulting Group.

2. In the fourth quarter of 2018: “Average total MAUs” refers to the average total MAUs during a given period calculated by dividing (i) the sum of active users, including active PC users and active mobile users for each month of such period, by (ii) the number of months in such period.

3. In the fourth quarter of 2018: “Average total daily time spent by active users” for any period is calculated by dividing (i) the sum of time spent on our platform by all active users on each day for such period, by (ii) the number of days for such period.

4. In the fourth quarter of 2018: “Quarterly paying users” refers to the number of paying users in a given quarter; “paying user” refers to a registered user that has purchased virtual gifts on our platform at least once during the relevant period.
We have not authorized anyone to provide any information other than that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we may have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters have not authorized any other person to provide you with different or additional information. Neither we nor the underwriters are making an offer to sell the ADSs in any jurisdiction where the offer or sale is not permitted. This offering is being made in the United States and elsewhere solely on the basis of the information contained in this prospectus. You should assume that the information appearing in this prospectus is true, complete and accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the ADSs. Our business, financial condition, results of operations and prospects may have changed since the date of this prospectus.

We have not taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus outside the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of the prospectus outside 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 underwriters and with respect to their 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 and the related notes 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 our ADSs discussed under “Risk Factors” and information contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” before deciding whether to buy our ADSs. This prospectus contains information derived from various public sources and certain information from an industry report dated January 16, 2019, as supplemented, that was commissioned by us and prepared by iResearch Consulting Group, or iResearch, a third-party industry research firm, to provide information regarding our industry and market position in China. We refer to this report as the iResearch Report. Such information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. Information that is based on estimates, forecasts, projections or similar methodologies is inherently subject to uncertainties, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the “Risk Factors” section. These and other factors could cause results to differ materially from those expressed in these publications and reports.

Our Mission

We make the world a fun place through games and other interactive entertainment.

Overview

We are the largest game-centric live streaming platform in China and a pioneer in the eSports value chain. We operate our platform both on PC and mobile apps, through which users can enjoy immersive and interactive games and entertainment live streaming. According to iResearch, among China’s game-centric live streaming platforms, we ranked:

• first by the size of our user base as measured by average total MAUs on both mobile and PC platforms during the fourth quarter of 2017 and 2018;

• first by the level of user engagement as measured by average total daily time spent by active users on our platform during the fourth quarter of 2017 and 2018; and

• first by the number of top 100 game streamers with whom we contracted in December 2017 and December 2018.

The passion for games and interactions among gamers and game enthusiasts extend beyond just playing. Against the backdrop of eSports’ booming popularity, China has a massive and growing gamer community that is seeking interactive and engaging entertainment through game live streaming. According to iResearch, China is the world’s largest game-centric live streaming market, with approximately 4.9 times the MAUs of the U.S. market in 2018. Revenues from China’s game-centric live streaming market is expected to grow at a CAGR of 24.7% from 2018 to 2023, which is nearly twice the expected growth rate of the non-game-centric live streaming market. Game-centric live streaming revenue accounted for 13.8%, 24.1% and 28.0% of total live streaming revenue in 2016, 2017 and 2018 in China. In 2018, live streaming annual ARPPU in China was RMB574, which takes into account both the game-centric and non-game centric live streaming platforms, while game-centric live streaming annual ARPPU in China was RMB365. The difference between live streaming annual ARPPU and game-centric live streaming annual ARPPU indicates significant growth potential for game-centric live streaming ARPPU. The average total MAUs of game-centric live streaming platforms in China are expected to increase from 255 million in 2018 to 400 million by 2023. As the leading
game-centric live streaming platform in China, we are well positioned to capture a significant share of this large and growing user base.

Our platform attracts a large number of highly loyal and engaged users. As of December 31, 2016, 2017 and 2018, we had 98.7 million, 182.1 million and 253.6 million registered users, respectively. With 111.4 million average MAUs on our PC platform and 42.1 million average MAUs on our mobile platform, we had 153.5 million average total MAUs during the fourth quarter of 2018, representing year-over-year growth of 14.3% from 134.3 million average total MAUs during the same period of 2017. We consider our PC platform an important component of our business as it attracts PC users who are more devoted eSports enthusiasts and is a natural gateway to eSports games, which enables users to simultaneously play games and watch game live streaming. According to iResearch, we were the most searched game-centric live streaming platform in China based on average of Baidu's search index and ranked as the top free and top grossing game-centric live streaming app in Apple's App Store in 2018. Our large user base is primarily acquired through organic growth, with over 92% of our new mobile users in the fourth quarter of 2018 installed our apps without third-party marketing. Our diverse product offerings and continuously enriched content allow us to effectively retain users, evidenced by our 75.2% and 74.9% average next-month active user retention rates over the past twelve months as of December 2017 and December 2018, respectively. Our average next-three-month registered user retention rate was 68.9% and 68.6% for the same periods. Our large and loyal user base is also highly engaged, as evidenced by the average total daily time spent by active users of 17.2 million and 24.2 million hours in the fourth quarter of 2017 and 2018, respectively. The average daily time spent by each active user was 40 minutes and 54 minutes for the same periods. Our active users spent over 1.6 billion and 2.2 billion hours on our platforms and generated more than 2.0 billion and 2.1 billion bullet chats in the fourth quarter of 2017 and 2018, respectively.

Our platform brings together a deep pool of top streamers and provides a sustainable streamer development system. As of December 31, 2017 and 2018, our platform had 3.9 million and 6.0 million registered streamers, including more than 2,000 and 5,200 top streamers each of whom entered into an exclusive contract with us directly as of each date, respectively. These top exclusive streamers streamed an average of 3.8 and 4.2 hours per show in the fourth quarter of 2017 and 2018, respectively, and all of our streamers generated a total of 16.6 million and 29.8 million streaming hours during the same periods. Approximately 430 and 592 of our streamers had more than one million viewers during the fourth quarter of 2017 and 2018, respectively. Approximately 384,800 of our streamers are managed through talent agencies as of December 31, 2018. Our exclusive contract model with top streamers helps ensure a consistent supply of quality content, which is effectively supplemented by the talent agency model that captures a large group of promising and rising streamers. With years of experience, we have developed a well-designed system to discover, train, and promote streamers who are already popular or have demonstrated the potential to become popular, and to help them grow and monetize their popularity.

As one of the first game-centric live streaming platforms to make the foray into eSports, we are strategically positioned to benefit from the proliferation of the eSports industry in China. The eSports industry generates highly attractive content and helps to transform our platform into an engaged and vibrant community. Through our investments in and collaborations with a variety of participants across the value chain, we have gained coveted access to premium eSports content attracting millions of viewers to our platform and enabling us to organize our own tournaments and produce exclusive eSports content only available on our platform which further attracts viewers and improves their stickiness. According to iResearch, we had the largest eSports viewer base as measured by average total MAUs that viewed eSports live streaming during the fourth quarter of 2017 and 2018. Our average total eSports MAUs were approximately 80.9 million and 95.8 million in the fourth quarter of 2017 and 2018, respectively.
We have built powerful technology infrastructure to ensure a stable and optimized live streaming experience for our users. The optimized user experience attracts a large number of users on our platform and enables us to collect and analyze vast amounts of behavioral data leveraging our big data analytics capabilities. Investing in the user experience generates significant benefits for our platform. For example, since the implementation of our customized content recommendation system in early 2016, our user click-through rate for content recommendations on our home page increased from 18% in June 2016 to 43% in December 2018. Through comprehensive and refined content categorization, customized recommendations and development of new products and features, we enhance user experience to attract new users and increase user loyalty.

We employ a multi-channel monetization model. We believe the vibrant and interactive game community created on our platform drives user satisfaction, which provides diversified opportunities for user spending. Leveraging a large number of viewers and a deep pool of streamers, our monetization channels mainly consists of live streaming, advertisement and others. These channels effectively supplement each other and unleash future monetization potential. Live streaming is our main monetization channel and generated 77.7%, 80.7% and 86.1% of our total net revenue in 2016, 2017 and 2018, respectively. Our live streaming revenue is primarily derived from the sales of a wide array of virtual gifts. Our massive and highly engaged user base attracts advertisers from a wide spectrum of industries and allows us to distribute games for game developers and publishers, which has led to rapid growth in our advertising and game distribution revenue since 2016.

We have grown rapidly since our inception. Our revenue increased from RMB786.9 million in 2016 to RMB1,885.7 million in 2017, and reached RMB3,654.4 million (US$531.5 million) in 2018. We had net loss of RMB782.9 million, RMB612.9 million and RMB876.3 million (US$127.4 million) during those same periods.

Our Strengths

We are at the forefront of the game-centric live streaming industry in China. We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

• Leading game-centric live streaming platform
• Large and highly engaged user base
• Deep pool of top streamers empowered by a comprehensive streamer development system
• Strategically positioned in eSports to secure coveted access to premium content
• Technology- and big data-enabled user experience and value proposition
• Multiple monetization channels with significant potential
• Visionary and experienced management team with strong shareholder support

Our Strategies

To fulfill our mission of making the world a fun place through games and other interactive entertainment, we plan to pursue the following strategies to grow our business.

• Further strengthen our position in the eSports industry
• Continue to attract more viewers and streamers while investing in technologies
• Increase monetization capabilities
• Selective overseas expansion
Our Challenges

We face risks and uncertainties in realizing our business objectives and executing our strategies, including those relating to:

• our ability to retain our existing users, keep them engaged or further grow our user base;

• our ability to attract, cultivate and retain top streamers;

• our ability to offer attractive content, in particular popular game content;

• our ability to maintain our market position in the eSports industry;

• Our ability to realize the benefits we expect from our strategic cooperation with Tencent;

• Our ability to align interests with certain existing shareholders who have substantial influence over our company;

• our ability to manage our growth and control our periodic spending to maintain such growth;

• our ability to reach profitability depending on our ability to grow in a cost-effective way;

• our ability to implement our growth or monetization strategies;

• our ability to prevent misconduct by our platform users and misuse of our platform;

• our ability to evaluate our business and growth prospects in a relatively new market;

• our ability to compete with other established streaming platforms and other entertainment mediums;

• our ability to continue to grow or maintain our paying ratio; and

• our ability to obtain and maintain the licenses and approvals required under the complex regulatory environment for Internet-based businesses in China.

Recent Developments

We continue to broaden our user base leveraging our rich and dynamic content offerings, especially eSports content, a deep pool of top streamers and engaging social features. Our average total MAUs were approximately 159.2 million in the first quarter of 2019, representing an increase of 25.7% from 126.7 million average total MAUs in the first quarter of 2018. The average MAUs on our PC platform increased by 21.0% from 91.0 million in the first quarter of 2018 to 110.1 million in the first quarter of 2019, while the average MAUs on our mobile platform increased by 37.5% from 35.7 million in the first quarter of 2018 to 49.1 million in the first quarter of 2019.

Our large user base is also highly engaged, and spent around 2.3 billion hours on our platforms in the first quarter of 2019, as compared to approximately 1.6 billion hours in the first quarter of 2018, which implies an average total daily time spent by active users of 26.0 million hours in the first quarter of 2019, an increase of 50.3% from 17.3 million hours in the first quarter of 2018.

As we continued our efforts in cultivating users' paying habits, our number of paying users grew by 66.7% from 3.6 million in the first quarter of 2018 to 6.0 million in the first quarter of 2019.

Our results for the three months ended March 31, 2019 may not be indicative of our results for the full year ending December 31, 2019 or for future periods. Please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" included elsewhere in this prospectus for information regarding trends and other factors that may affect our results of operations.
Corporate History and Structure

Corporate History

Establishments of Our PRC Subsidiaries and Consolidated Entities

We commenced operations and launched our live streaming platform in 2014 with the establishment of Guangzhou Douyu. Wuhan Douyu was established in May 2015. In February 2016, Guangzhou Douyu and Wuhan Douyu entered into an asset and business transfer agreement, pursuant to which Guangzhou Douyu transferred all of its business operations and assets to Wuhan Douyu (the "2016 Wuhan Douyu Restructuring").

In February 2016, Wuhan Douyu, Wuhan Ouyue, the successor of Zhejiang Ouyue which was acquired by Mr. Shaojie Chen in November 2015, and Mr. Chen entered into a series of contractual arrangements, by which Wuhan Douyu may exert control over Wuhan Ouyue and consolidate Wuhan Ouyue's financial statements. In May 2018, such contractual arrangements were terminated and replaced by contractual arrangements between Douyu Yule, Wuhan Ouyue and Mr. Chen. For details please refer to "—Corporate Restructuring Transactions."

In June 2016, each of Yuxing Tianxia, Yuyin Raoliang and Wuhan Yuwan was incorporated in the PRC by Wuhan Douyu. In November 2016, each of Douyu Education and Yu Leyou was incorporated in the PRC by Wuhan Douyu. These entities focus on entering into business contracts with streamers.

Corporate Restructuring Transactions

We underwent a series of restructuring transactions in contemplation of this offering ("Restructuring Transactions"), which primarily included:

• In January 2018, DouYu International Holdings Limited was incorporated under the laws of the Cayman Islands as our proposed listing entity. In connection with its incorporation, it issued ordinary and preferred shares to certain of the then existing shareholders of Wuhan Douyu based on their equity interests held in Wuhan Douyu. For details of the issuances of shares by DouYu International Holdings Limited to its shareholders prior to this offering, please refer to "Description of Share Capital—History of Securities Issuances."

• In January 2018, DouYu Network Inc. was established in the British Virgin Islands and Douyu Hongkong Limited was incorporated in Hong Kong, both of which are acting as the offshore intermediary holding companies to facilitate our initial public offering in the United States.

• In May 2018, Douyu Yule, our indirect wholly-owned PRC subsidiary, entered into a series of contractual arrangements with each of Wuhan Douyu and Wuhan Ouyue, as well as their respective shareholders. As a result of these contractual arrangements, we obtained effective control, and became the primary beneficiary of, each of Wuhan Douyu and Wuhan Ouyue, or our VIEs.

We are a holding company and does not directly own any substantive business operations in the PRC. We currently focus our business operations within the PRC through Douyu Yule and our VIEs, Wuhan Douyu and Wuhan Ouyue. See "Risk Factors—Risks Related to Our Corporate Structure." Wuhan Douyu, Wuhan Ouyue and their respective subsidiaries hold our ICP License, the License for Online Transmission of Audio/Video Programs and the Internet Culture Operation License and other licenses and permits that are necessary for our business operations in the PRC.
Corporate Structure

The following diagram illustrates our corporate structure, including our significant subsidiaries and variable interest entities, immediately upon the completion of this offering, assuming no exercise of the over-allotment option granted to the underwriters.

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Notes:

(1) The sole shareholder of Wuhan Ouyue is Mr. Shaojie Chen, our founder, CEO and director.

(2) The shareholders of Wuhan Douyu and their relationship with our company are as follows: (i) Mr. Chen (35.15%), our founder, CEO and director; (ii) Linzhi Lichuang (18.98%), an affiliate of Nectarine, one of our shareholders; (iii) Mr. Dongqing Cai (13.18%), the beneficial owner of Aodong Investments Limited, one of our shareholders; (iv) Beijing Fengye (13.16%), 99.99% of its interests is owned by Wuhan Ouyue; (v) Beijing Phoenix (8.08%), an affiliate of Phoenix Fuju Limited, one of our shareholders; (vi) Mr. Wenming Zhang (3.92%), our co-founder, co-CEO and director, and (vii) certain other third-party investors.
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 by the Fixing America's Surface Transportation Act of 2015), 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. Pursuant to the JOBS Act, we have elected to take advantage of the benefits of this extended transition period for complying with new or revised accounting standards as required when they are adopted for public companies. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards.

We will remain an emerging growth company until the earliest of (i) the last day of our fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (iii) the date on which we have, during the previous three-year period, issued more than US$1.0 billion in non-convertible debt; or (iv) 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. For details, please refer to "Risk Factors—We are an emerging growth company and may take advantage of certain reduced reporting requirements."

OUR CORPORATE INFORMATION

Our principal executive offices are located Building F4, Optical Valley Software Park, Guanshan Avenue, Donghu Development Area, Wuhan, the People's Republic of China. Our telephone number at this address is +86 27 8775 0710. Our registered office in the Cayman Islands is located at the offices of Maples Corporate Services Limited at PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. 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. Our corporate website is www.douyu.com. The information contained in our website is not a part of this prospectus.

CONVENTIONS WHICH APPLY TO THIS PROSPECTUS

Unless we indicate otherwise, all information in this prospectus reflects the following:

• no exercise by the underwriters of their over-allotment option to purchase up to additional ADSs representing ordinary shares from us; and

Except where the context otherwise requires and for purposes of this prospectus only:

• "active users" refers to users who visited our platform through PC or mobile app at least once in a given period; the number of active PC users is measured as the number of independent cookies generated by our website when users visited our platform through PC in a given period, and the number of active mobile users is measured as the number of mobile devices that launched our mobile apps in a given period. The number of active users is calculated by treating each distinguishable independent cookie or mobile device as a separate user even though some
individuals may access our platform with more than one independent cookie or using more than one mobile
device and multiple individuals may access our services with the same independent cookie or using the same
mobile device;

• "ADSs" refers to the American depositary shares, each representing of our ordinary shares;

• "ARPPU" refers to average live streaming revenue per paying user in a given period;

• "average daily time spent by each active user" for any period is calculated by dividing (i) the sum of daily
time spent by each active user for each day of such period, by (ii) the number of days for such period;

• "average next-month active user retention rate" for any period is calculated by dividing (i) the sum of next-
month active user retention rate for each month of such period, by (ii) the total number of months in such
period;

• "average next-three-month active user retention rate" for any period is calculated by dividing (i) the sum of next-three-month active user retention rate for each month of such period, by (ii) the total number of months in such period;

• "average total daily time spent by active users" for any period is calculated by dividing (i) the sum of time
spent on our platform by active users on each day for such period, by (ii) the number of days for such period;

• "average total eSports MAU" refers to the average total eSports MAUs during a given period of time
calculated by dividing (i) the sum of active users, including active PC users and active mobile users who
accessed game-themed channels on our platform in each month of such period, by (ii) the number of months in
such period;

• "average total MAUs" refers to the average total MAUs during a given period of time calculated by dividing
(i) the sum of active users, including active PC users and active mobile users for each month of such period, by
(ii) the number of months in such period;

• "Beijing Fengye" refers to Beijing Fengye Equity Investment Center (Limited Partnership);

• "Beijing Phoenix" refers to Beijing Phoenix Rich Investment Management Center (Limited Partnership);

• "Beijing Sequoia" refers to Beijing Sequoia Xinyuan Equity Investment Center (Limited Partnership);

• "CDN" refers to content delivery network;

• "China" or "PRC" refer to the People's Republic of China, excluding, for the purpose of this prospectus only,
Taiwan, Hong Kong and Macau;

• "daily time spent by each active user" on a particular date is calculated by dividing (i) the sum of time spent on
our platforms by active users on such date, by (ii) the sum of the number of active users on such date;

• "Douyu Education" refers to Wuhan Douyu Education Consulting Co., Ltd.;

• "Douyu Yule" refers to Wuhan Douyu Culture Network Technology Co., Ltd.;

• "Gogo Glocal" refers to Gogo Glocal Holding Limited, a company incorporated under the laws of the Cayman
Islands;

• "Guangzhou Douyu" refers to Guangzhou Douyu Internet Technology Co., Ltd.;
• "Linzhi Lichuang" refers to Linzhi Lichuang Information Technology Co., Ltd., an entity controlled by Tencent Holdings Limited;

• "live streaming annual ARPPU" is calculated by dividing the annual virtual gifting revenue for both the game-centric and non-game centric live streaming platforms by the number of annual paying users for live streaming platforms with duplicates removed across all platforms;

• "MAUs" refers to the number of active users, including active PC users and active mobile users in a given month;

• "Nectarine" refers to Nectarine Investment Limited, a wholly-owned subsidiary of Tencent Holdings Limited;

• "next-month active user retention rate" is calculated by dividing (i) the sum of active users who visited our platform through PC or mobile app at least once in the next month after a given month, by (ii) the sum of all active users in that given month. Next-month active user retention rate is only available from September 2016;

• "next-three-month active user retention rate" is calculated by dividing (i) the sum of active users who visited our platform through PC or mobile app at least once in the month that is three months after a given month, by (ii) the sum of all active users in that given month. Next-three-month active user retention rate is only available from September 2016;

• "ordinary shares" prior to the completion of this offering refers to our ordinary shares of par value US$0.0001 per share;

• "P2P" refers to peer-to-peer;

• "paying user" refers to a registered user that has purchased virtual gifts on our platform at least once during the relevant period. A paying user is not necessarily a unique user, however, as a unique user may set up multiple paying user accounts on our platform, and consequently, the number of paying users we present in this prospectus may not equal to the number of unique individuals who made purchases on our platform for any given period of time;

• "paying ratio" for a given quarter is calculated by dividing (i) the sum of paying users in such quarter, by (ii) the average total MAUs in such quarter;

• "quarterly average ARPPU" refers to average live streaming revenue per paying user for each quarter during a given period of time calculated by dividing live streaming revenue for a given period by: (i) quarterly average paying users for that given period and (ii) number of quarters in that given period;

• "quarterly average paying users" refers to the average paying users for each quarter during a given period of time calculated by dividing (i) the sum of paying users for each quarter of such period, by (ii) the number of quarters in such period;

• "registered streamer" refers to a user that has been registered on our platform as a streamer;

• "registered user" refers to a user that has registered and logged onto our platform at least once since registration. We calculate registered user as the cumulative number of user accounts at the end of the relevant period that have logged onto our platform at least once after registration. Each individual user may have more than one registered user account, and consequently, the number of registered users we present in this prospectus may not equal to the number of unique individuals who are our registered users;

• "retention rate" refers to the percentage of users who make at least one repeat use after a certain duration;
• “RMB” or “Renminbi” refers to the legal currency of the People's Republic of China;

• “RSU” refers to restricted share unit;

• “Tencent” refers to Tencent Holdings Limited;

• “top 100 game streamers” were the top 100 game streamers ranked by iResearch according to a final weighted score consisting of a combination of game streamers' nominal value of virtual gifts received and the number of bullet chats in their respective live streaming room in a given period; “game streamers” were the streamers who choose to categorize their streaming content as game content on game-centric live streaming platforms;

• “US$,” "dollars" or "U.S. dollars" refers to the legal currency of the United States;

• “We,” “Us,” “Our company,” and “Our,” refer to DouYu International Holdings Limited, a Cayman Islands company, its subsidiaries, variable interest entities and subsidiaries of its variable interest entities;

• “Wuhan Douyu” refers to Wuhan Douyu Internet Technology Co., Ltd.;

• “Wuhan Ouyue” refers to Wuhan Ouyue Online TV Co., Ltd.;

• “Wuhan Yuwan” refers to Wuhan Yuwan Culture Media Co., Ltd.;

• “Yu Leyou” refers to Wuhan Yu Leyou Internet Technology Co., Ltd.;

• “Yuxing Tianxia” refers to Wuhan Yuxing Tianxia Culture Media Co., Ltd.;

• “Yuyin Raoliang” refers to Wuhan Yuyin Raoliang Culture Media Co., Ltd.; and

• “Zhejiang Ouyue” refers to Zhejiang Ouyue Online TV Co., Ltd., which was subsequently renamed Wuhan Ouyue.

Unless the context otherwise requires, the operating data presented for our company in this prospectus excludes Gogo Glocal, a company incorporated under the laws of the Cayman Islands. We acquired a controlling stake of Gogo Glocal in October 2018.

We have made rounding adjustments to some of the figures included in this prospectus. Accordingly, numerical figures shown as totals or percentages may not be an arithmetic calculation of the figures that preceded them.

This prospectus contains information and statistics relating to China's economy and its games and eSports market and game-centric live streaming industry derived from various publications issued by market research companies and PRC governmental entities, which have not been independently verified by us, the underwriters or any of their respective affiliates or advisers. The information in such sources may not be consistent with other information compiled in or outside China.

Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus are made at RMB6.8755 to US$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 28, 2018. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. On April 12, 2019, the noon buying rate for Renminbi was RMB6.7039 to US$1.00.
## THE OFFERING

<table>
<thead>
<tr>
<th>Offering price</th>
<th>US$ per ADS.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADSs offered by us</td>
<td>ADSs (or ADSs if the underwriters exercise their over-allotment option in full).</td>
</tr>
<tr>
<td>[ADSs offered by the selling shareholders</td>
<td>ADSs (or ADSs if the underwriters exercise their over-allotment option in full).]</td>
</tr>
<tr>
<td>The ADSs</td>
<td>Each ADS represents ordinary shares, par value US$0.0001 per share. The depositary will hold the ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our ordinary shares, after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may turn in your ADSs to the depositary in exchange for 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 &quot;Description of American Depositary Shares&quot; 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.</td>
</tr>
<tr>
<td>Ordinary shares</td>
<td>We will issue ordinary shares represented by ADSs in this offering. All options, regardless of grant dates, will entitle holders to the equivalent number of ordinary shares once the vesting and exercising conditions on such share-based compensation awards are met. See &quot;Description of Share Capital.&quot;</td>
</tr>
<tr>
<td>Ordinary shares outstanding immediately after this offering</td>
<td>Immediately upon the completion of this offering, ordinary shares will be outstanding, comprising ordinary shares, par value</td>
</tr>
</tbody>
</table>
US$0.0001 per share (or ordinary shares if the underwriters exercise their option to purchase additional ADSs in full), including ordinary shares, which number of shares has been calculated based on the initial offering price of US$ per ADS.
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over-allotment option</td>
<td>We [and certain selling shareholders] have granted to the underwriters an option, which is exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs.</td>
</tr>
<tr>
<td>Use of proceeds</td>
<td>We expect to receive net proceeds of approximately US$ million from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. [We will not receive any of the proceeds from the sale of ADSs by the selling shareholders.]</td>
</tr>
<tr>
<td>Use of proceeds</td>
<td>We plan to use the net proceeds of this offering primarily (i) to provide premium eSports content and further expand content genres, (ii) to continue to strengthen technologies and big data analytic capabilities, (iii) to invest in marketing activities, and (iv) for general corporate purposes. See &quot;Use of Proceeds.&quot;</td>
</tr>
<tr>
<td>Lockup</td>
<td>We, our directors and executive officers, our existing shareholders and RSU holders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or dispose of, directly or indirectly, any of ADSs or ordinary shares or securities convertible into or exercisable or exchangeable for ADSs or ordinary shares for a period of 180 days after the date of this prospectus. See &quot;Shares Eligible for Future Sale&quot; and &quot;Underwriting&quot; for more information.</td>
</tr>
<tr>
<td>NYSE trading symbol</td>
<td>DOYU</td>
</tr>
<tr>
<td>Payment and settlement</td>
<td>The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2019.</td>
</tr>
<tr>
<td>Depositary</td>
<td>JPMorgan Chase Bank, N.A.</td>
</tr>
<tr>
<td>Risk factors</td>
<td>See &quot;Risk Factors&quot; and other information included in this prospectus for discussions of the risks relating to investing in the ADSs. You should carefully consider these risks before deciding to invest in the ADSs.</td>
</tr>
</tbody>
</table>
SUMMARY COMBINED AND CONSOLIDATED FINANCIAL DATA AND OPERATING DATA

The following summary combined and consolidated statements of comprehensive income/(loss) data for the years ended December 31, 2016, 2017 and 2018, summary combined and consolidated balance sheet data as of December 31, 2016, 2017 and 2018 and summary combined and consolidated cash flow data for the years ended December 31, 2016, 2017 and 2018 have been derived from our audited combined and consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods. You should read this Summary Combined and Consolidated Financial Data and Operating Data section together with our combined and 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.

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 (in millions)</td>
<td>2017 (in millions)</td>
<td>2018 (in millions)</td>
</tr>
<tr>
<td>Net revenues</td>
<td>786.9</td>
<td>1,885.7</td>
<td>3,654.4</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>(1,155.1)</td>
<td>(1,890.4)</td>
<td>(3,503.4)</td>
</tr>
<tr>
<td>Gross (loss)/profit</td>
<td>(368.2)</td>
<td>(4.7)</td>
<td>151.0</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(223.5)</td>
<td>(310.3)</td>
<td>(538.9)</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(93.5)</td>
<td>(212.1)</td>
<td>(329.3)</td>
</tr>
<tr>
<td>General and administrative expenses (^{(1)})</td>
<td>(95.0)</td>
<td>(100.6)</td>
<td>(196.8)</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>3.8</td>
<td>9.3</td>
<td>54.9</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(408.2)</td>
<td>(613.7)</td>
<td>(1,010.1)</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(776.4)</td>
<td>(618.4)</td>
<td>(859.1)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>0.0</td>
<td>(0.3)</td>
<td>(20.2)</td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>—</td>
<td>—</td>
<td>(75.6)</td>
</tr>
<tr>
<td>Interest income</td>
<td>3.9</td>
<td>6.9</td>
<td>85.8</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(8.9)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fair value change of warranty liabilities</td>
<td>0.7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(780.7)</td>
<td>(611.8)</td>
<td>(869.1)</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Share of loss in equity method investments, net</td>
<td>(2.2)</td>
<td>(1.1)</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
</tr>
<tr>
<td>Deemed dividend</td>
<td>(284.9)</td>
<td>—</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Net loss attributable to ordinary shareholders of the Company</td>
<td>(1,067.8)</td>
<td>(612.9)</td>
<td>(883.0)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax of nil:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>—</td>
<td>325.6</td>
<td>47.3</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(500.7)</td>
</tr>
</tbody>
</table>

Note:

\(^{(1)}\) Includes share-based compensation of RMB24.9 million, RMB17.6 million and RMB35.4 million (US$5.1 million) in 2016, 2017 and 2018, respectively.
### Combined and Consolidated Balance Sheet Data

The following table presents our summary combined and consolidated balance sheet data as of December 31, 2016, 2017 and 2018.

<table>
<thead>
<tr>
<th>Summary Combined and Consolidated Balance Sheet Data:</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>516.8</td>
<td>539.6</td>
<td>5,562.2</td>
<td>809.0</td>
</tr>
<tr>
<td>Total current assets</td>
<td>675.9</td>
<td>862.9</td>
<td>6,117.0</td>
<td>889.7</td>
</tr>
<tr>
<td>Total assets</td>
<td>778.9</td>
<td>1,031.6</td>
<td>6,494.9</td>
<td>944.6</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>15.0</td>
<td>45.9</td>
<td>112.1</td>
<td>16.3</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>120.7</td>
<td>208.2</td>
<td>313.5</td>
<td>45.6</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>523.9</td>
<td>871.9</td>
<td>2,863.9</td>
<td>416.5</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>523.9</td>
<td>871.9</td>
<td>2,863.9</td>
<td>416.5</td>
</tr>
<tr>
<td><strong>Total liabilities, convertible redeemable preferred shares and shareholders’ deficit</strong></td>
<td><strong>778.9</strong></td>
<td><strong>1,031.6</strong></td>
<td><strong>6,494.9</strong></td>
<td><strong>944.6</strong></td>
</tr>
</tbody>
</table>

The following table presents our summary combined and consolidated cash flow data for the years ended December 31, 2016, 2017 and 2018.

<table>
<thead>
<tr>
<th>For the Year Ended December 31.</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>(714.1)</td>
<td>(381.0)</td>
<td>(337.6)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(86.3)</td>
<td>(92.0)</td>
<td>(265.0)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>1,298.2</td>
<td>500.0</td>
<td>5,280.1</td>
</tr>
<tr>
<td>Effect of foreign exchange rate changes on cash and cash equivalents</td>
<td>1.4</td>
<td>(4.2)</td>
<td>345.1</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td><strong>499.2</strong></td>
<td><strong>22.8</strong></td>
<td><strong>5,022.6</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>17.6</td>
<td>516.8</td>
<td>539.6</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td><strong>516.8</strong></td>
<td><strong>539.6</strong></td>
<td><strong>5,562.2</strong></td>
</tr>
</tbody>
</table>

### Non-GAAP Financial Measure

To supplement our combined and consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use adjusted net loss, a non-GAAP financial measure, which is calculated as net loss adjusted for share-based compensation expenses, share of loss in equity method investment and impairment loss on investment, to understand and evaluate our core operating performance. Adjusted net loss is presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measure to its most directly comparable GAAP financial measures. As adjusted net loss has material limitations as an analytical metric and may not be calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted net loss as a substitute for, or superior to, net loss prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety and not rely on any single financial measure.
The table below sets forth a reconciliation of adjusted net loss to net loss for the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>(782.9)</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expenses</td>
<td>24.9</td>
</tr>
<tr>
<td>Share of loss in equity method investments</td>
<td>2.2</td>
</tr>
<tr>
<td>Impairment loss of investment</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted net loss</strong></td>
<td>(755.8)</td>
</tr>
</tbody>
</table>

Key Operating Data

The following table presents our key operating data for the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 (in millions, except for average next-month active user retention rate, quarterly average paying ratio and quarterly average ARPPU)</td>
</tr>
<tr>
<td>Average Next-Month Active User Retention Rate(1)</td>
<td>73.3%</td>
</tr>
<tr>
<td>Quarterly Average Paying Ratio(2)</td>
<td>1.1%</td>
</tr>
<tr>
<td>Average MAUs on PC Platform(3)</td>
<td>65.3</td>
</tr>
<tr>
<td>Average MAUs on Mobile Platform(3)</td>
<td>20.3</td>
</tr>
<tr>
<td>Average Total MAUs(4)</td>
<td>85.6</td>
</tr>
<tr>
<td>Quarterly Average Paying Users(5)</td>
<td>0.9</td>
</tr>
<tr>
<td>Quarterly Average ARPPU (RMB)(6)</td>
<td>164</td>
</tr>
</tbody>
</table>

Notes:

(1) Average next-month active user retention rate for any period is calculated by dividing (i) the sum of next-month active user retention rate for each month of such period, by (ii) the total number of months in such period. Next-month active user retention rate is calculated by dividing (i) the sum of users who visited our platform through PC or mobile app at least once in the next month after a given month, by (ii) the sum of all active users in that given month. Next-month active user retention rate is only available from September 2016.

(2) Quarterly average paying ratio for a given period is calculated (i) the sum of paying ratio for each quarter of such period, by (ii) the number of quarters in such period. Paying ratio for a given quarter is calculated by dividing (i) the sum of paying users in such quarter, by (ii) the average total MAUs in such quarter.

(3) MAUs refers to the number of active users, including active PC users and active mobile users in a given month.

(4) Average total MAUs refers to the average total MAUs during a given period of time calculated by dividing (i) the sum of active users, including active PC users and active mobile users for each month of such period, by (ii) the number of months in such period.

(5) Quarterly average paying users refers to the average paying users for each quarter during a given period of time calculated by dividing (i) the sum of paying users for each quarter of such period, by (ii) the number of quarters in such period. Paying user refers to a registered user that has purchased virtual gifts on our platform at least once during the relevant period. A paying user is not necessarily a unique user, however, as a unique user may set up multiple paying user accounts on our platform, and consequently, the number of paying users we present in this prospectus may not equal to the number of unique individuals who made purchases on our platform for any given period of time.

(6) Quarterly average ARPPU refers to average live streaming revenue per paying user for each quarter during a given period of time calculated by dividing live streaming revenue for a given period by: (i) quarterly average paying users for that given period and (ii) number of quarters in that given period.
RISK FACTORS

You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below and our combined and consolidated financial statements and related notes, before making an investment in our ADSs. Any of the following risks and uncertainties could have a material adverse effect on our business, financial condition, results of operations and prospects. The market price of our ADSs could decline significantly as a result of any of these risks and uncertainties, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

If we fail to retain our existing users, keep them engaged or further grow our user base, our business, operation, profitability and prospects may be materially and adversely affected.

The size of our user base and the level of our user engagement are critical to our success. Our main monetization strategies—live streaming, advertisement and others depend on our ability to maintain and increase the size of our user base and user engagement level. If our user base becomes smaller or our users become less active, it is probable that they would spend less on our virtual gifts and jointly operated games or visit our advertisements less frequently, or access our platform less in general. This would in turn drive top streamers away from our platform, discourage companies from purchasing advertisements on our platform and dissuade game developers and publishers from distributing their games through our platform. Our financial condition would suffer from the consequential decline in revenue and our business and operating results will be materially and adversely impacted.

According to iResearch, we ranked first among China's game-centric live streaming platforms in terms of the size of our user base as measured by average total MAUs on both mobile and PC platforms and the level of user engagement as measured by average total daily time spent by active users on our platform during the fourth quarter of 2017 and 2018. Maintaining and improving the current size of user base and level of user engagement are critical to our continued success. However, to maintain and improve this already large size of user base and high level of user engagement, we would have to ensure that we adequately and timely respond to changes in user preferences, attract and retain enough popular streamers, and offer new features and content that may attract new users. There is no guarantee that we could meet all of these goals. A number of factors could negatively affect user retention, growth and engagement, including if:

- we are unable to combat spam on or inappropriate or abusive use of our platform, which may lead to negative public perception of us and our brand;
- technical or other problems prevent us from delivering our services in a rapid and reliable manner or otherwise adversely affect the user experience;
- we fail to innovate our communities, user-generated content and our virtual gifts that keep our users interested and be eager to return to our platform on a regular basis;
- our streamers failed to keep our users engaged on our platform over a long period of time;
- we suffer from negative publicity, fail to maintain our brand or if our reputation is damaged;
- we fail to address user concerns related to privacy and communication, safety, security or other factors;
- there are adverse changes in our services that are mandated by, or that we elect to make to address, legislation, regulations or government policies; and
- the growth of the number of PC and smartphone users in China stalls.

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We may fail to attract, cultivate and retain top streamers, which may materially and negatively affect our user retention and thus our business and operations.

As of December 31, 2018, our streamer pyramid consisted of 6.0 million registered streamers, including more than 5,200 top streamers each of whom entered into an exclusive contract with us directly, approximately 384,800 streamers managed through talent agencies and the rest who are self-registered streamers. As of December 31, 2017, our platform had 3.9 million registered streamers, including more than 2,000 top streamers each of whom entered into an exclusive contract with us directly. Our top streamers tend to have large following bases who regularly support these streamers with virtual gifts, and they also tend to attract many integrated promotion activities during live streaming compared to self-registered streamers. Their charisma and the high-quality content that they create are primary contributors to user stickiness and are hard to replicate with self-registered streamers. In 2016, 2017 and 2018, our exclusive streamers accounted for 34.8%, 46.1% and 50.3% of our total live streaming revenue.

Although we have signed exclusive contracts with top streamers at typically three- to five-year terms that contain non-compete clauses, top streamers may still choose to depart us when their contract period ends, and their departure may cause a corresponding decline in our user base. As we attract top streamers from other platforms, we have also been involved in legal disputes concerning top streamers with competing platforms. Although we are not the primary target of these legal disputes, such streamers may be subject to fines or even injunctions which may render our investment in recruiting them meaningless. On the other hand, some of our top streamers have left us for competing platforms despite still being in contractual relationship with us which may raise legal disputes. Although we have won most of the legal disputes against these breaching streamers, their departures may still have a negative impact on user retention and reputation. To retain top streamers, we must devise better streamer compensation schemes, improve our monetization capabilities and help the top streamers reach a wider audience. Although we strive to improve ourselves in these two respects, we cannot guarantee that our streamers will not leave us even if we do our best to retain them.

In terms of streamer cultivation, we cannot guarantee that the performance metrics we use to track promising streamers will enable us to identify future top streamers. Some of the streamers we identify as promising may turn out to be underperforming, and we may also fail to spot truly promising streamers in early stages of their career. In addition to a waste of resources, either one of these scenarios could prevent us from cultivating top streamers, which could weaken our core competitive strength against competing platforms and thus cause an outflow of users to those platforms.

We may fail to offer attractive content, in particular popular game content, on our platform.

We offer comprehensive live streaming content with a primary focus on games. Our content library is constantly evolving and growing. Game content has been the key component of our content offerings since our inception, 72.0% of our streamers were game streamers as of December 31, 2018 and game streaming attracted 81.3% of viewship in terms of total viewing hours across our platform in the fourth quarter of 2018. In response to viewers’ growing interests, we also have expanded our coverage into other entertainment content genres. We actively track viewship growth and community feedback to identify trending content and encourage our streamers and talent agencies to create content that caters to viewers constantly changing tastes. However, if we fail to expand and diversify our content offerings, identify trending and popular genres, or maintain the quality of our content, we may experience decreased viewship and user engagement, which may materially and adversely affect our results of operations and financial conditions.

In addition, we largely rely on our streamers to create high-quality and fun live streaming content. We have in place a comprehensive and effective incentive mechanism to encourage streamers and talent agencies to supply content that is attractive to our viewers. Also, talent agencies cooperating with
us may guide or influence streamers to live stream content that is well received by our viewers. However, if we fail to observe the latest trends and timely guide streamers and talent agencies accordingly, or fail to attract streamers who are capable of creating content based on popular games, or if streamers fail to produce content for trending games, our viewer number may decline and our financial condition and results of operations may be materially and adversely affected.

We have significant reliance on the eSports industry.

As the nexus of the eSports ecosystem, our platform connects game developers and publishers, professional eSports teams or players and eSports tournament organizers, advertisers and viewers. User generated content covering eSports games is the largest contributor to our user base. Our average total eSports MAUs were approximately 80.9 million and 95.8 million in the fourth quarter of 2017 and 2018, respectively. In addition to streaming of eSports games, major eSports events and tournaments, we also sponsor leading eSports teams and organize our own eSports tournaments.

We rely heavily on a number of eSports games to generate our user traffic. For example, League of Legends, PlayerUnknown's Battlegrounds and King of Glory, the three most popular eSports games on our platform, each attracted over 40 million average total MAUs on our platform and in total generated over 1,050 million hours spent by our users during the fourth quarter of 2018. As a result, if we fail to maintain our market position in the eSports industry or to attract users through live streaming of popular eSports games, our user base and streamer base may shrink significantly. We may experience decreased viewership and user engagement, which may materially and adversely affect our results of operations and financial condition.

If we fail to effectively manage our growth and control our periodic spending to maintain such growth, our brand, business and results of operations may be materially and adversely affected.

We have experienced a period of significant rapid growth and expansion that has placed, and continues to place, significant strain on our management and resources. However, given our limited operating history and the rapidly evolving market in which we compete, we may encounter difficulties as we establish and expand our operations, research and development, sales and marketing, and general and administrative capabilities. We cannot assure you that this level of growth will be sustainable or achieved at all in the future. We believe that our continued growth will depend on our ability to attract and retain viewers and top streamers, develop an infrastructure to service and support an expanding body of viewers and streamers, explore new monetization avenues, convert non-paying users to paying users, increase user engagement levels and capitalize on the eSports industry. We cannot assure you that we will be successful with any of the above.

To manage our growth and maintain profitability, we expect our costs and expenses to continue to increase in the future as we anticipate that we will need to continue to implement, from time to time, a variety of new and upgraded operational, informational and financial systems, procedures and controls on an as-needed basis, including the continued improvement of our accounting and other internal management systems. We will also need to expand, train, manage and motivate our workforce and manage our relationships with viewers and streamers game developers and publishers, advertisers and other business partners. All of these endeavors involve risks and will require substantial management efforts and skills and significant additional expenditures. We expect to continue to invest in our infrastructure in order to enable us to provide our services rapidly and reliably to viewers and streamers. Continued growth could end up straining our ability to maintain reliable service levels for all of our viewers and streamers, develop and improve our operational, financial, legal and management controls, and enhance our reporting systems and procedures. Managing our growth will require significant expenditures and the allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, operating results and financial condition could be harmed.
We have incurred net losses since inception, and we may continue to incur losses in the future.

We have incurred significant net losses to date. Although we generated positive gross profit for the first time recently in 2017 and then in 2018, such positive trend may not translate into a net after-tax profit. The time it will take for us to eventually achieve profitability hinges on our ability to grow rapidly in a cost-effective way, and we may not be able to grow this way successfully.

While our future revenue growth will be linked with the realization of our monetization strategies, which will be affected by user engagement, streamer retention and product offering, our cost-effective growth will primarily rely on improvement of operational efficiency, which has been reflected so far in the continually decreasing percentage of our content costs and bandwidth and server costs in our total operating costs. This trend of operational efficiency improvement may not continue in the future, or it may not reach a sufficient level to generate profitability. Our ability to continue to improve operational efficiency will depend on our ability to maintain stronger bargaining position in contract negotiations with top streamers, streamline our operation, achieve economies of scale and employ more advanced streaming technologies at lower cost, among other things. Additionally, our ability to achieve profitability is affected by various external factors, many of which are beyond our control, such as the PC and mobile games market and eSports industry in China, and the development of social networking, live streaming services and mobile marketing services. We cannot assure you that we will be able to improve our operational efficiency in the future.

We may again incur losses in the near future due to our continued investment in services, technologies, research and development and our continued sales and marketing initiatives. Changes in the macroeconomic and regulatory environment or competitive dynamics and our inability to respond to these changes in a timely and effective manner may also impact our profitability. Accordingly, we cannot assure you that our company will turn profitable in the short term just because we have made substantial investment in various areas.

Our business may suffer if we fail to successfully implement our monetization strategies.

Our monetization model is new and evolving. Our streaming platform is free to access, and we generate revenues primarily from live streaming and advertisement. As a result, our revenue is affected by our ability to increase user engagement and convert non-paying users into paying users, which in turn depends on our ability to offer content, virtual gifts, advertisements and other services. In 2016, 2017 and 2018, we generated RMB611.3 million, RMB1,521.8 million and RMB3,147.2 million (US$457.7 million) from live streaming, representing 77.7%, 80.7% and 86.1% of our total revenues for the same period. We also generate a sizeable portion of our revenues from providing advertisement and other services on our platform. In 2016, 2017 and 2018, we generated RMB175.6 million, RMB363.9 million and RMB507.2 million (US$73.8 million) from advertisements and others, representing 22.3%, 19.3% and 13.9% of our total revenues for the same period. We also generate a small portion of our revenue from game distribution, which involves revenue-sharing arrangements with game developers and publishers. If we are not successful in enhancing our ability to monetize our existing services or developing new approaches to monetization, we may not be able to maintain or increase our revenues and profits or recover any associated costs. We monitor market developments and may adjust our monetization strategies accordingly from time to time, which may result in decreases of our overall revenue or revenue contributions from some monetization channels. In addition, we may in the future introduce new services to diversify our revenue streams, including services with which we have little or no prior development or operating experience. If these new or enhanced services fail to engage customers or platform partners, we may fail to generate sufficient revenues to justify our investments, and our business and operating results may suffer as a result.
Our content monitoring system may not be effective in preventing misconduct by our platform users and misuse of our platform and such misconduct or misuse may materially and adversely impact our brand image, business and operating results.

We are a game-centric live streaming platform that provides real-time streaming and interactions. Because we do not have full control over how and what streamers or viewers will use our platform to communicate, our platform may be misused by individuals or groups of individuals to engage in immoral, disrespectful, fraudulent or illegal activities. For example, we detect spam accounts through which illegal or inappropriate content is streamed or posted and illegal or fraudulent activities are conducted on a timely basis. Media reports and Internet forums have covered some of these incidents, which have in some cases generated negative publicity about our platform and brand. We have implemented control procedures to detect and block illegal or inappropriate content and illegal or fraudulent activities conducted through the misuse of our platform, but such procedures may not prevent all such content from being broadcasted or posted or activities from being carried out. Moreover, as we have limited control over real-time and offline behavior of our users, to the extent such behavior is associated with our platform, our ability to protect our brand image and reputation may be limited. Our business and the public perception of our brand may be materially and adversely affected by misuse of our platform.

In addition, if any of our viewers suffers or alleges to have suffered physical, financial or emotional harm following contact initiated on our platform or after watching unsettling or inappropriate content that our content monitoring system failed to filter out, we may face civil lawsuits or other liabilities initiated by the affected viewer, or governmental or regulatory actions against us. In response to allegations of illegal or inappropriate activities conducted through our platform or any negative media coverage about us, PRC government authorities may intervene and hold us liable for non-compliance with PRC laws and regulations concerning the dissemination of information on the Internet and subject us to administrative penalties or other sanctions, such as requiring us to restrict or discontinue some of the features and services provided on our website and mobile application, or even revoke our licenses or permits to provide Internet content service. We endeavor to ensure all streamers are in compliance with relevant regulations, but we cannot guarantee that all streamers will comply with all the PRC laws and regulations. Therefore, our live streaming service may be subject to investigations or subsequent penalties if content displayed on our platform is deemed to be illegal or inappropriate under PRC laws and regulations. As a result, our business may suffer and our user base, revenues and profitability may be materially and adversely affected.

Our limited operating history with a relatively new business model in a relatively new market makes it difficult to evaluate our business and growth prospects.

Our business operations commenced in 2014, with commercialization beginning midway through 2015. We experienced growth in the number of active and paying users and total revenue since 2016. However, our growth in 2016, 2017 and 2018 may not be indicative of our future performance, as our operating results represent a limited size of sample of operational results and may be hard to repeat in the future.

Many of the elements of our business are unique and evolving. The markets for our live streaming platform and the related products and services are relatively new and rapidly developing and are subject to significant challenges, especially in terms of converting non-paying users to paying users, maintaining a stable paying user base and attracting new paying users. Our business plan relies heavily upon an expanding user base and the resulting increased revenue from live streaming and advertisement, as well as our ability to capitalize on the eSports industry and explore other monetization avenues. We may not succeed in any of these aspects.
As the live streaming industry in China is relatively young, there are few proven methods of projecting user demand or available industry standards on which we can rely. Some of our current monetization methods are also in a relatively preliminary stage. For example, if we fail to properly manage the volume and price of our virtual gifts, our users may be less likely to purchase them. We cannot assure you that our attempts to monetize our viewers and streamers will continue to be successful, profitable or accepted, and therefore the income potential of our business is difficult to gauge.

Our growth prospects should be considered in light of the risks and uncertainties that fast-growing early-stage companies with limited operating histories in evolving industries may encounter, including, among others, risks and uncertainties regarding our ability to

• develop new virtual gifts that are appealing to users;
• develop new advertisement formats that are appealing to advertising partners;
• maintain stable relationships with game developers and publishers; and
• expand to new geographic markets with good eSports environment and high growth potential.

Addressing these risks and uncertainties will require significant capital expenditures and allocation of valuable management and employee resources. If we fail to successfully address any of the above risks and uncertainties, the size of our user base, our revenue and operating margin may decline.

In our market, we mainly compete with other established streaming platforms and other entertainment mediums. If we are unable to compete effectively, our business and operating results may be materially and adversely affected.

Since running a successful live streaming platform requires intensive capital outlay and a large team of quality streamers, who remain in short supply due to the fact that most have signed contracts with existing platforms, there are high entry barriers for our industry. As a result, our major competitors are streaming platforms with an established presence in the industry. While such competition may only come from a few established players instead of many newcomers, competition remains intense. As it is unlikely that viewers will watch streams on two platforms at once, and most top streamers sign exclusive contracts with only one platform, we compete mainly for user traffic and top streamers. If we are not able to effectively compete with our competitors, our overall user base and level of user engagement may decrease, which may result in loss of top streamers to other platforms. Such loss may also lead to fewer paying users and make us less attractive to advertisers and game developers and publishers, which may adversely affect our monetization success.

To better compete with competitors which may have more cash, traffic, technological advantages, top streamers, business networks and other resources than we do, we may be required to spend additional resources, which may adversely affect our profitability. Furthermore, if we are involved in disputes with any of our competitors that result in negative publicity to us, such disputes, regardless of their veracity or outcome, may harm our reputation or brand image and in turn lead to reduced number of viewers and streamers. Our competitors may unilaterally decide to adopt a wide range of measures targeted at us, including approaching our top streamers, purchasing exclusive streaming rights to eSports tournaments or events that used to be streamed on our platform, or even attacking our platform. Any legal proceedings or measures we take in response to competition and disputes with our competitors may be expensive, time-consuming and disruptive to our operations and divert our management’s attention.
We believe that our ability to compete effectively depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance and reliability of our services compared to those of our competitors, and the research and development abilities of us and our competitors;

- changes mandated by, or that we elect to make to address, legislation, regulations or government policies, some of which may have a disproportionate effect on us;

- acquisitions or consolidation within our industry, which may result in more formidable competitors; and

- our reputation and brand strength relative to our competitors.

In addition, our users have a vast array of entertainment choices. Other forms of entertainment, such as traditional PC and console games, other online video services, social networking, as well as more traditional mediums such as television, movies and sports spectating, are much more well-established in mature markets and may be perceived by our users to offer greater variety, affordability, interactivity and enjoyment. Our platform competes against these other forms of entertainment for the discretionary time and spending of our users. If we are unable to sustain sufficient interest in our platform in comparison to other forms of entertainment, including new forms of entertainment that may emerge in the future, our business model may no longer be viable.

Our revenue growth is heavily dependent on paying users and revenue per paying user. If we fail to continue to grow or maintain our paying user and continue to increase revenue per paying user, our live streaming revenue may not increase, which may materially and adversely affect our business operation and financial results.

Our quarterly average paying users grew from 0.9 million in 2016 to 2.4 million in 2017 and further to 3.8 million in 2018. Moreover, our average revenue per paying user (“ARPPU”) per quarter changed from approximately RMB164 in 2016 to RMB156 in 2017 and increased to RMB208 in 2018. Whether we can continue this trend of increasing paying ratio amongst our users depends on many factors, and many of them are out of our control. For example, our paying users may have less disposable income as they need to meet financial obligations elsewhere, they may decide to no longer support a particular streamer that they used to follow financially, and an overall worsening economic conditions can lower disposable income for all existing paying users, causing them to spend less on our platform. We expect that our business will continue to be heavily dependent on revenue collected from paying users in the near future. Any decline in the number paying users or our paying ratio may materially and adversely affect our results of operations. See "—Our business may suffer if we fail to successfully implement our growth or monetization strategies."

We generate a portion of our revenues from advertisement. If we fail to maintain or grow advertisement revenue, our financial results may be adversely affected.

In 2016, 2017 and 2018, we generated RMB116.6 million, RMB248.8 million and RMB342.2 (US$49.8 million) million from the sale of advertisements, representing 14.8%, 13.2% and 9.4% of our total revenues for the same period. Our revenues from advertisement represent an important part of our total revenue, and our financial results could be adversely affected if we fail to maintain or grow it in the future. For us to maintain or grow our advertisement revenue, we need to attract more advertisers to our platforms with our increased user traffic and engagement level, or offer more variety in terms of advertisement products that encourage more spending from advertisers. We offer (i) integrated promotion activities during live streaming, (ii) advertisement display, and (iii) online and offline events-related advertisements. We expect to introduce more integrated promotion activities that are engaging, creative and fun and hold events that are sponsored by advertisers, who have naming
rights to these events. Failure to do so may adversely impact our advertisement revenue. In addition, traditional display advertisements are subject to time and space restrictions, especially when displayed on mobile devices which have become popular among our users. As a result, our business and results of operations may be adversely impacted.

Advertisement revenue is also affected by online advertising industry in China and advertisers’ allocation of budgets to Internet advertising and promotion. Companies that decide to advertise or promote online may utilize more established methods or channels for online advertising and promotion, such as more established Chinese Internet portals or search engines, over advertising and promotion on our platforms. If the online advertising market size does not increase from current levels, or if we are unable to capture and retain a sufficient share of that market, our ability to maintain or increase our current level of advertisement revenue and our profitability and prospects could be adversely affected.

If we fail to obtain or maintain the required licenses and approvals or if we fail to comply with laws and regulations applicable to our industry, our business, financial condition and results of operations may be materially and adversely affected.

The Internet industry in China is highly regulated, which requires certain licenses, permits, filings and approvals to conduct and develop business. Currently, we have obtained the following valid licenses through our PRC variable interest entities: ICP License for provision of Internet information services, Internet Culture Operation License for operating online games and music products, Commercial Performance License for providing streamer agency services, License for Online Transmission of Audio/Video Programs for providing online streaming of video and Radio and Television Program Production and Operating Permit for producing radio and television program.

Due to the uncertainties of interpretation and implementation of existing and future laws and regulations, the licenses we held may be deemed insufficient by governmental authorities, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions by relevant regulators if our practice is deemed as violating relevant laws and regulations. As we develop and expand our business scope, we may need to obtain additional qualifications, permits, approvals or licenses. Moreover, we may be required to obtain additional licenses or approvals if the PRC government adopts more stringent policies or regulations for our industry.

For example, according to the Administrative Provisions for Audio/Video Programs Services through Internet which was promulgated by the State Administration for Radio, Film and Television (the "SARFT") (which is the predecessor of the State Administration of Press, Publication, Radio, Film and Television), came into effect on January 31, 2008, and amended on August 28, 2015 (the "Audio/Video Measures"), to engage in the business of transmitting audio/video programs, a License for Online Transmission of Audio/Video Programs is required. We have obtained the License for Online Transmission of Audio/Video Programs for offering live video programs on our platforms. We are currently applying to expand the scope of our License for Online Transmission of Audio/Video Programs and there is no guarantee that we will be successful in doing so. License for Online Transmission of Audio/Video Programs is subject to periodical renewal. Although we have successfully renewed it in the past, there is no guarantee that we will be able to continue to do so in the future. We may not be able to continue to hold the License for Online Transmission Audio/Video Programs, and the scope specified in our License for Online Transmission Audio/Video Programs may not be able to cover all the needs that arise or will arise in our operations from time to time. Failure to expand the scope of our current License for Online Transmission of Audio/Video Programs or to continue to hold such license may result in fines or other penalties being imposed to us, which may adversely affect our business. In addition, for the purpose of providing Internet audio/video program service, we have adopted and will adopt various operating strategies and measures. Due to the uncertainties of interpretation and application of pertinent laws by the government authority, such strategies and measures may be challenged under PRC laws and regulations and if so, we may be subject to fines,
confiscation of income related or other penalties and, in certain circumstances, suspension or revocation of the license, which may materially and adversely affect our business.

In addition, publishing and the commercial launch of domestic online games is subject to the pre-approval by the National Radio and Television Administration (the "NRTA") and the post-filing requirements with the Ministry of Culture and Tourism (formerly known as the Ministry of Culture, the "MCT"), while the commercial launch of imported online games is subject to pre-approval by both of the NRTA and the MCT. Although the game publishers are responsible for obtaining the required approvals, filings or permits for these online games streamed or operated on our platform, we may be subject to fines, confiscation of income from these games, suspension of operations, revocation of licenses and other penalties due to game publishers' failure to obtain such approvals, filings or permits, which could materially and adversely affect our business and results of operations. With respect to pre-approval for publishing of online games, the NRTA suspended such permission from March to December 2018 and have since restored it. As for the post-filing requirements for commercial launch of online games, the MCT has suspended such permission since June 2018 and has not restored it as of the date of this Prospectus. As a result, game publishers may not be able to obtain approval or make filings for games they operate that were not approved by, or filed with the NRTA or MCT. Furthermore, if more stringent regulations were adopted or the government authority takes more strict regulation or action against online games industry in the future, it might be increasingly difficult to introduce or operate new online games streamed or operated on our platform, which will adversely affect our business.

As the Internet industry in China is still at a relatively early stage of development, new laws and regulations may be adopted from time to time to address new issues that come to the authorities' attention. Considerable uncertainties still exist with respect to the interpretation and implementation of existing and future laws and regulations governing our business activities. We could be found in violation of any future laws and regulations or any of the laws or regulations currently in effect due to changes in the relevant authorities' interpretation of these laws and regulations.

As of the date of this prospectus, we have not received any material penalties from the relevant government authorities for our past operations. We cannot assure you, however, that the government authorities will not do so in the future. In addition, we may be required to obtain additional license or permits, and we cannot assure you that we will be able to timely obtain or maintain all the required licenses or permits or make all the necessary filings in the future. If we fail to obtain, hold or maintain any of the required licenses or permits or make the necessary filings on time or at all, we may be subject to various penalties, such as confiscation of the net revenues that were generated through the unlicensed activities, the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our operations and materially and adversely affect our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to our platform, or distributed to our users, or for proprietary information appropriated by former employees, which may materially and adversely affect our business, financial condition and prospects.

We have been and may in the future be subject to intellectual property infringement claims or other allegations by third parties for services we provide or for information or content displayed on, retrieved from or linked to, recorded, stored or make accessible on our platform, or otherwise distributed to our users, including in connection with the music, movies, video and games played, recorded, stored or make accessible on our platform during streaming, which may materially and adversely affect our business, financial condition and prospects.
Under our agreements with streamers, we obtain the intellectual property arising from live-streaming on our platform. We have implemented internal control measures to ensure that the design of our platform and the content that is streamed on it does not infringe on valid intellectual property, such as patents and copyrights held by third parties. We also license certain intellectual properties from third parties to implement certain functions available on our platform.

However, companies in the Internet, technology and media industries are frequently involved in litigation based on allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, defamation and other violations of other parties' rights. In China, the validity, enforceability and scope of protection of intellectual property rights in Internet-related industries, especially in our evolving live streaming industry, are uncertain and still evolving. We face, from time to time, and expect to face in the future, allegations that we have featured pirated or illegally downloaded music and movies on our platform, and that we have infringed on the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. Some of the game streaming on our platform may be alleged to infringe on the copyright in works of literature and art of a game of the game producers, which may also constitute an unfair competition claim. As we face increasing competition and as litigation becomes a more common method for resolving commercial disputes in China, we face a higher risk of being the subject of intellectual property infringement claims or other legal proceedings.

We allow streamers to upload text, graphics, audio, video and other content to our platform and users to download, share, link to and otherwise access games and other content on our platform and we also upload high-quality video clips recorded and restored from selective live streaming content. Under relevant PRC laws and regulations, online service providers, which provide storage space for users to upload works or links to other services or content, could be held liable for copyright infringement under various circumstances, including situations where the online service provider knows or should reasonably have known that the relevant content uploaded or linked to on its platform infringes upon the copyright of others and the online service provider failed to take necessary actions to prevent such infringement. We have procedures implemented to reduce the likelihood that content might be used without proper licenses or third-party consents. However, these procedures may not be effective in preventing the unauthorized posting or distribution of copyrighted content and we may be considered failing to take necessary actions against such infringement. Therefore, we may face liability for copyright or trademark infringement, defamation, unfair competition, libel, negligence, and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through our platform.

Certain of our employees were previously employed at other peer companies, including our current and potential competitors. To the extent that these employees are involved in the development of content or technology similar to ours at their former employers, we may become subject to claims that such employees or we may have appropriated proprietary information or intellectual properties of the former employers of our employees. If we fail to successfully defend such claims, our results of operations may be materially and adversely affected.

Defending claims is costly and can impose a significant burden on our management and employees, and there can be no assurances that favorable final outcomes will be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our platform to reduce the risk of future liability, may have a material adverse effect on our business, financial condition and prospects.
We may be held liable for information or content displayed on, retrieved from or linked to our platform, or distributed to our users if such content is deemed to violate any PRC laws or regulations, and PRC authorities may impose legal sanctions on us. We are a live streaming platform that enables our users to exchange information, generate content, advertise products and services, and engage in various other online activities. Although real-name registration is required for streamers by our platform, we may not be able to verify the identity information provided by our streamers as true and accurate. For registration of users, we verify identities primarily based on verification text messages sent to their mobile devices, which may not always be reliable. As a majority of the video and audio communications on our platform is conducted in real time, cannot filter the content generated by our streamers and users on air before they are streamed on our platform. Therefore, users may engage in illegal conversations or activities, including the publishing of inappropriate or illegal content on our platforms that may be unlawful under PRC laws and regulations.

We require users to agree to our terms of service upon account registration. Our terms of service set out types of content strictly prohibited on our platform, and we have also developed a robust content monitoring system. However, although we use our best efforts to monitor content on our platform, we cannot detect every incident of inappropriate content on our platform due to the immense quantity of user-generated content on our platform, and as such government authorities may hold us liable for inappropriate content on our platform. In addition, application stores may temporarily take down our applications if the content were deemed to violate relevant PRC laws or regulations.

Although we report violations of our terms of service to PRC local authorities, such authorities may not take any action with respect to these violations on a timely basis, if at all. Therefore, our users may engage in conversations or activities on our platform that may be illegal under PRC laws and regulations. We may be subject to fines or other disciplinary actions, including in serious cases suspension or revocation of the licenses necessary to operate our platform, if we are deemed to have facilitated the appearance of inappropriate content placed by third parties on our platform under PRC laws and regulations. Meanwhile, we may face claims for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of the information delivered on or otherwise accessed through our platform. Defending any such actions could be costly and require significant time and attention of our management and other resources, which would materially and adversely affect our business.

We may be materially and adversely affected by the complexity, uncertainties and changes in PRC regulation of the Internet industry and companies.

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 uncertainty. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violations of applicable laws and regulations. Issues, risks and uncertainties relating to PRC regulation of the Internet business include, but are not limited to, the following:

- There are uncertainties relating to the regulation of the Internet business in China, including evolving licensing practices and the requirement for real-name registrations. Permits, licenses or operations at some of our subsidiaries and PRC variable interest entity levels may be subject to challenge, we may not be able to timely obtain or maintain all the required licenses or approvals, permits, or to complete filing, registration or other formalities necessary for our present or future operations, and we may not be able to renew certain permits or licenses or renew certain filing or registration or other formalities. See "—If we fail to obtain or maintain
the required licenses and approvals or if we fail to comply with laws and regulations applicable to our industry, our business, financial condition and results of operations may be materially and adversely affected” and “Regulation.” In addition, although we are not currently required by PRC law to ask all users for their real name and personal information when they register for an user account, PRC regulators could require us to implement compulsory real-name registration for all users on our platform in the future. In late 2011, for example, the Beijing municipal government required micro bloggers in China to implement real-name registration for all of their registered users. If we were required to implement real-name registration for users on our platform, we may lose large numbers of registered user accounts for various reasons, because users may no longer maintain multiple accounts and users who dislike giving out their private information may cease to use our products and services altogether.

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. 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. We are unable to determine what policies this new agency or any new agencies to be established in the future may have or how they may interpret existing laws, regulations and policies and how they may affect us. Further, new laws, regulations or policies may be promulgated or announced that will regulate Internet activities, including online video and online advertising businesses. If these new laws, regulations or policies are promulgated, additional licenses may be required for our operations. If our operations do not comply with these new regulations after they become effective, or if we fail to obtain any licenses required under these new laws and regulations, we could be subject to penalties.

On June 3, 2010, the Ministry of Culture (the "MOC", which is the predecessor of the Ministry of Culture and Tourism, or MCT), promulgated the Provisional Administration Measures of Online Games, or the Online Games Measures, which became effective on August 1, 2010 and amended on December 15, 2017. The Online Games Measures provide that any entity engaging in online game operation activities shall obtain the Internet Culture Operation License and must meet certain requirements. Although an online game developer may be involved in the purchase of servers and bandwidth, the control and management of game data, the maintenance of game systems and certain other maintenance tasks, such activities are not considered as conducting online game operation activities, and that online game developers are not online game operator and do not have to obtain the Internet Culture Operation License in accordance with the Online Games Measures. However, due to lack of detailed interpretative rules and uniform implementation practices and broad discretion of the local competent authorities, there are still uncertainties on the MCT’s interpretation and implementation of these measures. If the MCT determines in the future that such qualifications or requirements apply to the online game developers for their involvement in our online game operations, we may have to terminate our revenue-sharing arrangements with certain unqualified online game developers and may even be subject to various penalties, which may negatively impact our results of operations and financial condition.

On April 15, 2007, eight PRC government authorities, including the General Administration of Press and Publication, or the GAPP, the Ministry of Education, the Ministry of Public Security and the Ministry of Information Industry (which is the predecessor of the Ministry of Industry and Information Technology, or the "MIIT"), issued a notice requiring all Chinese online game operators to adopt an "anti-fatigue system" in an effort to curb addiction to online games by minors. As of October 1, 2011, online game players in China are required to register and verify their names and identity card numbers with the National Citizen Identity Information Center, a subordinate public institution of the Ministry
of Public Security, before playing an online game. These restrictions may lead to a decrease in the number or engagement of game players, which could adversely affect our game live streaming service and have a material effect on our results of operations. More stringent government regulations could be promulgated in future, which will also adversely affect our results of operations.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies 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, Internet businesses in China, including our business. There are also risks that we may be found to violate the existing or future laws and regulations given the uncertainty and complexity of China's regulation of Internet business.

*Increases in the costs of content on our platform, such as higher streamer compensation and recruitment cost with top streamers, may have an adverse effect on our business, financial condition and results of operations.*

We need to continue offering popular and attractive content on our platform to provide our viewers with engaging and satisfying viewing experiences, and our ability to provide such content is dependent on our ability to attract and retain top streamers. We enter into exclusive contracts with our top streamers, under which they are paid a base compensation in addition to a certain percentage of the sales of virtual gifts that they receive. We also sponsor pro players and eSports teams to have them stream their gameplay on our platform. The compensation and recruitment costs that we incur with respect to retaining top streamers may increase, depending on the streamers' revenue contribution. If our competitor platforms offer higher compensation with an intent to attract our popular streamers, costs to retain our streamers may increase. If we are not able to continue to retain our streamers and produce high quality content on our platform at commercially acceptable costs, our business, financial condition and results of operations would be adversely impacted. Furthermore, as our business and user base further expands, we may have to devote more resources in encouraging our streamers to produce content that meets the varied interests of a diverse user base, which would increase the costs of contents on our platform. If we are unable to generate sufficient revenues that outpace our increased content costs, our business, financial condition and results of operations may be materially and adversely affected.

*Any compromise to the cyber security of our platform could materially and adversely affect our business, reputation and results of operations.*

On November 7, 2016, the Standing Committee of the National People's Congress released the PRC Cyber Security Law, which took effect on June 1, 2017. The PRC Cyber Security Law requires network operators to fulfill certain obligations to safeguard security in the cyberspace and enhance network information management.

Our products and services are generally provided through the Internet and involve the storage and transmission of users' information. Any security breach would expose us to a risk of loss of information and result in litigation and potential liability. As the techniques used to obtain unauthorized access, disable or degrade Internet services or sabotage operating systems change frequently and often are not recognized until launched against a target, we may not be able to anticipate such techniques or implement adequate preventative measures. Our user data is encrypted and saved in two different places within our internal servers rather than client-based servers, protected by access control, and further backed up in our long-distance disaster recovery system, so as to minimize the possibility of data loss or breach. Upon a security breach, our technical team will be notified immediately and coordinate with the local supporting staff to diagnose and solve the technical problems. As of the date of this prospectus, we have not experienced any material incidents of security breach.
Despite the security measures we have implemented, our facilities, systems and procedures and those of our third-party providers, may be vulnerable to security breaches, act of vandalism, software viruses, misplaced or lost data, programming or human errors or other similar events which may disrupt our delivery of services or expose the confidential information of our users and others. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, we may lose current and potential users and may be exposed to legal and financial risks, including legal claims, regulatory fines and penalties, which in turn could adversely affect our business, reputation and results of operations.

Our operations depend on the performance of the Internet infrastructure and fixed telecommunications networks in China, which may experience unexpected system failure, interruption, inadequacy or security breaches.

Almost all access to the Internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology, or the MIIT. Moreover, we primarily rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and Internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's Internet infrastructure or the fixed telecommunications networks provided by telecommunication service providers. Web traffic in China has experienced significant growth during the past few years. Effective bandwidth and server storage at Internet data centers in large cities such as Beijing are scarce. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the Internet infrastructure and the fixed telecommunications networks in China can support the demands associated with the continued growth in Internet usage. If we cannot increase our capacity to deliver our online services, we may not be able to the increases in traffic we anticipate from our expanding user base, and the adoption of our services may be hindered, which could adversely impact our business and profitability.

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

The proper functioning of our platform is essential to our business. Any disruption to our IT systems could materially affect our ability to maintain the satisfactory performance of our platform.

The proper functioning of our platform is essential to our business. The satisfactory performance, reliability and availability of our IT systems are critical to our success, our ability to provide content to attract and retain users.

Our technology or infrastructure may not function properly at all times. Any system interruptions caused by telecommunications failures, computer viruses, hacking or other attempts to harm our systems could result in the unavailability or slowdown of our platform and the attractiveness of content provided on our platform. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to system interruptions, website or mobile app slowdown or unavailability or loss of data. Any of such occurrences could cause severe disruption to our daily operations. As a result, our reputation may be materially and adversely affected, our market share could decline and we could be subject to liability claims.

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Our core values of focusing on user experience and satisfaction first and acting for the long-term may conflict with the short-term operating results of our business, and also negatively impact our relationships with advertisers or other third parties.

One of our core values is to focus on user experience and satisfaction, which we believe is essential to our success and serves the best, long-term interests of our company and our shareholders. Therefore, we have made, and may make in the future, significant investments or changes in strategy that we think will benefit our users, even if our decision negatively impacts our operating results in the short-term. For example, in order to provide users of our platform with uninterrupted entertainment options, we do not place significant advertising on our platform. While this decision adversely affects our operating results in the short-term, we believe it enables us to provide higher quality user experience on our platform, which will help us expand and maintain our current large user base and create better monetizing potential in the long-term. In addition, this philosophy of putting our users first may also negatively impact our relationships with advertisers or other third parties, and may not result in the long-term benefits that we expect, in which case the success of our business and operating results could be harmed.

We cooperate with various talent agencies to manage our streamers. If we are not able to maintain our relationship with talent agencies, our operations may be materially and adversely affected.

We cooperate with talent agencies to manage and organize streamers on our platform. As we are an open platform that welcomes all streamers to register on our websites, cooperation with talent agencies increases our operational efficiency in terms of discovering, supporting and managing streamers in a more organized and structured manner, and turning amateur streamers to full-time streamers.

We pay certain of our streamers or their talent agencies fees determined based on a percentage of revenue from virtual gift sales that is attributed to the streamers’ live streams. If we cannot balance the interests between us, streamers and the talent agencies and design a compensation system that is agreeable to both streamers and talent agencies, we may not be able to retain or attract streamers or talent agencies, or both.

In addition, some of the talent agencies have exclusive cooperation relationships with us. If other platforms offer better incentive to talent agencies, such talent agencies may choose to devote more of their resources to streamers who stream on the other platforms, or they may encourage their streamers to use or even enter into an exclusive agreement with other platforms, all of which could materially and adversely affect our business, financial condition and results of operations.

We use third-party services and technologies in connection with our business, and any disruption to the provision of these services and technologies to us could result in adverse publicity and a slowdown in the growth of our users, which could materially and adversely affect our business, financial condition and results of operations.

Our business depends upon services provided by, and relationships with, third parties. For example, some third-party software we use in our operations is currently publicly available without charge. If the owner of any such software decides to make claims against us, charge users, or no longer makes the software publicly available, we may need to enter into settlement with such owners, incur significant cost to license the software, find replacement software or develop it on our own. If we are unable to find or develop replacement software at a reasonable cost, or at all, our business and operations may be adversely affected.

Our overall network relies on broadband connections provided by third-party operators and we expect this dependence on third parties to continue. The networks maintained and services provided by such third parties are vulnerable to damage or interruption, which could impact our results of
operations. See "—Our operations depend on the performance of the Internet infrastructure and fixed telecommunications networks in China, which may experience unexpected system failure, interruption, inadequacy or security breaches."

We also sell a significant portion of our products and services through third-party online payment systems. If any of these third-party online payment systems suffer from security breaches, users may lose confidence in such payment systems and refrain from purchasing our virtual gifts online, in which case our results of operations would be negatively impacted.

We exercise no control over the third parties with whom we have business arrangements. For some of services and technologies such as online payment systems, we rely on a limited number of third-party providers with limited access to alternative networks or services in the event of disruptions, failures or other problems. If such third parties increase their prices, fail to provide their services effectively, terminate their service or agreements or discontinue their relationships with us, we could suffer service interruptions, reduced revenues or increased costs, any of which may have a material adverse effect on our business, financial condition and results of operations.

Our business depends on a strong brand, and any failure to maintain, protect and enhance our brand would hurt our ability to retain or expand our user and customer base, or our ability to increase their level of engagement.

In China, we market our services under the brand "" Our business and financial performance are highly dependent on the strength and the market perception of our brand and services. A well-recognized brand is critical to increasing our user base and, in turn, facilitating our efforts to monetize our services and enhancing our attractiveness to customers. From time to time, we conduct marketing activities across various media to enhance our brand and to guide public perception of our brand and services. In order to create and maintain brand awareness and brand loyalty, to influence public perception and to retain existing and attract new mobile users, customers and platform partners, we may need to substantially increase our marketing expenditures. Since we operate in a highly competitive market, brand maintenance and enhancement directly affect our ability to maintain our market position. We must exercise strict quality control of our platform to ensure that our brand image is not tarnished by substandard products or services. We must also find ways to distinguish our platform from those of our competitors. If for any reason we are unable to maintain and enhance our brand recognition, or if we incur excessive expenses in this effort, our business, results of operations and prospects may be materially and adversely affected.

Concerns about the collection, use and disclosure of personal data and other privacy-related and security matters could deter customers and users from using our services and adversely affect our reputation and business.

Concerns about our practices with regard to the collection, use or disclosure of personal information or other privacy-related and security matters, even if unfounded, could damage our reputation and operations. The PRC Constitution, the PRC Criminal Law, the General Principles of the PRC Civil Law and the PRC Cyber Security Law protect individual privacy in general, which require certain authorization or consent from Internet users prior to collection, use or disclosure of their personal data and also protection of the security of the personal data of such users. In particular, Amendment 7 to the PRC Criminal Law prohibits institutions, companies and their employees in the telecommunications and other industries from selling or otherwise illegally disclosing a citizen's personal information obtained during the course of performing duties or providing services. Our internal policy also requires our employees to protect the personal data of our users, and employees who violate such policy are subject to disciplinary actions, including dismissal. While we strive to comply with all applicable data protection laws and regulations, as well as our own privacy policies, any failure or perceived failure to comply may result in proceedings or actions against us by government
entities or private individuals, which could have an adverse effect on our business. Moreover, failure or perceived failure to comply with applicable laws and regulations related to the collection, use, or sharing of personal information or other privacy-related and security matters could result in a loss of confidence in us by customers and users, which could adversely affect our business, financial condition and results of operations.

Unauthorized use of our intellectual property by our streamers and employees and other third parties and the expenses incurred in protecting our intellectual property rights may harm our brands and reputation and materially and adversely affect our business.

We regard our copyrights, trademarks and other intellectual properties as critical to our success, and rely on a combination of trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. Although our contracts with users typically prohibit the unauthorized use of our brands, images, characters and other intellectual property rights, we cannot assure you that they will always comply with these terms. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. Although we enter into confidentiality agreements and intellectual property ownership agreements with our employees, these confidentiality agreements could be breached, we may not have adequate remedies for any breach, and our proprietary technology, know-how or other intellectual property could otherwise become known to third parties. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

While we actively take steps to protect our proprietary rights, such steps may not be adequate to prevent the infringement or misappropriation of our intellectual property. In addition, we cannot assure you that any of the above trademark applications will ultimately proceed to registration or will result in registration with adequate scope for our business. Some of our pending applications or registrations may be successfully challenged or invalidated by others. If our trademark applications are not successful, we may have to use different marks for affected products or services, or seek to enter into arrangements with any third parties who may have prior registrations, applications or rights, which might not be available on commercially reasonable terms, if at all.

Implementation of intellectual property laws in China has historically been lacking, primarily because of ambiguities in the laws and difficulties in enforcement. Accordingly, intellectual property right protection in China may not be as effective as in other jurisdictions with a more developed legal framework regulating intellectual property rights. Policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary in the future to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources, and could disrupt our business, as well as materially adversely affect our financial condition and results of operations.

Our failure to anticipate or successfully implement new technologies could render our proprietary technologies or platform unattractive or obsolete, and reduce our revenues and market share.

Our technological capabilities and infrastructure underlying our live streaming platform are critical to our success. The Internet industry is subject to rapid technological changes and also evolving quickly in terms of technology innovation. We need to anticipate the emergence of new technologies and assess their market acceptance. We also need to invest significant resources, including financial resources, in research and development to keep pace with technological advances in order to make our development capabilities, our platform and our services competitive in the market. However, development activities are inherently uncertain, and we might encounter practical difficulties in commercializing our development results. Our significant expenditures on research and development may not generate
corresponding benefits. Given the fast pace with which the Internet technology has been and will continue to be developed, we may not be able to timely upgrade our streaming technology our engines or the software framework for our platform development in an efficient and cost-effective manner, or at all. New technologies in programming or operations could render our technologies, our platform or products or services that we are developing or expect to develop in the future obsolete or unattractive, thereby limiting our ability to recover related product development costs, outsourcing costs and licensing fees, which could result in a decline in our revenues and market share.

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

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

**Our business depends substantially on the continuing efforts of our executive officers, key employees and qualified personnel, and our business may be adversely and negatively impacted if we lose their services.**

Our future success depends substantially on the continued efforts of our executive officers and key employees. In particular, we rely on the expertise, experience and vision of Mr. Shaojie Chen, our founder, chairman and chief executive officer, Mr. Wenming Zhang, our co-founder and co-chief executive officer, as well as other members of our senior management team. If one or more of our executive officers or key employees were unable or unwilling to continue their services with us, we might not be able to replace them easily, in a timely manner, or at all. Since the game-centric live streaming industry is characterized by high demand and intense competition for talent, we cannot assure you that we will be able to attract or retain qualified staff or other highly skilled employees. In addition, as our company is relatively young, our ability to train and integrate new employees into our operations may not meet the growing demands of our business which may materially and adversely affect our ability to grow our business and hence our results of operations.

We do not have key man insurance for our executive officers or key employees. If any of our executive officers and key employees terminates their services with us, our business may be severely and adversely affected, our financial condition and results of operations may be materially and adversely affected and we may incur additional expenses to recruit, train and retain qualified personnel. If any of our executive officers or key employees joins a competitor or forms a competing company, we may lose customers, know-how and key professionals and staff members. Each of our executive officers and key employees has entered into an employment agreement and a non-compete agreement with us. However, certain provisions under the non-compete agreement may be deemed invalid or unenforceable under PRC laws. If any dispute arises between our executive officers and key employees and us, we cannot assure you that we would be able to enforce these non-compete agreements in China, where these executive officers reside, in light of uncertainties with China's legal system.
We rely on our mobile application and PC application to provide services to our viewers and streamers which, if inaccessible, may have material adverse impact on our business and results of operations.

We rely on third-party mobile application and PC application distribution channels such as Apple's App Store, various Android application stores, and websites featuring online game to distribute such applications to viewers and streamers. We expect a substantial number of downloads of our mobile applications and PC applications will continue to be derived from these distribution channels. As such, the promotion, distribution and operation of our applications are subject to such distribution platforms' standard terms and policies for application developers, which are subject to the interpretation of, and frequent changes by, these distribution channels. If Apple's App Store or any other major distribution channel interprets or changes its standard terms and conditions in a manner that is detrimental to us, or terminate its existing relationship with us, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, our mobile application was removed temporarily from these third-party distribution channels for a short period of time due to personal misconduct of a streamer, which involved distribution of inappropriate content on our platform in violation of relevant laws and regulations. We have promptly removed such streamer from our platform and implemented measures to procure our platform users, in particular our streamers, to comply with relevant laws and regulations. However, we cannot guarantee that all platform users will comply with all the laws and regulations as well as our policies. For details, please refer to “—Our content monitoring system may not be effective in preventing misconduct by our platform users and misuse of our platform and such misconduct or misuse may materially and adversely impact our brand image, business and operating results.” As a result, our application may again be taken down from these third-party distribution channels, or certain functions of our mobile application or PC application may be disabled, which may be disrupting to our operations and have a material adverse effect on our business and results of operations.

We are subject to risks relating to litigation, which could adversely affect our business, prospects, results of operations and financial condition.

We have been involved in and may be subject to litigation and claims of various types, including litigation alleging infringement of intellectual property rights and claims and disputes involving streamers, customers, our employees and suppliers. Litigation is expensive, subjects us to the risk of significant damages, requires significant management time and attention and could have a material and adverse effect on our business, financial condition and results of operations.

We have been involved in litigation brought by other live streaming platforms against streamers who left these platforms to join us. The courts in some of these legal proceedings held that these streamers violated their non-compete obligations to other live streaming platforms and ordered us to ban these streamers from live streaming on our platform. We may also be forced to ban other streamers on our platform who violate non-compete obligations to other live streaming platforms and could face fines and other penalties for failing to do so, which could adversely affect our business, financial condition and results of operations.

Some of our products and services contain open source software, which may pose particular risk to our proprietary software, products and services in a manner that negatively affects our business.

We use open source software in some of our products and services and will continue to use open source software in the future. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we may face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software. These claims could result in litigation and could require us to make our software source code

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freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully.

**Negative publicity may materially and adversely affect our brand, reputation, business and growth prospects.**

Negative publicity involving us, our streamers, our viewers, our management, our live streaming platform or our business model may materially and adversely harm our brand and our business. We cannot assure you that we will be able to defuse negative publicity about us, our management and/or our services to the satisfaction of our investors, viewers and streamers, customers and platform partners. There has been negative publicity about our company and the misuse of our services, which has adversely affected our brand, public image and reputation. Such negative publicity, especially when it is directly addressed against us, may also require us to engage in defensive media campaigns. This may cause us to increase our marketing expenses and divert our management’s attention and may adversely impact our business and results of operations.

**Contractual disputes with our streamers and talent agencies may harm our reputation and subject us to contractual liabilities, and may be costly or time-consuming to resolve.**

We enter into contracts with some streamers on our platform, either directly or through talent agencies, the terms of which are generally negotiated on a case-by-case basis. The contractual terms between us and our streamers vary depending on factors such as the talent, popularity and revenue-generating potential of the streamers, as well as the minimum streaming hours they commit to our platform. Some of our contracted streamers enjoy fixed base fees while others do not, and some of our contracted streamers are bound by exclusivity clauses while others are not. We also enter into contractual arrangements with certain talent agencies, who are responsible for recruiting and training streamers, and we share a certain percentage of the revenue generated by the streamers they manage with them. From time to time, there may be contractual disputes between streamers, talent agencies and/or us or between us and other third parties relating to our streamers. Any such disputes may not only be costly and time-consuming to solve, but may also be detrimental to the quality of the content produced by our streamers, causing our streamers to leave our platform, decrease user engagement on our platform or otherwise adversely affect our business, financial condition and results of operations.

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

Under PRC advertising laws and regulations, we are obligated to monitor the advertising content shown on our platform to ensure that such content is true and accurate and in full compliance with applicable laws and regulations. In addition, where a special government review is required for specific types of advertisements prior to Internet posting, such as advertisements relating to pharmaceuticals, medical instruments, agrochemicals and veterinary pharmaceuticals, 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 fines, confiscation of our advertisement income, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. In circumstances involving serious violations by us, PRC governmental authorities may force us to terminate our advertisement operations or revoke our licenses.

In addition to the advertisements that were placed by the advertising agencies or advertisers we directly cooperate with, our platform also displays side-bar advertisements placed by streamers on their own streaming channels. While we have made significant efforts to ensure that the advertisements shown on our platform are in full compliance with applicable PRC laws and regulations, we cannot assure you that all the content contained in such advertisements or offers is true and accurate as required by the advertising 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 adverse effect on our business, financial condition, results of operations and prospects.

Our key performance metrics, such as MAUs and paying users, may overstate the number of active and paying users that we have, which may therefore lead to an inaccurate interpretation of our revenue metrics and of our business operations by our management and by investors, and may affect advertisers’ decisions on the amount spent on advertising with us.

For performance tracking purposes, we monitor metrics such as the number of registered user accounts, active users and paying users. We calculate certain operating metrics in the following ways: (a) the number of registered users, which refers to the number of users that has registered and logged onto our platform at least once since registration; (b) the number of active users, which refers to the number of users who visited our platform through PC or mobile app at least once in a given period; (c) the number of paying users, which refers to the number of users that has purchased virtual gifts on our platform at least once in a given period. The actual number of individual users, however, is likely to be lower than that of registered users, active users and paying users potentially significantly, due to various reasons such as fraudulent representation or improper registration. Some of our user accounts may also be created for specific purposes such as to increase virtual gifting for certain performers in various contests, but the number of registered users, active users and paying users do not exclude user accounts created for such purposes. We have limited ability to validate or confirm the accuracy of information provided during the user registration process to ascertain whether a new user account created was actually created by an existing user who is registering duplicative accounts. The respective number of our registered users, active users and paying users may overstate the number of individuals who register on our platforms, sign onto our platforms, purchase virtual gifts or other products and services on our platforms and access DouYu.com, respectively, which may lead to an inaccurate interpretation of our operating metrics.

If the tracked growth in the number of our registered users, active users and paying users is higher than the actual growth in the number of individual registered, active or paying users, our user engagement level, sales and our business may not grow as quickly as we expect, and advertisers may reduce the amount spent on advertising with us, which may harm our business, financial condition and results of operations. In addition, such overstatement may cause inaccurate evaluation of our operations by our management and by investors, which may also materially and adversely affect our business and results of operations.

We are subject to risks relating to our third-party online payment platforms.

Currently, we sell almost all of our products and services to our users through third-party online payment systems. We expect that an increasing amount of our sales will be conducted over the Internet as a result of the growing use of online payment systems. We utilize third-party online payment platforms, such as China UnionPay, WeChat Pay and Alipay, to receive cash proceeds from sales of our virtual currency through direct purchases on our platform. Any scheduled or unscheduled interruption in the ability of our users to use these and other online payment platforms could adversely affect our payment collection, and in turn, our revenue. In addition, in online payment transactions, secure transmission of user information, such as debit and credit card numbers and expiration dates, personal information and billing addresses, over public networks, is essential to user privacy protection and maintaining their confidence in our platform.

We do not have control over the security measures of our third-party payment platforms, and their security measures may not be adequate at present or may not be adequate with the expected increased usage of online payment platforms. We could be exposed to litigation and possible liability if online transaction safety of our users is compromised in transactions involving payments for our virtual

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currency, which could harm our reputation and our ability to attract users and may materially adversely affect our business. We also rely on the stability of such payment transmissions to ensure the continued payment services provided to our users. If any of these third-party online payment platforms fails to process, or ensure the security of, users' payments for any reason, our reputation will be damaged and we may lose our paying users and discourage the potential purchases, which in turn, will materially and adversely affect our business, financial condition and prospects.

Our users may suffer from third-party fraud when purchasing our virtual currency and we may suffer fraud when selling virtual currency to users.

We offer our users multiple options to purchase Yuchi, our virtual currency. Users can purchase these virtual currencies directly on web streaming portal, make in-app purchases using third-party payment channels such as WeChat pay, Alipay and Apple's App Store, or purchase Yuchi from our flagship store on Tmall.com. Other than the above-mentioned official purchase channels, there is no other means to purchase Yuchi. However, from time to time, certain third parties fraudulently claim that users can purchase Yuchi through them. If our users choose to purchase our virtual currency from such third parties, they may suffer losses from such fraudulent activities by third parties. Although we are not directly responsible for such fraudulent activities conducted by third parties, our user experience may be adversely affected and they may choose to leave our platform as a result. Such fraudulent activities by third parties might also generate negative publicity, disputes or even legal claims. The measures we take in response to such negative publicity, disputes or legal claims may be expensive, time consuming and disruptive to our operations and divert our management's attention.

In addition, in 2016, 2017 and 2018, we have run into multiple incidents where the users paid for our virtual currency through fraudulent methods, including illegal use of credit cards. While such incidents have decreased given tightened regulation, we may lose all the revenue we were supposed to generate from the sales as we were not able to collect or recover on any of it when such incidents occur. Although we have instated authentication mechanisms that help us detect such fraudulent paying methods, we still cannot guarantee that our mechanisms can prevent all fraudulent virtual currency purchases. These fraudulent transactions cause harm to our financial results and business operations.

Restrictions on virtual currency may adversely affect our revenues.

In 2015, we launched "Yuchi," the virtual currency that can be used by our viewers to purchase the virtual gifts. Due to the relatively short history of virtual currency in China, the regulatory framework governing the industry is still under development.

On June 4, 2009, the Ministry of Culture and the Ministry of Commerce jointly issued Notice on the Strengthening of the Administration of Online Game Virtual Currency (the "Virtual Currency Notice"), which defines what virtual currency is and requires that entities obtain the approval from the competent culture administrative department before issuing virtual currency and engaging in transactions using virtual currency in connection with online games. The Virtual Currency Notice regulates that virtual currency may only be used to purchase services and products provided by the online service provider that issues the virtual currency, and also prohibits businesses that issue online game virtual currency from issuing virtual currency to game players through means other than purchases with legal currency, and from setting game features that involve the direct payment of cash or virtual currency by players for the chance to win virtual gifts or virtual currency based on random selection through a lucky draw, wager or lottery. These restrictions on virtual currency may result in lower sales of online virtual currency, and could have an adverse effect on our revenues from online game business.
Currently, the PRC government has not promulgated any specific rules, laws or regulations to directly regulate virtual currency, except for the above-mentioned online game virtual currency. Although the term “virtual currency” is widely used in live streaming industry, we believe that such “virtual currency” used in our live streaming communities, including Yuchi, do not fall into the virtual currency defined under the Virtual Currency Notice, and we are not subject to any online game virtual currency laws and regulations for our live streaming business. We have obtain the approval from the competent culture administrative department for issuing the virtual currency of online games (which is set forth in the Internet Culture Operation Licenses that we have acquired). However, we have not issued any virtual currency of online games defined under the Virtual Currency Notice. Due to the uncertainties of the interpretation and implementation of the law and regulation, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours, in which case we may be required to obtain additional approvals or licenses or change our current business model and may be subject to fines or other penalties, which could adversely affect our business.

**Present and future business partnerships or acquisitions may fail and materially and adversely affect our business, reputation and results of operations.**

We may enter into business partnerships, including joint ventures or minority equity investments, with third parties from time to time in connection with our business. These partnerships could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by third parties and increased expenses in establishing new business partnerships, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffers negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third party.

In addition, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. Future acquisitions and the subsequent integration of new assets and businesses into our own would require significant attention from our management and could divert resources from our existing business, which in turn could adversely affect our operations. Acquired assets or businesses may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired businesses. Moreover, the costs of identifying and consummating acquisitions may be significant. In addition to possible shareholder approval, we may have to obtain approvals and licenses from government authorities and comply with applicable PRC laws and regulations, which could result in increased delays and costs.

**We may not realize the benefits we expect from our strategic cooperation with Tencent, which may materially and adversely affect our business and results of operations.**

We and Tencent, through our respective PRC affiliated entities, have entered into a strategic cooperation framework memorandum which became effective on January 31, 2018 and was subsequently replaced by the amended and restated strategic cooperation framework memorandum dated April 1, 2019 (the "Amended and Restated SCFM"). For details, please refer to "Business—Our Relationship with Tencent." Tencent also holds 3,125,000 of our Series B-2 Preferred Shares, 1,114,376 of our Series C-1 Preferred Shares and 7,828,728 of our Series E Preferred Shares, through one of its wholly-owned subsidiaries. Upon completion of this offering, Tencent will hold an aggregate of % of our total outstanding ordinary shares, representing % of our total voting power, assuming the underwriters do not exercise their over-allotment option. For details see "Principal [and Selling] Shareholders." As a result, Tencent has substantial influence over our business and their interests may not be aligned with us or the other shareholders. For details please refer to “—Certain
existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders."

If we encounter difficulties implementing our strategic cooperation with Tencent, our management may need to divert their attention from existing operations. In addition, certain terms of the Amended and Restated SCFM may restrict our ability to collaborate with third-party game developers or publishers. Our relationship with Tencent does not restrict Tencent from entering into collaboration with other parties. Tencent has in the past invested in, and may in the future continue to invest in our direct or indirect competitors, including companies such as Huya Inc. Tencent may devote resources or attention to the other companies it has an interest in, including our direct or indirect competitors. As a result, we may not fully realize the benefits we expect from the strategic cooperation with Tencent. Failure to realize the intended benefits from the strategic cooperation with Tencent, or potential restrictions on our collaboration with other parties, could materially and adversely affect our business and results of operations.

_Certain existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders._

Upon the completion of this offering, our directors and executive officers will hold an aggregate of % of our total outstanding ordinary shares, and Tencent, through one of its wholly-owned subsidiaries, will hold % of our total outstanding ordinary shares, representing % and %, respectively, of our total voting power, assuming the underwriters do not exercise their option to purchase additional ADSs. As a result, these parties have substantial influence over our business, including significant corporate actions such as mergers, consolidations, sales of substantially all of our assets, election of directors and related party transactions.

They may take actions that are not in the best interest of us or our other shareholders and conflicts of interest between them and us may arise as a result of their operation of or investment in businesses that compete with us. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our shareholders of a premium for their shares as part of a sale of our company and may reduce the price of the ADSs. These actions may be taken even if they are opposed by our other shareholders, including those who purchase ADSs in this offering. In addition, the significant concentration of share ownership may adversely affect the trading price of the ADSs due to investors' perception that conflicts of interest may exist or arise. For more information regarding our principal shareholders and their affiliated entities, see "Principal [and Selling] Shareholders."

_Our results of operations are subject to quarterly fluctuations due to seasonality._

We experience seasonality in our business, reflecting seasonal fluctuations in Internet usage. As a result, comparing our operating results on a period-to-period basis may not be meaningful.

For example, the number of active users tend to be higher during school holidays and certain parts of the school year, and tend to be lower at the beginning or exam periods of the school year, which affects our cash flow for those periods. Furthermore, the number of paying users of our online live streaming platform correlates with the marketing campaigns and promotional activities we conduct which may coincide with popular western or Chinese festivals.

As a result, our operating results in future quarters or years may fall below the expectations of securities analysts and investors.
We do not currently have business insurance to cover our main assets and business. Any uninsured occurrence of business disruption, litigation or natural disaster could expose us to significant costs, which could have an adverse effect on our results of operations.

The insurance industry in China is still at an early stage of development, and insurance companies in China currently offer limited business-related insurance products. As such, we may not be able to insure against certain risks related to our assets or business even if we desire to. In addition, the costs of insuring for such risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. We do not have any business liability or disruption insurance to cover our operations. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could disrupt our business operations, requiring us to incur substantial costs and divert our resources, which could have an adverse effect on our results of operations and financial condition.

If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of our shares may be materially and adversely affected.

Prior to this offering, we were 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 combined and consolidated financial statements for the year ended December 31, 2018, we and our independent registered public accounting firm identified one material weakness and other control deficiencies in our internal control over financial reporting as of December 31, 2018, in accordance with the standards established by the Public Company Accounting Oversight Board of the United States.

The material weakness identified relates to our lack of sufficient skilled staff with U.S. GAAP knowledge for the purpose of financial reporting and lack of formal accounting policies and procedures manual to ensure proper financial reporting to comply with U.S. GAAP and SEC requirements. For example, we restated the combined and consolidated financial statements for the years ended December 31, 2016 and 2017 relating to the accounting for content rights as intangible assets and related amortization, for which we previously estimated the useful life approximates their contractual life of one to ten years and later determined they should be the live-broadcasting periods. We have implemented and are continuing to implement a number of measures to remedy this material weakness and the other control deficiencies. See “Management's Discussion and Analysis of Financial Condition and Results of Operations—Internal Control Over Financial Reporting.” We have also adopted measures to improve our internal control over financial reporting. We cannot assure you, however, that these measures may fully address the material weakness or other deficiencies in our internal control over financial reporting or that we may conclude that they have been fully remedied.

Upon the 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, or Section 404, 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 year ending December 31, 2020. In addition, once we cease to be an "emerging growth company" as such term is defined in 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, 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. 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 our shares. 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 may also be required to restate our financial statements from prior periods.

*We have granted RSUs in the past and will continue to grant share-based awards in the future, which may have an adverse effect on our future profit. Exercise of the share options and the vesting of the RSUs granted will increase the number of our Shares in circulation, which may adversely affect the market price of our Shares.*

We adopted a share incentive plan in April 2018, which was amended and restated in April 2019 (the "Amended and Restated 2018 RSU Scheme"), for the purpose of granting share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours. Under the Amended and Restated 2018 RSU Scheme, we are authorized to grant RSUs. The maximum aggregate number of ordinary shares we are authorized to issue pursuant to all awards under the Amended and Restated 2018 RSU Scheme is 2,106,321 ordinary shares. In April 2019, we adopted the 2019 Share Incentive Plan (the "2019 Share Incentive Plan"), pursuant to which we may grant options, restricted shares, restricted share units, share appreciation rights, rights to dividends, dividend equivalent rights and other rights or benefits. The maximum aggregate number of shares we may issue under the 2019 Share Incentive Plan will not exceed 10% of the total number of shares issued and outstanding immediately after 30 days of the date of a Qualified IPO. We may adopt share incentive plans in the future that permits granting of share-based compensation to employees and directors.

As of the date of this prospectus, 2,097,087 RSUs have been granted and outstanding under the Amended and Restated 2018 RSU Scheme and no award has been granted and outstanding under the 2019 Share Incentive Plan. We will not recognize expenses in our combined and consolidated statement of income until the performance target of initial public offering ("IPO") is achieved. As a result, these awards will start vesting once we complete this offering. As of December 31, 2018, our unrecognized share-based compensation expenses amounted to RMB576 million.

We believe the granting of share-based awards 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 employees 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.

Competition for highly skilled personnel is often intense and we may incur significant costs or not successful in attracting, integrating, or retaining qualified personnel to fulfill our current or future needs. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Our ability to attract or
retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plans will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees.

We may be the subject of allegations, harassing or other detrimental conduct by third parties, which could harm our reputation and cause us to lose market share, users and customers.

We have been subject to allegations by third parties or purported former employees, negative Internet postings and other adverse public exposure on our business, operations and staff compensation. We may also become the target of harassment or other detrimental conduct by third parties or disgruntled former or current employees. Such conduct may include complaints, anonymous or otherwise, to regulatory agencies, media or other organizations. We may be subject to government or regulatory investigation or other proceedings as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted on the Internet, including social media platforms by anyone, whether or not related to us, on an anonymous basis. Any negative publicity on us or our management can be quickly and widely disseminated. Social media platforms and devices immediately publish the content of their subscribers and participants post, often without filters or checks on accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our reputation, business or prospects. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of negative and potentially false information about our business and operations, which in turn may cause us to lose market share, users or customers.

Non-compliance on the part of our employees or third parties involved in our business could adversely affect our business.

Our compliance controls, policies and procedures may not protect us from acts committed by our employees, agents, contractors, or collaborators that violate the laws or regulations of the jurisdictions in which we operate, which may adversely affect our business.

In addition, our business partners or other third parties involved in our business through our business partners (such as contractors, talent agencies or other third parties entered into business relationship with our third-party business partners) may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, disrupt our business. Although we conduct review of legal formalities and certifications before entering into contractual relationship with other businesses such as third-party game developers, advertisers and talent agencies, and take measures to reduce the risks that we may be exposed to in case of any non-compliance by third parties, we cannot be certain whether such third party has infringed or will infringe any third parties' legal rights or violate any regulatory requirements or rule out the likelihood of incurring any liabilities imposed on us due to any regulatory failures by third parties. We identify irregularities or noncompliance in the business practices of any parties with whom we pursue existing or future cooperation and we cannot assure you that any of these irregularities will be corrected in a prompt and proper manner. In addition, for those third parties actively involved in our business through our business partners such as our sales agents, we also request our business partners to supervise and administrate relevant business activities of such third parties, but we cannot assure you that our business partners will be able to supervise and administrate in an effective way. The legal liabilities and regulatory actions on our business partners or other third parties involved in our business may affect our business activities and reputation and in turn, our results of operations.
We may not be able to ensure compliance with United States economic sanctions laws.

The U.S. Department of the Treasury’s Office of Foreign Assets Control, or OFAC, administers laws and regulations that generally prohibit U.S. persons and, in some instances, foreign entities owned or controlled by U.S. persons, from conducting activities or transacting business with certain countries, governments, entities or individuals that are targets of U.S. economic sanctions. We will not use any proceeds from the sale of our ADSs to fund any activities or business with any country, government, entity or individual in violation of U.S. economic sanctions.

In the past, we have identified a small number of users on our platform that appear to have been located in countries that are targets of U.S. economic sanctions. We have taken measures to prevent such persons from accessing our platform, either as streamers or users, in a manner that would violate U.S. economic sanctions. However, we cannot assure you that such measures will be effective. While we believe that we have been, and that we continue to be, in compliance with applicable U.S. economic sanctions, our failure to employ appropriate safeguards with respect to streamers and users located in countries that are targets of U.S. economic sanctions may result in a violation of such laws. Non-compliance with applicable U.S. economic sanctions could subject us to adverse media coverage, investigations, and severe administrative, civil and possibly criminal sanctions, expenses related to remedial measures, and legal expenses, which could materially adversely affect our business, results of operations, financial condition and reputation.

Spammers and malicious software and applications may affect user experience, which could reduce our ability to attract users and advertisers and materially and adversely affect our business, financial condition and results of operations.

Spammers may use our streaming platform to send spam messages to users, which may affect user experience. As a result, our users may reduce using our products and services or stop using them altogether. In spamming activities, spammers typically create multiple user accounts for the purpose of sending a high volume of repetitive messages. Although we attempt to identify and delete accounts created for spamming purposes, we may not be able to effectively eliminate all spam messages from our platform in a timely fashion. Any spamming activities could have a material and adverse effect on our business, financial condition and results of operations.

In addition, malicious software and applications may interrupt the operations of our websites, our PC clients or mobile apps and pass on such malware to our users which could adversely hinder user experience. Although we have been successfully blocking these attacks in the past, we cannot guarantee that this will always be the case, and in the incident if users experience a malware attack by using our platform, our users may associate the malware with our websites, our PC clients or mobile apps, and our reputation, business, and results of operations would be materially and adversely affected.

We will incur additional costs as a result of being a public 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. These additional costs could negatively affect our financial results. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure, including regulations implemented by the NYSE, may increase legal and financial compliance costs and make some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts to comply with new laws, regulations and standards, we fail to
comply, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Risks Related to Our Corporate Structure

*If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with PRC regulations on foreign investment in Internet and other related businesses, or if these regulations or their interpretation change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.*

PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in Internet and other related businesses, including the provision of Internet content and online game operations. Specifically, foreign ownership is prohibited in industries of online audio and video program services and Internet cultural business (excluding music), foreign ownership of an Internet content provider may not exceed 50%, and the major foreign investor is required to have a record of good performance and operating experience in managing value-added telecommunications business. We are a company registered in the Cayman Islands and Douyu Yule (our wholly-owned subsidiary in China) is considered a foreign-invested enterprise. To comply with PRC laws and regulations, we conduct our business in China mainly through Wuhan Douyu and Wuhan Ouyue (our VIEs) and their respective subsidiaries, based on a series of contractual arrangements by and among Douyu Yule, our VIEs, and their shareholders. As a result of these contractual arrangements, we exert control over our consolidated affiliated entities and consolidate their financial results in our financial statements under U.S. GAAP. Our consolidated affiliated entities hold the licenses, approvals and key assets that are essential for our operations.

In the opinion of our PRC counsel, Global Law Office, based on its understanding of the relevant PRC laws and regulations, each of the contracts among Douyu Yule, our VIEs and their shareholders is valid, binding and enforceable in accordance with its terms. However, we have been further advised by our PRC counsel that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Thus, the PRC government may ultimately take a view contrary to the opinion of our PRC counsel. In addition, PRC government authorities may deem that foreign ownership is directly or indirectly involved in each of our VIE’s shareholding structure. If we are found in violation of any PRC laws or regulations, or if the contractual arrangements among Douyu Yule, our VIEs and their shareholders are determined as illegal or invalid by the PRC court, arbitral tribunal or regulatory authorities, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation:

- its political structure;
- revoking the business licenses and/or operating licenses of such entities;
- imposing fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations;
- discontinuing or placing restrictions or onerous conditions on our operations;
- placing restrictions on our right to collect revenues;
- shutting down our servers or blocking our app/websites;
- requiring us to restructure the operations in such a way as to compel us to establish a new enterprise, re-apply for the necessary licenses or relocate our businesses, staff and assets;
- imposing additional conditions or requirements with which we may not be able to comply; or
- taking other regulatory or enforcement actions against us that could be harmful to our business.
The imposition of any of these penalties may result in a material and adverse effect on our ability to conduct our business operations. In addition, if the imposition of any of these penalties causes us to lose the rights to direct the activities of our consolidated affiliated entities or the right to receive their economic benefits, we would no longer be able to consolidate their financial results.

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

Due to PRC restrictions or prohibitions on foreign ownership of Internet and other related businesses in China, we operate our business in China through our VIEs and their subsidiaries, in which we have no ownership interest. We rely on a series of contractual arrangements with our VIEs and their shareholders, including the powers of attorney, to control and operate business of our consolidated affiliated entities. These contractual arrangements are intended to provide us with effective control over our consolidated affiliated entities and allow us to obtain economic benefits from them. See “Corporate History and Structure—Contractual Arrangements with Our VIEs and Their Respective Shareholders” for more details about these contractual arrangements. In particular, our ability to control the consolidated affiliated entities depends on the powers of attorney, pursuant to which Douyu Yule (our wholly-owned subsidiary in China) can vote on all matters requiring shareholder approval in our VIEs. We believe these powers of attorney are legally enforceable but may not be as effective as direct equity ownership.

Although we have been advised by our PRC counsel, Global Law Office, that each of the contracts among Douyu Yule, our VIEs and their shareholders is valid, binding and enforceable under existing PRC laws and regulations, these contractual arrangements may not be as effective in providing control over our VIEs and their subsidiaries as direct ownership. If our VIEs or their shareholders fail to perform their respective obligations under the contractual arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. Although Douyu Yule has an option, subject to the registration process with PRC governmental authorities, to purchase the equity of our VIEs, if the shareholders of VIEs do not cooperate or there are any disputes relating to these contractual arrangements, we will have to enforce our rights under these contracts under PRC laws through arbitration, litigation and other legal proceedings, the outcome of which is uncertain. These contractual arrangements are governed by and interpreted in accordance with PRC law, and disputes arising from these contractual arrangements will be resolved through arbitration in China. However, the legal system in China, particularly as it relates to arbitration proceedings, is not as developed as the legal system in many other jurisdictions, such as the United States. There are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of arbitration should legal action become necessary. These uncertainties could limit our ability to enforce these contractual arrangements. In addition, arbitration awards are final and can only be enforced in PRC courts through arbitration award recognition proceedings, which could cause additional expenses and delays. In the event we are unable to enforce these contractual arrangements or we experience significant delays or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over our VIEs and may lose control over the assets owned by our VIEs. As a result, we may be unable to consolidate the financial results of such entities in our combined and consolidated financial statements, our ability to conduct our business may be negatively affected, and our operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.
We may lose the ability to use and enjoy assets held by our VIEs and their subsidiaries that are important to our business if our VIEs and their subsidiaries declare bankruptcy or become subject to a dissolution or liquidation proceeding.

Our VIEs hold certain assets that are important to our operations, including the ICP License, the Internet Culture Operation License, the Commercial Performance License, the License for Online Transmission of Audio/Video Programs and Radio and Television Program Production and Operating Permit. Under our contractual arrangements, the shareholders of our VIEs may not voluntarily liquidate our VIEs or approve them to sell, transfer, mortgage or dispose of their assets or legal or beneficial interests exceeding certain threshold in the business in any manner without our prior consent. However, in the event that the shareholders breach this obligation and voluntarily liquidate our VIEs, or our VIEs declare bankruptcy, or all or part of their assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our operations, which could materially and adversely affect our business, financial condition and results of operations. Furthermore, if our VIEs or their subsidiaries undergo a voluntary or involuntary liquidation proceeding, their shareholders or unrelated third-party creditors may claim rights to some or all of its assets, hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Contractual arrangements we have entered into with our VIEs may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could negatively affect our financial condition and the value of your investment.

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

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

In China, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally registered company in China is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our PRC subsidiaries, our VIEs and their subsidiaries are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. To the extent those chops are not kept safe, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised and those corporate entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. If any of our authorized personnel obtains, misuses or misappropriates our chops for whatever reason, we could experience disruptions in our operations. We may also have to take corporate or legal action, which could require significant time and resources to resolve while distracting management from our operations. Any of the foregoing could adversely affect our business and results of operations.
Our shareholders or the shareholders of our VIEs may have potential conflicts of interest with us, which may materially and adversely affect our business.

The shareholders of our VIEs include persons who are also our shareholders or affiliates of our shareholders, and, in some cases, our directors or officers. Conflicts of interest may arise between the roles of them as shareholders, directors or officers of our company and as shareholders of our VIEs. For individuals who are also our directors and officers, we rely on them to abide by the laws of the Cayman Islands, which provide that directors and officers owe a fiduciary duty to our company to act in good faith and in the best interest of our company and not to use their positions for personal gain. The shareholders of our VIEs have executed powers of attorney to appoint Douyu Yule (our WFOE) or a person designated by Douyu Yule to vote on their behalf and exercise voting rights as shareholders of our VIEs. We cannot assure you that when conflicts arise, these shareholders will act in the best interest of our company or that conflicts will be resolved in our favor. If we cannot resolve any conflicts of interest or disputes between us and these shareholders, we would have to rely on legal proceedings, which may be expensive, time-consuming and disruptive to our operations. There is also substantial uncertainty as to the outcome of any such legal proceedings.

Additionally, we rely on our shareholders and the shareholders of our VIEs to secure, both at the internal and external level, all the necessary approvals, permits, filings or other formalities and proceedings in relation to their respective investment in us and/or our VIEs. We cannot assure you that our shareholders and shareholders of our VIEs have obtained all of such necessary approvals, permits, filings or other formalities and proceedings. The failure to obtain such approvals, permits, filings or other formalities and proceedings may adversely affect our business and results of operation.

We may rely on dividends paid by our PRC subsidiaries to fund cash and financing requirements. Any limitation on the ability of our PRC subsidiaries to pay dividends to us could have a material adverse effect on our ability to conduct our business and to pay dividends to holders of the ADSs and our ordinary shares.

We are a holding company, and we may rely on dividends to be paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of the ADSs and our ordinary shares and service any debt we may incur. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, a wholly foreign-owned enterprise in China, such as Douyu Yule, may pay dividends only out of its accumulated 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 after-tax profits each year, after making up previous years’ accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such fund reaches 50% of its registered capital. At the discretion of the board of directors of the wholly foreign-owned enterprise, it 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. Any limitation on the ability of our PRC subsidiaries 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.

Substantial uncertainties exist with respect to whether the foreign investor’s controlling PRC onshore variable interest entities via contractual arrangements will be recognized as “foreign investment” and how it may impact the viability of our current corporate structure and operations.

On March 15, 2019, the National People's Congress of the PRC adopted the PRC Foreign Investment Law, which will come into force on January 1, 2020. The PRC Foreign Investment Law
defines the "foreign investment" as the investment activities in China conducted directly or indirectly by foreign investors in the following manners: (i) the foreign investor, by itself or together with other investors establishes a foreign invested enterprises in China; (ii) the foreign investor acquires shares, equities, asset tranches, or similar rights and interests of enterprises in China; (iii) the foreign investor, by itself or together with other investors, invests and establishes new projects in China; (iv) the foreign investor invests through other approaches as stipulated by laws, administrative regulations or otherwise regulated by the State Council. The PRC Foreign Investment Law keeps silent on how to define and regulate the "variable interest entities", while adding a catch-all clause that "other approaches as stipulated by laws, administrative regulations or otherwise regulated by the State Council" can fall into the concept of "foreign investment", which leaves uncertainty as to whether the foreign investor's controlling PRC onshore variable interest entities via contractual arrangements will be recognized as "foreign investment". Pursuant to the PRC Foreign Investment Law, PRC governmental authorities will regulate foreign investment by applying the principle of pre-entry national treatment together with a "negative list", which will be promulgated by or promulgated with approval by the State Council. Foreign investors are prohibited from making any investments in the industries which are listed as "prohibited" in such negative list; and, after satisfying certain additional requirements and conditions as set forth in the "negative list", are allowed to make investments in the industries which are listed as "restricted" in such negative list. For any foreign investor that fails to comply with the negative list, the competent authorities are entitled to ban its investment activities, require such investor to take measures to correct its non-compliance and impose other penalties.

The internet content service, internet audio-visual program services and online culture activities that we conduct through our consolidated variable interest entities are subject to foreign investment restrictions/prohibitions set forth in the Guidance Catalogue of Industries for Foreign Investment (2017 Revision), the Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2018 Version) and the Market Access Negative List (2018 Version) issued by MOFCOM and the National Development and Reform Commission. It is unclear whether any new "negative list" to be issued under the PRC Foreign Investment Law will be different from the foregoing lists that already exist.

The PRC Foreign Investment Law leaves leeway for future laws, administrative regulations or provisions of the State Council to provide for contractual arrangements as a form of foreign investment. It is therefore uncertain whether our corporate structure will be seen as violating foreign investment rules as we are currently using the contractual arrangements to operate certain businesses in which foreign investors are currently prohibited from or restricted to investing. Furthermore, if future laws, administrative regulations or provisions of the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, our current corporate structure, corporate governance and business operations could be materially and adversely affected.

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 you and us.

The PRC legal system is based on written statutes where prior court decisions have limited value as precedents. Our PRC subsidiaries and our VIEs, in particular Douyu Yule, a wholly foreign-owned enterprises, is subject to laws and regulations applicable to foreign-invested enterprises as well as various Chinese laws and regulations generally applicable to companies incorporated in China. However, since these laws and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties.
From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Furthermore, the PRC legal system is based in part on government policies and internal rules that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, could materially and adversely affect our business and impede our ability to continue our operations.

*Regulation and censorship of information disseminated over the mobile and Internet in China may adversely affect our business and subject us to liability for streaming content or posted on our platform.*

Internet companies in China are subject to a variety of existing and new rules, regulations, policies, and license and permit requirements. In connection with enforcing these rules, regulations, policies and requirements, relevant government authorities may suspend services by, or revoke licenses of, any Internet or mobile content service provider that is deemed to provide illicit content online or on mobile devices, and such activities may be intensified in connection with any ongoing government campaigns to eliminate prohibited content online. For example, in 2016, the Office of the Anti-Pornography and Illegal Publications Working Group, the State Internet Information Office, the MIIT, the Ministry of Culture and the Ministry of Public Security jointly launched a "Clean Up the Internet 2016" campaign. Based on publicly available information, the campaign aims to eliminate pornographic information and content in the Internet information services industry by, among other things, holding liable individuals and corporate entities that facilitate the distribution of pornographic information and content. Publicly traded Chinese Internet companies voluntarily initiated self-investigations to filter and remove content from their websites and cloud servers.

We endeavor to eliminate illicit content from our platform. We have made substantial investments in resources to monitor content that users post on our platform and the way in which our users engage with each other through our platform. We use a variety of methods to ensure our platform remains a healthy and positive experience for our users. See "Business—Content Monitoring System." Although we employ these methods to filter content posted on our platform, we cannot be sure that our internal content control efforts will be sufficient to remove all content that may be viewed as indecent or otherwise non-compliant with PRC law and regulations. Government standards and interpretations as to what constitutes illicit online content or behavior are subject to interpretation and may change in a manner that could render our current monitoring efforts insufficient. The Chinese government has wide discretion in regulating online activities and, irrespective of our efforts to control the content on our platform, government campaigns and other actions to reduce illicit content and activities could subject us to negative press or regulatory challenges and sanctions, including fines, suspension or revocation of our licenses to operate in China or a suspension or ban on our mobile or online platform, including suspension or closure of one or more parts of or our entire business. Further, our senior management could be held criminally liable if we are deemed to be profiting from illicit content on our platform. Although our business and operations have not been materially and adversely affected by government campaigns or any other regulatory actions in the past, we cannot assure you that our business and operations will be immune from government actions or sanctions in the future. If government actions or sanctions are brought against us, or if there are widespread rumors that government actions or sanctions have been brought against us, our reputation could be harmed, we may lose users and customers, our revenues and results of operation may be materially and adversely affected and the value of our ADSs could be dramatically reduced.
Adverse changes in global or China's economic, political or social conditions or government policies could have a material adverse effect on our business, financial condition and results of operations.

Our revenues are substantially sourced from China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. Economic reforms begun in the late 1970s have resulted in significant economic growth. However, any economic reform policies or measures in China may from time to time be modified or revised. China's economy differs from the economies of most developed countries in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. While the PRC economy has experienced significant growth in the past 40 years, growth has been uneven across different regions and among different economic sectors and the rate of growth has been slowing.

China's economic conditions are sensitive to global economic conditions. The global financial markets have experienced significant disruptions since 2008 and the United States, Europe and other economies have experienced periods of recession. The global macroeconomic environment is facing new challenges and there is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies. Recent international trade disputes, including tariff actions announced by the United States, the PRC and certain other countries, and the uncertainties created by such disputes may cause disruptions in the international flow of goods and services and may adversely affect the Chinese economy as well as global markets and economic conditions. There have also been concerns about the economic effect of the military conflicts and political turmoil or social instability in the Middle East, Europe, Africa and other places. Any severe or prolonged slowdown in the global economy may adversely affect the Chinese economy which in turn may adversely affect our business and operating results.

The PRC government exercises significant control over China's economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Although the PRC economy has grown significantly in the past decade, that growth may not continue, as evidenced by the slowing of the growth of the PRC economy since 2012. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our services and adversely affect our competitive position.

Currently there is no law or regulation specifically governing virtual asset property rights and therefore it is not clear what liabilities, if any, online game operators may have for virtual assets.

While participating on our platform, our users acquire, purchase and accumulate some virtual assets, such as gifts or certain status. Such virtual assets can be important to users and have monetary value and, in some cases, are sold for actual money. In practice, virtual assets can be lost for various reasons, often through unauthorized use of the user account of one user by other users and occasionally through data loss caused by delay of network service, network crash or hacking activities. Currently, there is no PRC law or regulation specifically governing virtual asset property rights. As a result, there is uncertainty as to who the legal owner of virtual assets is, whether and how the ownership of virtual assets is protected by law, and whether an operator of live streaming platform such as us would have any liability, whether in contract, tort or otherwise, to users or other interested parties, for loss of such virtual assets. Based on recent PRC court judgments, the courts have typically held online platform operators liable for losses of virtual assets by platform users, and ordered online platform operators to return the lost virtual items to users or pay damages and losses. In case of a loss
of virtual assets, we may be sued by our users and held liable for damages, which may negatively affect our reputation and business, financial condition and results of operations.

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

Under the PRC enterprise income tax law that became effective on January 1, 2008, an enterprise established outside the PRC with “de facto management bodies” within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. On April 22, 2009, the State Taxation Administration, or the SAT, issued the Circular Regarding the Determination of Chinese-Controlled Overseas Incorporated Enterprises as PRC Tax Resident Enterprise on the Basis of De Facto Management Bodies, or SAT 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. Further to SAT Circular 82, on August 3, 2011, the SAT issued the Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial), or SAT Bulletin 45, which became effective on September 1, 2011, to provide more guidance on the implementation of SAT Circular 82.

According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be considered a PRC tax resident enterprise by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following conditions are met: (a) the senior management and core management departments in charge of its daily operations function have their presence mainly in the PRC; (b) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (c) its major assets, accounting books, company seals, and minutes and files of its board and shareholders' meetings are located or kept in the PRC; and (d) not less than half of the enterprise's directors or senior management with voting rights habitually reside in the PRC. SAT Bulletin 45 provides further rules on residence status determination, post-determination administration as well as competent tax authorities procedures.

Although SAT Circular 82 and SAT Bulletin 45 apply only to offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise group and not those controlled by PRC individuals or foreigners, Global Law Office, our legal counsel as to PRC law, has advised us that the determination criteria set forth therein may reflect SAT's general position on how the term "de facto management body" could be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners.

We do not meet all of the conditions set forth in SAT Circular 82. Therefore, we believe that we should not be treated as a "resident enterprise" for PRC tax purposes even if the standards for "de facto management body" prescribed in the SAT Circular 82 applied to us. For example, our minutes and files of the resolutions of our board of directors and the resolutions of our shareholders are maintained outside the PRC.

However, it is possible that the PRC tax authorities may take a different view. Global Law Office, our legal counsel as to PRC law, has advised us that if the PRC tax authorities determine that our Cayman Islands holding company or any Hong Kong subsidiary is a PRC resident enterprise for PRC enterprise income tax purposes, its world-wide income could be subject to PRC tax at a rate of 25%, which could reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Although dividends paid by one PRC tax resident to another PRC tax resident should qualify as "tax-exempt income" under the enterprise income tax law, we cannot assure you that dividends paid by our PRC subsidiary to us or any of our Hong Kong subsidiaries will not be subject to
If we are treated as a resident enterprise, non-PRC resident ADS holders may also be subject to PRC withholding tax on dividends paid by us and PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is sourced from within the PRC. The tax would be imposed at the rate of 10% in the case of non-PRC resident enterprise holders and 20% in the case of non-PRC resident individual holders. In the case of dividends, we would be required to withhold the tax at source. Any PRC tax liability may be reduced under applicable tax treaties or similar arrangements, but it is unclear whether our non-PRC shareholders 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. Although our holding company is incorporated in the Cayman Islands, it remains unclear whether dividends received and gains realized by our non-PRC resident ADS holders will be regarded as income from sources within the PRC if we are classified as a PRC resident enterprise. Any such tax will reduce the returns on your investment in our ADSs.

There are uncertainties with respect to indirect transfers of PRC taxable properties outside a public stock exchange.

We face uncertainties on the reporting and consequences on private equity financing transactions, private share transfers and share exchange involving the transfer of shares in our company by non-resident investors. According to the Notice on Several Issues Concerning Enterprise Income Tax for Indirect Share Transfer by Non-PRC Resident Enterprises, issued by the State Taxation Administration on February 3, 2015, or SAT Circular 7, an “indirect transfer” of assets of a PRC resident enterprise, including a transfer of equity interests in a non-PRC holding company of a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable properties, if such transaction lacks reasonable commercial purpose and was undertaken for the purpose of reducing, avoiding or deferring PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and tax filing or withholding obligations may be triggered, depending on the nature of the PRC taxable properties being transferred. According to SAT Circular 7, “PRC taxable properties” include assets of a PRC establishment or place of business, real properties in the PRC, 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 if 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 properties; 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 properties have a 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 properties; and the tax situation of such indirect transfer outside China and its applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment or place of business of a foreign enterprise, the resulting gain is to be included with the annual enterprise 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 PRC real properties 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 at 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 payer fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the
competent tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default
interest. Currently, SAT Circular 7 does not apply to the sale of shares by investors through a public stock exchange where such
shares were acquired in a transaction on a public stock exchange.

We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return
filing and withholding or tax payment obligations and associated penalties with respect to any internal restructuring, and our PRC
subsidiary may be requested to assist in the filing. Any PRC tax imposed on a transfer of our shares not through a public stock
exchange, or any adjustment of such gains would cause us to incur additional costs and may have a negative impact on the value of
your investment in our company.

Implementation of the new labor laws and regulations in China may adversely affect our business and results of operations.

Pursuant to the labor contract law that took effect in January 2008, its implementation rules that took effect in September 2008
and its amendment that took effect in July 2013, employers are subject to stricter requirements in terms of signing labor contracts,
minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labor contracts.
Due to lack of detailed interpretative rules and uniform implementation practices and broad discretion of the local competent
authorities, it is uncertain as to how the labor contract law and its implementation rules will affect our current employment policies
and practices. Our employment policies and practices may violate the labor contract law or its implementation rules, and we may
thus be subject to related penalties, fines or legal fees. Compliance with the labor contract law and its implementation rules may
increase our operating expenses, in particular our personnel expenses. 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 also limit
our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of
operations. On October 28, 2010, the Standing Committee of the National People’s Congress promulgated the PRC Social Insurance
Law, or the Social Insurance Law, which became effective on July 1, 2011. According to the Social Insurance Law, employees must
participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance
and the employers must, together with their employees or separately, pay the social insurance premiums for such employees.

We expect our labor costs to increase due to the implementation of these new laws and regulations. As the interpretation and
implementation of these new laws and regulations are still evolving, we cannot assure you that our employment practice will at all
times be deemed in full compliance with 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.

We have not made full contributions to the social insurance plans and the housing provident fund for employees as required by
the relevant PRC laws and regulations. As of the date of this prospectus, we are not aware of any notice from regulatory authorities
or any claim or request from these employees in this regard.

Further, labor disputes, work stoppages or slowdowns at our company or any of our third-party service providers could
significantly disrupt our daily operation or our expansion plans and have a material adverse effect on our business.
China’s M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, and other recently adopted 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. For example, the M&A Rules require that MOFCOM 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 impact or may impact 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. Moreover, the PRC Anti-Monopoly Law promulgated by the Standing Committee of the National People’s Congress effective 2008 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds (i.e., during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeds RMB10 billion and at least two of these operators each had a turnover of more than RMB400 million within China, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB2 billion, and at least two of these operators each had a turnover of more than RMB400 million within China) must be cleared by the anti-monopoly enforcement authority before they can be completed. In addition, in 2011, the General Office of the State Council promulgated a Notice on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, also known as Circular 6, which officially established a security review system for mergers and acquisitions of domestic enterprises by foreign investors. Further, MOFCOM promulgated the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors, effective 2011, to implement Circular 6. Under Circular 6, a security review is required for mergers and acquisitions by foreign investors having “national defense and security” concerns and mergers and acquisitions by which foreign investors may acquire the “de facto control” of domestic enterprises with “national security” concerns. Under the foregoing MOFCOM regulations, MOFCOM will focus on the substance and actual impact of the transaction when deciding whether a specific merger or acquisition is subject to security review. If MOFCOM decides that a specific merger or acquisition is subject to a security review, it will submit it to the Inter-Ministerial Panel, an authority established under Circular 6 led by the National Development and Reform Commission, and MOFCOM under the leadership of the State Council, to carry out security review. The regulations prohibit foreign investors from bypassing the security review by structuring transactions through trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. There is no explicit provision or official interpretation stating that the merging or acquisition of a company engaged in the Internet content or mobile games business requires security review, and there is no requirement that acquisitions completed prior to the promulgation of the Security Review Circular are subject to MOFCOM review.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions. We believe that it is unlikely that our business would be deemed to be in an industry that raises “national defense and security” or “national security” concerns. However, MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in China, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited.
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 to liability and penalties under PRC law.

The SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment released on February 13, 2015 by the SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015.

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 at all times be fully aware or informed of the identities of all our shareholders or beneficial owners that are required to make such registrations, and we cannot compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiary, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries' ability to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

PRC regulation of direct investment and loans by offshore holding companies to PRC entities may delay or limit us from using the proceeds of our initial public offering to make additional capital contributions or loans to our PRC subsidiary.

We are an offshore holding company conducting our operations in China through our PRC subsidiary, variable interest entities and their subsidiaries. We may make loans to our PRC subsidiary, variable interest entities and their subsidiaries, or we may make additional capital contributions to our PRC subsidiary.

Any capital contributions or loans that we, as an offshore entity, make to our PRC subsidiary, including from the proceeds of our initial public offering, are subject to PRC regulations. For example, none of our loans to a PRC subsidiary can exceed the difference between its total amount of investment and its registered capital approved under relevant PRC laws, or certain amount calculated based on elements including capital or net assets and the cross-border financing leverage ratio and the loans must be registered with the local branch of SAFE and the competent development and reform commission in case of any external debts of more than one year. Our capital contributions to our PRC subsidiary must be approved by or filed with the MOFCOM or its local counterpart.
On March 30, 2015, SAFE issued the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which took effect on June 1, 2015. Under SAFE Circular 19, a foreign-invested enterprise, within the scope of business, may choose to convert its registered capital from foreign currency to RMB on a discretionary basis, and the RMB capital so converted can be used for equity investments within PRC, provided that such usage shall fall into the scope of business of the foreign-invested enterprise, which will be regarded as the reinvestment of foreign-invested enterprise. See "Regulation—Regulation Relating to Foreign Currency Exchange and Dividend Distribution."

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary registration or obtain the necessary approval on a timely basis, or at all. If we fail to complete the necessary registration or obtain the necessary approval, our ability to make loans or equity contributions to our PRC subsidiary may be negatively affected, which could adversely affect our PRC subsidiary’s liquidity and its ability to fund its working capital and expansion projects and meet its obligations and commitments.

Our PRC subsidiary and PRC variable interest entities are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.

We are a holding company incorporated in the Cayman Islands. We rely on dividends from our PRC subsidiary which in turn relies on consulting and other fees paid by our PRC variable interest entities for our cash and financing requirements, such as the funds necessary to pay dividends and other cash distributions to our shareholders, including holders of our ADSs, and service any debt we may incur. Current PRC regulations permit our PRC subsidiary to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory condition and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, each of our PRC subsidiary is required to set aside at least 10% of its accumulated profits each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. As of December 31, 2017, we had not made appropriations to statutory reserves as our subsidiary and our variable interest entities (including their subsidiaries) reported accumulated loss. Furthermore, if our PRC subsidiary, variable interest entities and their subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us, which may restrict our ability to satisfy our liquidity requirements.

In addition, the EIT Law, and its implementation rules provide that withholding tax rate of 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. As of December 31, 2017, our subsidiary and our variable interest entities (including their subsidiaries) located in the PRC reported accumulated loss and therefore they could not pay any dividends.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The value of the RMB against the U.S. dollar and other currencies is affected by changes in China’s political and economic conditions and by China’s foreign exchange policies, among other things. In July 2005, the PRC government changed its decades-old policy of pegging the value of the RMB to the U.S. dollar, and the RMB 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 RMB and the U.S. dollar remained within a narrow band. Since June 2010, the RMB 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, RMB 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 RMB internationalization, the PRC government may in the future announce further changes to the exchange rate system and we cannot assure you that the RMB 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 RMB and the U.S. dollar in the future.

There remains significant international pressure on the Chinese government to adopt a flexible currency policy to allow the RMB to appreciate against the U.S. dollar. Significant revaluation of the RMB may have a material adverse effect on your investment. Substantially all of our revenues and costs are denominated in RMB. Any significant revaluation of RMB may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our ADSs in U.S. dollars. To the extent that we need to convert U.S. dollars into RMB for capital expenditures and working capital and other business purposes, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of our ADSs, and if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

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

The PRC government imposes control 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 revenues in RMB. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. Therefore, our PRC subsidiary is able to pay dividends in foreign currencies to us without prior approval from SAFE. However, 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. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of our ADSs.
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 companies. In the meantime, our directors, executive officers and other employees who are PRC citizens or who are non-PRC residents residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, and who have been granted incentive share awards by us, may follow the Circular on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly-Listed Company, or the SAFE Circular 7, promulgated by the SAFE in 2012. Pursuant to the SAFE Circular 7, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock 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 stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas listed company upon the completion of this offering. Failure to complete the SAFE registrations may subject them to fines, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiary and limit our PRC subsidiary’s ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See “Regulation—Regulation Relating to Foreign Currency Exchange and Dividend Distribution—Stock Option Rules.”

The SAT has issued certain circulars concerning equity incentive awards. Under these circulars, our employees working in China who exercise share options or are granted restricted shares or RSUs will be subject to PRC individual income tax. Our PRC subsidiary has obligations to file documents related to employee share options, restricted shares or RSUs with relevant tax authorities and to withhold individual income taxes of those employees. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities. See “Regulation—Regulation of Foreign Currency Exchange and Dividend Distribution—Stock Option Rules.”

Our leased property interests may be defective and our right to lease the properties affected by such defects may be challenged, which could adversely affect our business.

Under PRC laws, all lease agreements are required to be registered with local housing authorities. We lease ten premises in China. Some landlords of these premises have not registered the relevant lease agreements with the government authorities or have not completed registration of their ownership rights to the premises, and some of the premises have defective title. We may be subject to monetary fines due to failure by the landlords to complete the required registrations.

We may also be forced to relocate our operations if the landlords do not obtain valid title to or complete the required registrations with local housing authorities in a timely manner or at all. We might not be able to locate desirable alternative sites for our operations in a timely and cost-effective manner which may adversely affect our business.
Our auditor, like other independent registered public accounting firms operating in China, is not permitted to be subject to inspection by Public Company Accounting Oversight Board, and as such, investors may be deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit reports included in our prospectus filed with the US Securities and Exchange Commission, as auditors of companies that are traded publicly in the United States and a firm registered with the US Public Company Accounting Oversight Board (United States), 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 our auditors are located in the Peoples' Republic of China, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Chinese authorities, our auditors are not currently inspected by the PCAOB. On May 24, 2013, PCAOB announced that it had entered into a Memorandum of Understanding on Enforcement Cooperation with the China Securities Regulatory Commission, or the CSRC, and the Ministry of Finance which establishes a cooperative framework between the parties for the production and exchange of audit documents relevant to investigations in the United States and China. PCAOB continues to be in discussions with the CSRC and the Ministry of Finance to permit joint inspections in the PRC of audit firms that are registered with PCAOB and audit Chinese companies that trade on U.S. exchanges. 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 this issue. 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 China 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. This lack of PCAOB inspections in China prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

The inability of the PCAOB to conduct inspections of auditors in China makes it more difficult to evaluate the effectiveness of our auditor's audit procedures or quality control procedures as compared to auditors outside of China that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

Additional remedial measures could be imposed on certain PRC-based accounting firms, including our independent registered public accounting firm, in administrative proceedings instituted by the SEC, as a result of which our financial statements may be determined to not be in compliance with the requirements of the Exchange Act, if at all.

In December 2012, the SEC brought administrative proceedings against the PRC-based affiliates of the Big Four accounting firms, including our independent registered public accounting firm, alleging that they had violated U.S. securities laws by failing to provide audit work papers and other documents related to certain other PRC-based companies under investigation by the SEC. On January 22, 2014, an initial administrative law decision was issued, censuring and suspending these accounting firms from practicing before the SEC for a period of six months. The decision was neither final nor legally effective until reviewed and approved by the SEC, and on February 12, 2014, the PRC-based accounting firms appealed to the SEC against this decision. In February 2015, each of the four PRC-based accounting firms agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC. The settlement requires the firms to follow detailed procedures to seek to provide the SEC with access to such firms' audit documents via the CSRC. If the firms do not follow these procedures or if there is a failure in the process between the
SEC and the CSRC, the SEC could impose penalties such as suspensions, or it could restart the administrative proceedings.

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 the proceedings against these audit firms may cause investor uncertainty regarding PRC-based, United States-listed companies and the market price of our ADSs may be adversely affected.

If our independent registered public accounting firm was 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 NYSE or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of our ADSs in the United States.

**Risks Related to This Offering and our American Depositary Shares**

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

We will apply for listing our ADSs on the NYSE. We have no current intention to seek a listing for our ordinary shares on any stock exchange. Prior to the completion of this offering, there has been no public market for our ADSs or our ordinary shares, and we cannot assure you that a liquid public market for our ADSs will develop. If an active public market for our ADSs does not develop following the completion of this offering, the market price and liquidity of our ADSs may be materially and adversely affected. The initial public offering price for our ADSs was determined by negotiation between us and the underwriters based upon several factors, and we can provide no assurance that the trading price of our ADSs after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs.

**The market price for our ADSs may be volatile.**

The trading price of our ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for our ADSs may be highly volatile for factors specific to our own operations, including the following:

- variations in our revenues, earnings, cash flow and data related to our user base or user engagement;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new product and service offerings, solutions and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our products and services or our industry;

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additions or departures of key personnel;

- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and

- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our ADSs will trade.

In the past, shareholders of public companies have often brought securities class action suits against those companies following periods of instability in the market price of their 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 and require us to incur significant expenses to defend the suit, which could harm our results of operations. 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.

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

The trading market for our ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our ADSs, the market price for our ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the market price or trading volume for our 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$ per ADS, representing the difference between the assumed initial public offering price of US$ per ADS, the midpoint of the estimated range of the initial public offering price, and our net tangible book value per ADS as of December 31, 2018, after giving effect to the net proceeds to us from this offering. In addition, you may experience further dilution upon the vesting of the RSUs issued under the Amended and Restated 2018 RSU Scheme. See "Dilution" for a more complete description of how the value of your investment in our 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 our 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 our ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if
our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our ADSs will likely depend entirely upon any future price appreciation of our 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 our ADSs and you may even lose your entire investment in our ADSs.

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

Sales of our ADSs in the public market after this offering, or the perception that these sales could occur, could cause the market price of our ADSs to decline. Immediately after the completion of this offering, we will have ordinary shares outstanding including 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 our 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 these registered shares in the form of ADSs in the public market could cause the price of our ADSs to decline.

**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 only be able to exercise the voting rights with respect to the underlying ordinary shares representing your ADSs in accordance with the provisions of the deposit agreement. Under the deposit agreement, you must vote by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will vote the underlying ordinary shares representing your ADSs in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying ordinary shares representing your ADSs unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. Under our Third Amended and Restated Memorandum and Articles of Association, effective upon the completion of this offering, the minimum notice period required for convening a general meeting is 15 days. When a general meeting is convened, you may not receive sufficient advance notice enable you to withdraw the shares underlying your ADSs and become the registered holder of such shares prior to the record date of the general meeting to allow you to vote with respect to any specific matter. In addition, under our Third Amended and Restated Memorandum and Articles of Association that will become effective immediately upon 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 or fix in advance a record date for such meeting, and

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such closure of our register of members or the setting of such a record date may prevent you from withdrawing the shares underlying 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 use its best endeavors 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 your shares. 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 vote and you may have no legal remedy if the shares underlying your ADSs are not voted as you requested.

*Except in limited circumstances, the depositary for our ADSs will give us a discretionary proxy to vote the ordinary shares underlying your ADSs if you do not vote at shareholders’ meetings, which could adversely affect your interests.*

Under the deposit agreement for the ADSs, if you do not timely and properly give voting instructions to the depository as to how to vote the ordinary shares underlying your ADSs, the depositary will give us or our nominee a discretionary proxy to vote the ordinary shares underlying your ADSs at shareholders’ meetings unless:

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

The effect of this discretionary proxy is that if you do not timely and properly give voting instructions to the depository as to how to vote the ordinary shares underlying your ADSs at shareholders’ meetings, you cannot prevent such ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may make it more difficult for shareholders to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

*Your rights to pursue claims against the depositary as a holder of ADSs are limited by the terms of the deposit agreement.*

Under the deposit agreement, any action or proceeding against or involving the depositary, arising out of or based upon the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in a state or federal court in New York, New York, and you, as a holder of our ADSs, will have irrevocably waived any objection which you may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding. However, the depositary may, in its sole discretion, require that any dispute or difference arising from the relationship created by the deposit agreement be referred to and finally settled by an arbitration conducted under the terms described in the deposit agreement. The arbitration provisions in the deposit agreement do not preclude you from pursuing claims under federal securities laws in federal courts. Also, 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 information.

**ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.**

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial for 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 were to oppose a jury trial based on this waiver, the court would have to determine whether the waiver was enforceable based on the facts and circumstances of the case in accordance with 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, or 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, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this would be 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 investing in the ADSs.

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 or the depositary. If a lawsuit is brought against us or 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 outcomes that could be less favorable to the plaintiff(s) in any such action.

Nevertheless, if this jury trial waiver 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 the 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.

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

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

Certain judgments obtained against us by our shareholders 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. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

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

We will adopt a Third Amended and Restated Memorandum and Articles of Association that will become effective immediately prior to the completion of this offering. Our Third Amended and
Restated Memorandum and Articles of Association, which will become effective immediately prior to the completion of this offering, will contain certain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions, 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 without action by our shareholders, the terms and rights of that series. These provisions could have the effect of depriving our shareholders and ADSs 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.

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 Third Amended and Restated 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 and Wales, 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."

The approval of the China Securities Regulatory Commission may be required in connection with this offering under PRC law.

The M&A Rules 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. The interpretation and application of the regulations remain unclear, and this offering may ultimately require approval from
the CSRC. In addition, it is reported that the CSRC intended to propose a pre-approval regime that requires all offshore listings by China-based companies with variable interest entity structures, such as ours, that operate in industry sectors subject to foreign investment restrictions to obtain CSRC’s approval. If CSRC approval is required, it is uncertain whether it would be possible for us to obtain the approval and any failure to obtain or delay in obtaining CSRC approval for this offering would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Our PRC counsel, Global Law Office, has advised us based on their understanding of the current PRC law, rules and regulations that the CSRC’s approval is not required for the listing and trading of our ADSs on the NYSE in the context of this offering, given that:

- the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours under this prospectus are subject to this regulation; and

- no provision in this regulation clearly classifies contractual arrangements as a type of transaction subject to its regulation.

However, our PRC legal counsel has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and its 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 governmental agencies, including the CSRC, would reach the same conclusion as we do. If it is determined that CSRC approval is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to seek CSRC approval for this offering. These 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 China subsidiary, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of our 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.

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.

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 our ADS price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

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.

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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. Pursuant to the JOBS Act, we have elected to take advantage of the benefits of this extended transition period for complying with new or revised accounting standards as required when they are adopted for public companies. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the 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 fiscal 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 NYSE. 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 an exempted 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 NYSE corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NYSE corporate governance listing standards.

As an exempted company incorporated in the Cayman Islands company that is listed on the NYSE, we are subject to the NYSE corporate governance listing standards. However, NYSE 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 NYSE corporate governance listing standards. Currently, we plan to rely on home country practice with respect to our corporate governance after we complete this offering. Specifically, we do not plan to have a majority of independent directors serving on our board of directors or to establish a nominating committee and a compensation committee composed entirely of independent directors. For details, please refer to “Management—Board of Directors.” As a result, our shareholders may be afforded less protection than they otherwise would enjoy under the NYSE corporate governance listing standards applicable to U.S. domestic issuers.
There can be no assurance that we will not be a passive foreign investment company, or PFIC, for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in the ADSs or ordinary shares.

In general, a non-U.S. corporation is a passive foreign investment company for U.S. federal income tax purposes or PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income; or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is a passive asset for these purposes. Goodwill is generally characterized as a nonpassive or passive asset based on the nature of the income produced in the activity to which the goodwill is attributable. Based on the expected composition of our income and assets and the value of our assets, including goodwill, which is based on the expected price of the ADSs in this offering, we do not expect to be a PFIC for our current taxable year. However, it is not entirely clear how the contractual arrangements between our wholly-owned subsidiaries, our VIEs and the shareholders of our VIEs will be treated for purposes of the PFIC rules. In addition, the extent to which our goodwill should be characterized as a nonpassive asset is not entirely clear. The determination of our PFIC status for our current or any future taxable year cannot be made until after the end of each such year. Furthermore, we will hold a substantial amount of cash following this offering and our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of the ADSs, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for our current or any future taxable year. If we were a PFIC for any taxable year during which a U.S. taxpayer holds ADSs or ordinary shares, the U.S. taxpayer generally will be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and "excess distributions" and additional reporting requirements. See "Taxation—Material U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Rules."

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 NYSE, impose various requirements on the corporate governance practices of public 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. 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.

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

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

• our goals and growth strategies;
• our future business development, results of operations and financial condition;
• relevant government policies and regulations relating to our business and industry;
• our expectation regarding the use of proceeds from this offering;
• general economic and business condition in China; and
• assumptions underlying or related to any of the foregoing.

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

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

We estimate that we will receive net proceeds from this offering of approximately US$[ ] million, or approximately US$[ ] million if the underwriters exercise their option to purchase additional ADSs in full, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us. [We will not receive any of the proceeds from the sale of the ADSs being sold by the selling shareholders.]

We plan to use the net proceeds of this offering as follows:

• approximately [ ]% to [ ]% for investment in our content with a continued focus on providing premium eSports content and further expanding our content genres;

• approximately [ ]% to [ ]% for research and development, to continue to strengthen our technologies and big data analytic capabilities to enhance user experience and achieve operational efficiencies;

• approximately [ ]% to [ ]% for further investing in marketing activities for promoting our brand and increase our user base; and

• the balance for general corporate purposes, which may include working capital needs and potential strategic acquisitions, investments and alliances.

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 will have significant flexibility in applying and discretion to apply the net proceeds of the 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. Pending use of the net proceeds, we intend to hold our net proceeds in short-term, interest-bearing, financial instruments or demand deposits.

In utilizing the proceeds from this offering, we are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries only through loans or capital contributions, and to our consolidated VIEs only through loans, subject to the approval of government authorities and limit on the amount of capital contributions and loans. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our wholly foreign-owned subsidiary in China or make additional capital contributions to our wholly-foreign-owned subsidiary to fund its capital expenditures or working capital. For an increase of registered capital of our wholly foreign-owned subsidiary, we need to submit recordation of modification documents with the State Administration for Market Regulation, or the SAMR, or its local counterparts within 30 days of such increase of registered capital. If we provide funding to our wholly foreign-owned subsidiary through loans, the total amount of such loans may not exceed the difference between the entity’s total investment as approved by the foreign investment authorities and its registered capital, or certain amount calculated based on elements including capital or net assets and the cross-border financing leverage ratio. Such loans must be registered with SAFE or its local branches, which usually takes up to 20 working days or longer to complete, and the competent development and reform commission in case of any external debts of more than one year. We cannot assure you that we will be able to meet these requirements on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of direct investment and loans by offshore holding companies to PRC entities may delay or limit us from using the proceeds of our initial public offering to make additional capital contributions or loans to our PRC subsidiary.”
DIVIDEND POLICY

We have not previously declared or paid cash dividends and we have no plan to declare or pay any dividends in the near future on our ordinary shares or the ADSs representing our ordinary shares. We currently 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 rely principally on dividends from our PRC subsidiaries for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Regulation—Regulations Relating to Foreign Currency Exchange and Dividend Distribution."

Our board of directors has discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the 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 our board of directors may deem relevant. If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the ordinary shares underlying the ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the 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."
CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2018:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all our outstanding convertible preferred shares into 19,906,105 of our ordinary shares immediately upon the completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the automatic conversion of all our outstanding convertible preferred shares into 19,906,105 of our ordinary shares immediately upon the completion of this offering, and (ii) the issuance and sale of ordinary shares in the form of ADSs by us in this offering at an initial public offering price of US$ per ADS, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us (assuming the underwriters do not exercise their option to purchase additional ADSs).

You should read this table together with our combined and 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."

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2018</th>
<th>Pro forma as adjusted&lt;sup&gt;(1)(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual RMB</td>
<td>US$</td>
</tr>
<tr>
<td>Mezzanine equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convertible redeemable preferred shares</td>
<td>6,644.8</td>
<td>966.4</td>
</tr>
<tr>
<td>Shareholders' (deficit) equity:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares (US$0.0001 par value)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>49.0</td>
<td>7.1</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>325.6</td>
<td>47.3</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(3,388.5)</td>
<td>(492.8)</td>
</tr>
<tr>
<td>Total shareholders' equity (deficit)</td>
<td>(3,013.9)</td>
<td>(438.4)</td>
</tr>
<tr>
<td>Total capitalization, mezzanine equity and shareholders' (deficit) equity</td>
<td>3,630.9</td>
<td>528.0</td>
</tr>
</tbody>
</table>

Notes:

<sup>(1)</sup> The pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity (deficit) 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.

<sup>(2)</sup> 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 $1.00 change in the initial public offering price of 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 $ 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 December 31, 2018 was approximately US$ per ordinary share and US$ per ADS. Net tangible book value per ordinary share represents the amount of total tangible assets, minus the amount of total liabilities, divided by the total number of ordinary shares outstanding. Dilution is determined by subtracting net tangible book value per ordinary share from the public offering price per ordinary share.

Without taking into account any other changes in such net tangible book value after December 31, 2018 other than to give effect to (i) the conversion of all of our preferred shares into ordinary shares on a one-on-one basis, which will occur automatically immediately prior to the completion of this offering and (ii) our issuance and sale of ADSs offered in this offering at an initial public offering price of US$ per ADS, 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 December 31, 2018 would have been approximately US$ million, or US$ per ordinary share and US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share, or US$ per ADS to existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share, or US$ per ADS, to purchasers of ADSs in this offering.

The following table illustrates the dilution on a per ordinary share basis at the initial public offering price per ordinary share is US$ and all ADSs are exchanged for ordinary shares:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial public offering price per ordinary share</td>
<td>US$</td>
</tr>
<tr>
<td>Net tangible book value per ordinary share</td>
<td>US$</td>
</tr>
<tr>
<td>Pro forma net tangible book value per ordinary share after giving effect to</td>
<td>US$</td>
</tr>
<tr>
<td>the automatic conversion of all of our outstanding preferred shares</td>
<td></td>
</tr>
<tr>
<td>Pro forma as adjusted net tangible book value per ordinary share as</td>
<td>US$</td>
</tr>
<tr>
<td>adjusted to give effect to (i) the automatic conversion of all of our</td>
<td></td>
</tr>
<tr>
<td>outstanding preferred shares and (ii) this offering</td>
<td></td>
</tr>
<tr>
<td>Amount of dilution in net tangible book value per ordinary share to new</td>
<td>US$</td>
</tr>
<tr>
<td>investors in the offering</td>
<td></td>
</tr>
<tr>
<td>Amount of dilution in net tangible book value per ADS to new investors in</td>
<td>US$</td>
</tr>
<tr>
<td>the offering</td>
<td></td>
</tr>
</tbody>
</table>

The pro forma information discussed above is illustrative only. A US$1.00 increase (decrease) in the public offering price of US$ per ADS would increase (decrease) our pro forma net tangible book value after giving effect to the offering by US$ million, the pro forma net tangible book value per ordinary share and per ADS after giving effect to this offering by US$ per ordinary share and US$ per ADS and the dilution in pro forma net tangible book value per ordinary share and per ADS to new investors in this offering by US$ per ordinary share and US$ per ADS, assuming no change to the number of ADS offered by us as set forth on the front cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma basis as of December 31, 2018, the differences between the existing shareholders and the new investors with respect to the number of ordinary shares purchased from us in this offering, the total consideration paid and the average price per ordinary share.
share paid at an initial public offering price of US$ per ADS before deducting estimated underwriting discounts and commissions and estimated offering expenses. 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 and RSUs outstanding under our Amended and Restated 2018 RSU Scheme as of the date of this prospectus.

The discussion and tables above take into consideration the automatic conversions of all of our outstanding convertible preferred shares immediately upon the completion of this offering and exclude the RSUs granted under our Amended and Restated 2018 RSU Scheme. As of the date of this prospectus, there are 2,097,087 RSUs granted and outstanding under our Amended and Restated 2018 RSU Scheme. To the extent that any of these RSUs are vested, there will be further dilution to new investors. For details, please refer to "Management—Share Incentive Plan—DouYu International Holdings Limited Restricted Share Unit Scheme."

<table>
<thead>
<tr>
<th>Ordinary shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price Per Ordinary Share</th>
<th>Average Price Per ADS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent</td>
<td>Amount (in thousands of US$)</td>
<td>Percent</td>
</tr>
<tr>
<td>Existing shareholders</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New investors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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EXCHANGE RATE INFORMATION

Our reporting currency is the Renminbi because our business is mainly conducted in China and substantially all of our revenues are denominated in Renminbi. This prospectus contains translations of Renminbi amounts into U.S. dollars at specific rates solely for the convenience of the reader. The conversion of Renminbi into U.S. dollars in this prospectus is based on the rate certified for customs purposes by the Federal Reserve Bank of New York. Unless otherwise noted, all translations from Renminbi to U.S. dollars and from U.S. dollars to Renminbi in this prospectus are made at RMB6.8755 to US$ 1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on December 28, 2018. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, the rates stated below, or at all. The PRC government imposes control over its foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade. On April 12, 2019, the noon buying rate was RMB6.7039 to US$ 1.00.

The following table sets forth information concerning exchange rates between the Renminbi and the U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this prospectus or will use in the preparation of our periodic reports or any other information to be provided to you.

<table>
<thead>
<tr>
<th>Period</th>
<th>Period End</th>
<th>Average&lt;sup&gt;(1)&lt;/sup&gt; (RMB per US$1.00)</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>6.2046</td>
<td>6.1704, 6.2591, 6.0402</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>6.4778</td>
<td>6.2869, 6.4896, 6.1870</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>6.9430</td>
<td>6.6549, 6.9580, 6.4800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>6.5063</td>
<td>6.7350, 6.9575, 6.4773</td>
<td></td>
<td></td>
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<tr>
<td>2018</td>
<td>6.8755</td>
<td>6.6292, 6.9737, 6.2649</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>6.9737</td>
<td>6.9191, 6.9737, 6.8680</td>
<td></td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>6.9558</td>
<td>6.9367, 6.9558, 6.8894</td>
<td></td>
<td></td>
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<tr>
<td>December</td>
<td>6.8755</td>
<td>6.8842, 6.9077, 6.8343</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>6.6958</td>
<td>6.7863, 6.8708, 6.6958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>February</td>
<td>6.6912</td>
<td>6.7367, 6.7907, 6.6822</td>
<td></td>
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</tr>
<tr>
<td>March</td>
<td>6.7112</td>
<td>6.7119, 6.7381, 6.6916</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April (through April 12)</td>
<td>6.7039</td>
<td>6.7142, 6.7223, 6.7039</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Federal Reserve Statistical Release

Notes:

(1) Annual averages were calculated by using the average of the exchange rates on the last day of each month during the relevant year. Monthly averages are calculated by using the average of the daily rates during the relevant month.
ENFORCEABILITY OF CIVIL LIABILITIES

We were incorporated in the Cayman Islands, as an exempted company, in order to enjoy the following benefits:

• 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 following:

• 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 constitutional 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.

All of our operations are conducted outside the United States, and all of our assets are located outside the United States. A majority of our directors and officers are nationals or residents of jurisdictions other than the United States and a substantial portion 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 persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Cogency Global Inc. as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law, and Global Law Office, our 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 civil liability provisions of the securities laws of the United States or any state in the United States so far as the liabilities imposed by those provisions are penal in nature.

Maples and Calder (Hong Kong) LLP has informed us that it is uncertain whether the courts of the Cayman Islands will allow shareholders of our company to originate actions in the Cayman Islands based upon securities laws of the United States. In addition, there is uncertainty with regard to Cayman Islands law related to whether a judgment obtained from the U.S. courts under civil liability provisions of U.S. securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce
the judgment against a Cayman Islands company, such as our company. As the courts of the Cayman Islands have yet to rule on making such a determination in relation to judgments obtained from U.S. courts under civil liability provisions of U.S. securities laws, it is uncertain whether such judgments would be enforceable in the Cayman Islands. Maples and Calder (Hong Kong) LLP has further informed us that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given, provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and be of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

We have been advised by Global Law Office, our PRC legal counsel, that there is uncertainty as to whether the courts of the PRC would enforce judgments of United States courts or Cayman courts obtained against us or these persons predicated upon the civil liability provisions of the United States federal and state securities laws or Cayman Islands laws. Global Law Office 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 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 in the Cayman Islands.
CORPORATE HISTORY AND STRUCTURE

Corporate History

Establishments of Our PRC Subsidiaries and Consolidated Entities

We commenced operations and launched our live streaming platform in 2014 with the establishment of Guangzhou Douyu. Wuhan Douyu was established in May 2015. In February 2016, Guangzhou Douyu and Wuhan Douyu entered into an asset and business transfer agreement, pursuant to which Guangzhou Douyu transferred all of its business operations and assets to Wuhan Douyu (the “2016 Wuhan Douyu Restructuring”).

In February 2016, Wuhan Douyu, Wuhan Ouyue, the successor of Zhejiang Ouyue which was acquired by Mr. Shaojie Chen in November 2015, and Mr. Chen entered into a series of contractual arrangements, by which Wuhan Douyu may exert control over Wuhan Ouyue and consolidate Wuhan Ouyue's financial statements. In May 2018, such contractual arrangements were terminated and replaced by contractual arrangements between Douyu Yule, Wuhan Ouyue and Mr. Chen. For details please refer to “— Corporate Restructuring Transactions.”

In June 2016, each of Yuxing Tianxia, Yuyin Raoliang and Wuhan Yuwan was incorporated in the PRC by Wuhan Douyu. In November 2016, each of Douyu Education and Yu Leyou was incorporated in the PRC by Wuhan Douyu. These entities focus on entering into business contracts with streamers.

Corporate Restructuring Transactions

We underwent a series of Restructuring Transactions, which primarily included:

- In January 2018, DouYu International Holdings Limited was incorporated under the laws of the Cayman Islands as our proposed listing entity. In connection with its incorporation, it issued ordinary and preferred shares to certain of the then existing shareholders of Wuhan Douyu based on their equity interests held in Wuhan Douyu. For details of the issuances of shares by DouYu International Holdings Limited to its shareholders prior to this offering, please refer to "Description of Share Capital—History of Securities Issuances."

- In January 2018, DouYu Network Inc. was established in the British Virgin Islands and Douyu Hongkong Limited was incorporated in Hong Kong, both of which are acting as the offshore intermediary holding companies to facilitate our initial public offering in the United States.

- In May 2018, Douyu Yule, our indirect wholly-owned PRC subsidiary, entered into a series of contractual arrangements with each of Wuhan Douyu and Wuhan Ouyue, as well as their respective shareholders. As a result of these contractual arrangements, we obtained effective control, and became the primary beneficiary of, each of Wuhan Douyu and Wuhan Ouyue, or our VIEs.

We are a holding company and does not directly own any substantive business operations in the PRC. We currently focus our business operations within the PRC through Douyu Yule and our VIEs, Wuhan Douyu and Wuhan Ouyue. See “Risk Factors—Risks Related to Our Corporate Structure.” Wuhan Douyu, Wuhan Ouyue and their respective subsidiaries hold our ICP License, the License for Online Transmission of Audio/Video Programs, the Internet Culture Operation License, and other licenses or permits that are necessary for our business operations in the PRC.

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Corporate Structure

The following diagram illustrates our corporate structure, including our significant subsidiaries and variable interest entities, immediately upon the completion of this offering, assuming no exercise of the over-allotment option granted to the underwriters.

Notes:

(1) The sole shareholder of Wuhan Ouyue is Mr. Shaojie Chen, our founder, CEO and director.

(2) The shareholders of Wuhan Douyu and their relationship with our company are as follows: (i) Mr. Chen (35.15%), our founder, CEO and director; (ii) Linzhi Lichuang (18.98%), an affiliate of Nectarine, one of our shareholders; (iii) Mr. Dongqing Cai (13.18%), the beneficial owner of Aodong Investments Limited, one of our shareholders; (iv) Beijing Fengye (13.16%), 99.99% of its interests is owned by Wuhan Ouyue; (v) Beijing Phoenix (8.08%), an affiliate of Phoenix Fuju Limited, one of our shareholders; (vi) Mr. Wenming Zhang (3.92%), our co-founder, co-CEO and director, and (vii) certain other third-party investors.

Contractual Arrangements with Our VIEs and Their Respective Shareholders

Currently, our business in China are operated primarily through Wuhan Douyu and Wuhan Ouyue due to PRC legal restrictions on foreign ownership in value-added telecommunication services and other Internet related business. The Special Administrative Measures for Entrance of Foreign Investment (Negative List) (2018 Version) provides that foreign investors are generally not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider other than an e-commerce service provider, and the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision) require that the major foreign investor in a value-added telecommunication service provider in China must have experience in providing value-added telecommunications services overseas and maintain a good track record. In addition, foreign investors...
are prohibited from investing in companies engaged in certain online and culture related businesses. See "PRC Regulation—
Regulation Relating to Telecommunications Services", "—Regulations Relating to Online Transmission of Audio-Visual Programs",
and "—Regulations Relating to Online Game Operation." We are a company incorporated in the Cayman Islands. Douyu Yule, our
PRC subsidiary, is considered as a foreign-invested enterprise. To comply with the foregoing PRC laws and regulations, we primarily
conduct our business in China through Wuhan Ouyue and Wuhan Douyu, our VIEs and their subsidiaries in the PRC, based on a
series of contractual arrangements. As a result of these contractual arrangements, we exert effective control over our VIEs and
consolidate their operating results in our combined and consolidated financial statements under U.S. GAAP. These contractual
arrangements may not be as effective as direct ownership in providing us with control over our VIEs. If our VIEs or their respective
shareholders fail to perform their respective obligations under the contractual arrangements, we could be limited in our ability to
enforce the contractual arrangements that give us effective control over our business operations in the PRC and 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 law, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure will be
effective under PRC law. For details, please refer to "Risk Factors—Risks Related to Our Corporate Structure."

In the opinion of Global Law Office, our PRC counsel:

• the ownership structures of our VIEs and Douyu Yule, both currently and immediately after giving effect to this
  offering, do not and will not contravene any PRC laws or regulations currently in effect; and

• the contractual arrangements among Douyu Yule, our VIEs and their respective shareholders governed by PRC laws
  are valid and binding upon each party to such arrangements and enforceable against each party thereto in accordance
  with their terms and applicable PRC laws and regulations currently in effect.

There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and
rules. In particular, in March 2019, the National People's Congress of the PRC adopted the PRC Foreign Investment Law, which will
become effective on January 1, 2020. Among other things, the PRC Foreign Investment Law defines the "foreign investment" as
investment activities in China by foreign investors in a direct or indirect manner, including those circumstances explicitly listed
thereunder as establishing new projects or foreign invested enterprises or acquiring shares of enterprises in China, and other
approaches of investment as stipulated by laws, administrative regulations or otherwise regulated by the State Council. The PRC
Foreign Investment Law leaves uncertainty as to whether foreign investors' controlling PRC onshore variable interest entities via
contractual arrangements will be recognized as "foreign investment" and thus be subject to the restrictions/prohibitions on foreign
investments. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to the above opinion of our
PRC counsel. If the PRC government finds that the agreements that establish the structure for operating our live streaming business
and other Internet related business do not comply with PRC government restrictions on foreign investment in certain industries, such
as value-added telecommunications services business, we could be subject to severe penalties, including being prohibited from
continuing operations. See "Risk Factors—Risks Related to Our Corporate Structure". The following is a summary of the contractual
arrangements by and among Douyu Yule, Wuhan Douyu and the shareholders of Wuhan Douyu, and Wuhan Ouyue and Mr. Shaojie
Chen, the sole shareholder of Wuhan Ouyue.

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Wuhan Douyu

Share Pledge Agreement

Pursuant to a series of share pledge agreements entered into in May 2018 by and among Douyu Yule, Wuhan Douyu and the shareholders of Wuhan Douyu, the shareholders of Wuhan Douyu pledged all of their equity interests in Wuhan Douyu to Douyu Yule, to guarantee Wuhan Douyu's performance of its obligations under the exclusive business cooperation agreement. If Wuhan Douyu breaches its contractual obligations under the exclusive business cooperation agreement, Douyu Yule will be entitled to certain rights, including but not limited to the rights to auction or sell the pledged equity interests. The pledges under the share pledge agreements have been registered with the relevant PRC legal authority pursuant to PRC laws and regulations. In January 2019, the existing share pledge agreement to which Mr. Chen is a party was replaced with an amended and restated share pledge agreement on substantially similar terms due to equity transfers.

Exclusive Option Agreement

Pursuant to a series of exclusive option agreements entered into in May 2018 by and among Douyu Yule, Wuhan Douyu and the shareholders of Wuhan Douyu, the shareholders of Wuhan Douyu irrevocably granted Douyu Yule or its designated person, an exclusive option to purchase at its discretion, all or part of the equity interests in Wuhan Douyu held by the shareholders of Wuhan Douyu at the price of RMB1.0 or at the lowest price permitted by PRC law, whichever is lower. In addition, Wuhan Douyu irrevocably granted Douyu Yule or its designated person an exclusive option to purchase at its discretion, all or part of the assets held or entitled to be used by Wuhan Douyu, to the extent permitted under PRC law and at the lowest price permitted by PRC law. In January 2019, the existing exclusive option agreement to which Mr. Chen is a party was replaced with an amended and restated exclusive option agreement on substantially similar terms due to equity transfers.

Exclusive Business Cooperation Agreement

Pursuant to the exclusive business cooperation agreement entered into in May 2018 by and between Douyu Yule and Wuhan Douyu, Wuhan Douyu agreed to engage Douyu Yule as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment leasing, market consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to adjustment at Douyu Yule's sole discretion, are equal to all of the net profit of Wuhan Douyu. Therefore, Douyu Yule enjoys all the economic benefits derived from the businesses of Wuhan Douyu.

Power of Attorney

Pursuant to a series of powers of attorney issued by each shareholder of Wuhan Douyu in May 2018, the shareholders of Wuhan Douyu irrevocably appointed Douyu Yule or a director authorized by Douyu Yule as their attorney-in-fact to act on their behalf on all matters of Wuhan Douyu and to exercise all of their rights as registered shareholders of Wuhan Douyu. In January 2019, the existing power of attorney issued by Mr. Chen was replaced with a new power of attorney on substantially similar terms due to equity transfers.

Spousal Consent Letters

Pursuant to a series of spousal consent letters executed by the spouses of the individual shareholders of Wuhan Douyu, Mr. Chen, Mr. Wenming Zhang and Mr. Dongqing Cai in May 2018, the signing spouses confirmed and agreed that the equity interests of Wuhan Douyu are the own property of their spouses and shall not constitute the community property of the couples. The spouses
also irrevocably waived any potential right or interest that may be granted by operation of applicable law in connection with the equity interests of Wuhan Douyu held by their spouses. In January 2019, the existing spousal consent letter executed by Mr. Chen's spouse was replaced with a new spousal consent letter on substantially similar terms due to equity transfers.

**Wuhan Ouyue**

**Share Pledge Agreement**

Pursuant to the share pledge agreement dated May 29, 2018 by and among Douyu Yule, Wuhan Ouyue and Mr. Chen, the sole shareholder of Wuhan Ouyue, Mr. Chen pledged all of his equity interests in Wuhan Ouyue to Douyu Yule, to guarantee Wuhan Ouyue's performance of its obligations under the exclusive business cooperation agreement. If Wuhan Ouyue breaches its contractual obligations under the exclusive business cooperation agreement, Douyu Yule will be entitled to certain rights, including but not limited to the rights to auction or sell the pledged equity interests. The pledge under the share pledge agreement has been registered with the relevant PRC legal authority pursuant to PRC laws and regulations.

**Exclusive Option Agreement**

Pursuant to the exclusive option agreement dated May 29, 2018 by and among Douyu Yule, Wuhan Ouyue and Mr. Chen, the sole shareholder of Wuhan Ouyue, Mr. Chen irrevocably granted Douyu Yule or its designated person, an exclusive option to purchase at its discretion, all or part of the equity interests in Wuhan Ouyue held by Mr. Chen at the price of RMB1.0 or at the lowest price permitted by PRC law, whichever is lower. In addition, Wuhan Ouyue irrevocably granted Douyu Yule or its designated person an exclusive option to purchase at its discretion, all or part of the assets held or entitled to be used by Wuhan Ouyue, to the extent permitted under PRC law. Subject to relevant PRC laws and regulations, Wuhan Ouyue and Mr. Chen shall return any amount of purchase price they have received to Douyu Yule.

**Exclusive Business Cooperation Agreement**

Pursuant to the exclusive business cooperation agreement dated May 29, 2018 by and between Douyu Yule and Wuhan Ouyue, Wuhan Ouyue agreed to engage Douyu Yule as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, intellectual property licensing, equipment leasing, market consultancy, system integration, product research and development and system maintenance, in exchange for service fees. Under these arrangements, the service fees, subject to Douyu Yule's adjustment, are equal to all of the net profit of Wuhan Ouyue. Douyu Yule may adjust the service fees at its sole discretion. Douyu Yule enjoys all the economic benefits derived from the businesses of Wuhan Ouyue.

**Power of Attorney**

Pursuant to the power of attorney dated May 29, 2018 issued by Mr. Chen, the sole shareholder of Wuhan Ouyue, Mr. Chen irrevocably appointed Douyu Yule or a director authorized by Douyu Yule as his attorney-in-fact to act on his behalf on all matters of Wuhan Ouyue and to exercise all of his rights as a registered shareholder of Wuhan Ouyue.

**Spousal Consent Letter**

Pursuant to the spousal consent letter dated May 29, 2018 executed by the spouse of Mr. Chen, the sole shareholder of Wuhan Ouyue, the signing spouse confirmed and agreed that the equity interests of Wuhan Ouyue are the own property of Mr. Chen and shall not constitute the community property of the couple. The signing spouse also irrevocably waived any potential right or interest that may be granted by operation of applicable law in connection with the equity interests of Wuhan Ouyue held by Mr. Chen.
SELECTED COMBINED AND CONSOLIDATED FINANCIAL DATA

The following selected combined and consolidated statements of comprehensive income data for the years ended December 31, 2016, 2017 and 2018, selected combined and consolidated balance sheet data as of December 31, 2016, 2017 and 2018 and selected combined and consolidated cash flow data for the years ended December 31, 2016, 2017 and 2018 have been derived from our audited combined and consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of results expected for future periods. You should read this Selected Combined and Consolidated Financial Data section together with our combined and 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.

<table>
<thead>
<tr>
<th>For the Year Ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>786.9</td>
<td>1,885.7</td>
<td>3,654.4</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>(1,155.1)</td>
<td>(1,890.4)</td>
<td>(3,503.4)</td>
</tr>
<tr>
<td>Gross (loss)/profit</td>
<td>(368.2)</td>
<td>(4.7)</td>
<td>151.0</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(223.5)</td>
<td>(310.3)</td>
<td>(538.9)</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(93.5)</td>
<td>(212.1)</td>
<td>(329.3)</td>
</tr>
<tr>
<td>General and administrative expenses(1)</td>
<td>(95.0)</td>
<td>(100.6)</td>
<td>(196.8)</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>3.8</td>
<td>9.3</td>
<td>54.9</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(408.2)</td>
<td>(613.7)</td>
<td>(1,010.1)</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(776.4)</td>
<td>(618.4)</td>
<td>(859.1)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>0.0</td>
<td>(0.3)</td>
<td>(20.2)</td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>—</td>
<td>—</td>
<td>(75.6)</td>
</tr>
<tr>
<td>Interest income</td>
<td>3.9</td>
<td>6.9</td>
<td>85.8</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(8.9)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fair value change of warranty liabilities</td>
<td>0.7</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(780.7)</td>
<td>(611.8)</td>
<td>(869.1)</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Share of loss in equity method investments, net</td>
<td>(2.2)</td>
<td>(1.1)</td>
<td>(7.2)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
</tr>
<tr>
<td>Deemed dividend</td>
<td>(284.9)</td>
<td>—</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Net loss attributable to ordinary shareholders of the Company</td>
<td>(1,067.8)</td>
<td>(612.9)</td>
<td>(883.0)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax of nil:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>—</td>
<td>—</td>
<td>325.6</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(550.7)</td>
</tr>
</tbody>
</table>

Note:
(1) Includes share-based compensation of RMB24.9 million, RMB17.6 million and RMB35.4 million (US$5.1 million) in 2016, 2017 and 2018, respectively.
The following table presents our selected combined and consolidated balance sheet data as of December 31, 2016, 2017 and 2018.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary Combined and Consolidated Balance Sheet Data:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>516.8</td>
<td>539.6</td>
<td>5,562.2</td>
</tr>
<tr>
<td>Total current assets</td>
<td>675.9</td>
<td>862.9</td>
<td>6,117.0</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>778.9</td>
<td>1,031.6</td>
<td>6,494.9</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>15.0</td>
<td>45.9</td>
<td>112.1</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>120.7</td>
<td>208.2</td>
<td>313.5</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>523.9</td>
<td>871.9</td>
<td>2,863.9</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>523.9</td>
<td>871.9</td>
<td>2,863.9</td>
</tr>
<tr>
<td><strong>Total liabilities, convertible redeemable preferred shares and shareholders’ deficit</strong></td>
<td>778.9</td>
<td>1,031.6</td>
<td>6,494.9</td>
</tr>
</tbody>
</table>

The following table presents our selected combined and consolidated cash flow data for the years ended December 31, 2016, 2017 and 2018.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Year Ended December 31,</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(714.1)</td>
<td>(381.0)</td>
<td>(337.6)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(86.3)</td>
<td>(92.0)</td>
<td>(265.0)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>1,298.2</td>
<td>500.0</td>
<td>5,280.1</td>
</tr>
<tr>
<td>Effects of exchange rate changes on cash and cash equivalents</td>
<td>1.4</td>
<td>(4.2)</td>
<td>345.1</td>
</tr>
<tr>
<td><strong>Net increase/(decrease) in cash and cash equivalents</strong></td>
<td>499.2</td>
<td>22.8</td>
<td>5,022.6</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>17.6</td>
<td>516.8</td>
<td>539.6</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>516.8</td>
<td>539.6</td>
<td>5,562.2</td>
</tr>
</tbody>
</table>

**Non-GAAP Financial Measure**

To supplement our combined and consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use adjusted net loss, a non-GAAP financial measure, which is calculated as net loss adjusted for shared-based compensation expenses, share of loss in equity method investment and impairment loss on investment, to understand and evaluate our core operating performance. Adjusted net loss is presented to enhance investors’ overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measure to its most directly comparable GAAP financial measures. As adjusted net loss has material limitations as an analytical metric and may not be calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted net loss as a substitute for, or superior to net loss prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety and not rely on any single financial measure.
The table below sets forth a reconciliation of adjusted net loss to net loss for the periods indicated:

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 RMB</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td></td>
</tr>
<tr>
<td>(in millions)</td>
<td>(782.9)</td>
</tr>
<tr>
<td><strong>Add:</strong></td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expenses</td>
<td>24.9</td>
</tr>
<tr>
<td>Share of loss in equity method investments</td>
<td>2.2</td>
</tr>
<tr>
<td>Impairment loss of investment</td>
<td>—</td>
</tr>
<tr>
<td><strong>Adjusted net loss</strong></td>
<td>(755.8)</td>
</tr>
</tbody>
</table>
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 
AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section entitled "Selected Combined and Consolidated Financial Data" and our combined and consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus.

Overview

We are the largest game-centric live streaming platform in China and a pioneer in the eSports value chain. We operate our platform on both PC and mobile apps, through which users can enjoy immersive and interactive games and entertainment live streaming. According to iResearch, among China's game-centric live streaming platforms, we ranked (i) first by the size of our user base as measured by average total MAUs on both mobile and PC platforms during the fourth quarter of 2017 and 2018, (ii) first by the level of user engagement as measured by average total daily time spent by active users on our platform during the fourth quarter of 2017 and 2018, and (iii) first by the number of top 100 game streamers with whom we contracted in December 2017 and December 2018, which was 38 and 50 out of China's top 100 game streamers, respectively. Our average total MAUs were 134.3 million and 153.5 million in the fourth quarter of 2017 and 2018, respectively, while our average total daily time spent by active users was 17.2 million and 24.2 million hours in the same periods. The average daily time spent by each active user in the fourth quarter of 2017 and 2018 was 40 minutes and 54 minutes, respectively.

We have developed diversified monetization channels to capitalize on our large and active user base as well as high-quality content offered by our deep pool of top streamers. We primarily generate revenues through live streaming and advertisement. Revenue from live streaming mainly consists of sales of virtual gifts which viewers give to streamers during live streaming to show appreciation and support. Revenue from advertisement is mainly attributable to the sale of advertisement services to advertisers and game developers. In addition, a small portion of our revenue is attributable to game distribution, which involves revenue-sharing arrangements with game developers and publishers. Our revenue has increased from RMB786.9 million in 2016 to RMB1,885.7 million in 2017, and reached RMB3,654.4 million (US$531.5 million) in 2018. We had net loss of RMB782.9 million, RMB612.9 million and RMB876.3 million (US$127.4 million) respectively during those same periods.

Major Factors Affecting Our Results of Operations

General Factors Affecting Our Results of Operations

Our business and operating results are affected by general factors affecting China's game-centric live streaming industry, which include:

- China's overall economic growth;
- Usage and penetration rate of mobile Internet and mobile payment;
- Growth and competitive landscape of China's live streaming market, especially game-centric live streaming market;
- Growth of China's online game market, especially e-Sports market; and
- Governmental policies and initiatives affecting China's live streaming industry, including game live streaming and eSports.
Unfavorable changes in any of these general industry conditions could negatively affect demand for our services and materially and adversely affect our results of operations.

Specific Factors Affecting Our Results of Operations

While our business is influenced by general factors affecting the game-centric live streaming industry in China, we believe our results of operations are more directly affected by company specific factors, including the following major factors:

Our ability to maintain and expand our user base and enhance our user engagement

We have a massive and highly engaged user base, which drives our revenue growth. As of December 31, 2016, 2017 and 2018, we had 98.7 million, 182.1 million and 253.6 million registered users, respectively. According to iResearch, we ranked first among China's game-centric live streaming platforms in terms of (i) the size of our user base as measured by average total MAUs on both mobile and PC platforms, and (ii) level of user engagement as measured by average total daily time spent by active users during the fourth quarter of 2017 and 2018. Our average total MAUs were 134.3 million and 153.5 million in the fourth quarter of 2017 and 2018, respectively, while our average total daily time spent by active users was 17.2 million and 24.2 million hours in the same periods. The average daily time spent by each active user in the fourth quarter of 2017 and 2018 was 40 minutes and 54 minutes, respectively. Our brand awareness and pivotal position in the game-centric live streaming industry allows us to continue to acquire users through organic growth. Our ability of effectively maintaining and expanding our user base will affect the growth of our business and our revenue going forward. The following table sets forth our average next-month active user retention rate and average MAUs for each of the quarters indicated:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Next-Month Active User Retention Rate</td>
<td>72.9%</td>
<td>75.2%</td>
<td>76.1%</td>
<td>76.7%</td>
</tr>
<tr>
<td>Average MAUs on PC Platform</td>
<td>72.6</td>
<td>73.6</td>
<td>91.8</td>
<td>102.1</td>
</tr>
<tr>
<td>Average MAUs on Mobile Platform</td>
<td>25.7</td>
<td>23.8</td>
<td>28.5</td>
<td>32.2</td>
</tr>
<tr>
<td>Average Total MAUs</td>
<td>98.3</td>
<td>97.4</td>
<td>120.3</td>
<td>134.3</td>
</tr>
</tbody>
</table>

We have generally achieved steady growth in our user base during these periods. The decrease in the average total MAUs in the second quarter of 2017 and in the first and second quarter of 2018 was primarily attributable to seasonality associated with Chinese New Year holidays in the first quarter of a year and exam periods during the school year in the second quarter of a year. The growth of active users tends to accelerate during school holidays, such as summer and winter breaks, and tends to slow down at the beginning and during the exam periods of the school year. Our average next-month active user retention rate was relatively stable, with slight fluctuations due to the same seasonality associated with Chinese New Year holidays, school holidays and exam periods.

Our user base and level of user engagement help us attract top streamers who produce quality content. The curated content and interactive features of our platform help attract and retain users and encourage user participation, which in turn drives up virtual gifting activities and our live streaming revenue. Our game live streaming combined with a broad range of other entertainment contents have been highly effective in attracting user traffic and boosting user spending. In addition, the broad user
reach and attractive commercial proposition of our platform continuously draw advertisers, game developers and other participants of the eSports industry to our platform.

We seek to continually grow our user base, invest in our brand recognition and stimulate active user engagement to strengthen our leadership position in the game-centric live streaming market. Our ability to maintain and expand our user base, as well as maintain and enhance user engagement, depends on, among other things, our ability to recruit, train, and retain high-quality streamers, our ability to continuously produce quality content, our ability to maintain our pivotal position in the ever-growing eSports industry in China, and our ability to continually improve our users’ entertainment experience through technological innovation.

We intend to further explore overseas markets to expand our user base through both organic expansion and selective investments. We acquired Nonolive in 2018, which is a mobile live streaming platform focused on overseas markets. For details, please refer to "Business—Our strategies—Selective overseas expansion" and Note 3 to the combined and consolidated financial statements for the years ended December 31, 2016, 2017 and 2018 included elsewhere in this prospectus.

**Our ability to attract and retain popular streamers and to enhance the quality of our content**

Popular streamers are critical to maintaining and expanding our user base and enhancing user engagement. As of December 31, 2018, we had 6.0 million registered streamers, among which more than 5,200 are top streamers each of whom entered into an exclusive contract with us directly and approximately 384,800 streamers managed through talent agencies. As of December 31, 2017, our platform had 3.9 million registered streamers, including more than 2,000 top streamers each of whom entered into an exclusive contract with us directly. We ranked first in terms of the number of top 100 game streamers we contracted with, which was 38 and 50 out of China's top 100 game streamers, and had the highest share of the top 100 game streamers for six and eight of the top 10 streamed games in China in December 2017 and December 2018, respectively, according to iResearch. As of December 31, 2018, approximately 48 former professional players streamed premium quality eSports content on our platform. In 2018, such former professional players attracted approximately 120 million viewers.

The high quality content generated by our top streamers increases the vibrancies of our user community and in turn drives the growth of our revenue across live streaming, advertisement and game distribution. Our ability to attract and retain top streamers depends on, among other things, our brand awareness, size and engagement of our user base, the support from our platform, and monetization opportunities.

We will continue to attract, nurture and promote our streamers through our comprehensive streamer development system and increase our streamers' stickiness to and reliance on our platform.

**Our ability to capitalize on the eSports industry**

Our platform is strategically positioned to benefit from the growth of the eSports market in China. According to iResearch, we had the largest eSports viewer base as measured by average total MAUs that viewed eSports live streaming during the fourth quarter of 2017 and 2018. Our average total eSports MAUs were approximately 80.9 million and 95.8 million in the fourth quarter of 2017 and 2018, respectively. Leveraging our early-mover advantage in eSports in China, we have built a platform that is appealing to eSports streamers, game developers and publishers, professional players and eSports tournament organizers as a result of our broad user reach, high user engagement, strong brand awareness, and attractive monetization opportunities.

We expect to continue to source and promote more eSports content on our platform, obtain more broadcasting rights, invest in eSports sponsorships, and organize high-profile eSports events. Our ability
to secure coveted eSports content allows us to attract and retain more users, and also allows us to enhance our user engagement, increase our users’ willingness to pay, extend the lifespan of the related eSports games, and strengthen our brand awareness among all participants in the eSports industry, which drives the growth of our paying users and our business in the long term.

**Our ability to strengthen monetization capabilities**

We generate revenue from a diverse range of monetization channels including (i) live streaming and (ii) advertisement and others.

Our live streaming revenue is primarily driven by the number of paying users and ARPPU. We have experienced significant growth in the number of paying users as a result of continual promotion of our streamers and expansion of virtual gifting scenarios. Our quarterly average paying user base grew from 0.9 million in 2016 to 2.4 million in 2017 and further to 3.8 million in 2018. Moreover, our quarterly average ARPPU changed from approximately RMB164 in 2016 to RMB156 in 2017 and increased to RMB208 in 2018. We intend to attract and train more popular streamers, provide more quality content, diversify user paying scenarios on our platform, and enhance interaction between streamers and viewers to increase user willingness to pay. The following table sets forth the number of our paying users, paying ratio and ARPPU for each of the quarters indicated. We have generally experienced a steady increase in the number of our paying users and paying ratio due to active cultivation of our users’ paying habits through compelling content and various promotional activities and events. The slight decrease in the number of paying users and the paying ratio in the second quarter of 2018 was because we organized fewer promotional activities and events during this period. The slight decrease in paying ratio in the fourth quarter of 2018 was because the average total MAUs of our platform increased from 142.7 million in the third quarter of 2018 to 153.5 million in the fourth quarter of 2018 while the number of paying users remained stable during such period, which is a result of the increased percentage of new users in our user mix whose paying habit takes time to develop. Our quarterly ARPPU has decreased slightly from the third quarter of 2017 to the first quarter of 2018 due to our efforts in broadening our paying user base since mid-2017, which resulted in a significant growth in the number of paying users and diluted our quarterly ARPPU. Our quarterly ARPPU increased generally from the second quarter to the fourth quarter of 2018, which was due to our targeted monetization strategies and continuous cultivation of users’ paying habits.

<table>
<thead>
<tr>
<th></th>
<th>For the Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying Users</td>
<td>1.7</td>
</tr>
<tr>
<td>Paying Ratio</td>
<td>1.7%</td>
</tr>
<tr>
<td>Quarterly ARPPU</td>
<td>135</td>
</tr>
</tbody>
</table>

We provide effective and targeted advertising solutions that reach a broad audience with attractive demographics to incentivize more spending by existing advertising customers and to attract new advertising customers. We continue to innovate our advertising methods, including promotion of games or brands by our selected streamers during their streaming performance and advertising during our online and offline events, as well as to improve advertisement efficiency. As the leading game-centric live streaming platform in China, we will monitor market developments and consider deepening our partnerships with game developers and publishers to increase our participation in game distribution. We also plan to further explore other monetization channels including promotional channels for new games and online ticketing for eSports and other game events to provide a holistic suite of services to our users.
We believe our massive and highly engaged user base and our lynchpin position in China's game-centric live streaming ecosystem will allow us to continue to enhance our monetization efficiency and diversification.

**Our ability to further improve cost efficiency and economies of scale**

We have made significant investments in our technology, brand, streamers and team. Our costs and expenses consists primarily of revenue sharing fees and content cost, bandwidth costs, and sales and marketing expenses. It is critical for us to manage our costs and expenses effectively and improve operational efficiency. We believe our platform has achieved strong operating leverage and economies of scale as we have built the largest game-centric live streaming platform in China. For example, bandwidth cost has dropped from 42.6% of total net revenue in 2016 to 23.0% in 2017, and further to 15.2% in 2018.

Our ability to achieve greater cost efficiency and economies of scale also depends on our ability to efficiently manage and control our costs and expense. We plan to upgrade our technological capabilities and infrastructure to support the growth of our business. We expect that the adoption of advanced streaming technologies and strong business growth will enable us to improve operational efficiency and to benefit further from economies of scale.

**Key Components of Results of Operations**

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td>US$</td>
</tr>
<tr>
<td></td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(in millions)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net revenues</td>
<td>786.9</td>
<td>1,885.7</td>
<td>3,654.4</td>
<td>531.5</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>(1,155.1)</td>
<td>(1,890.4)</td>
<td>(3,503.4)</td>
<td>(509.5)</td>
</tr>
<tr>
<td>Gross (loss)/profit</td>
<td>(368.2)</td>
<td>(4.7)</td>
<td>151.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(223.5)</td>
<td>(310.3)</td>
<td>(538.9)</td>
<td>(78.4)</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(93.5)</td>
<td>(212.1)</td>
<td>(329.3)</td>
<td>(47.9)</td>
</tr>
<tr>
<td>General and administrative expenses(1)</td>
<td>(95.0)</td>
<td>(100.6)</td>
<td>(196.8)</td>
<td>(28.6)</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>3.8</td>
<td>9.3</td>
<td>54.9</td>
<td>7.9</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(408.2)</td>
<td>(613.7)</td>
<td>(1,010.1)</td>
<td>(147.0)</td>
</tr>
<tr>
<td>Loss from operations</td>
<td>(776.4)</td>
<td>(618.4)</td>
<td>(859.1)</td>
<td>(125.0)</td>
</tr>
<tr>
<td>Other income (expense), net</td>
<td>0.0</td>
<td>(0.3)</td>
<td>(20.2)</td>
<td>(2.9)</td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>—</td>
<td>—</td>
<td>(75.6)</td>
<td>(11.0)</td>
</tr>
<tr>
<td>Interest income</td>
<td>3.9</td>
<td>6.9</td>
<td>85.8</td>
<td>12.5</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(8.9)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fair value change of warranty liabilities</td>
<td>0.7</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(780.7)</td>
<td>(611.8)</td>
<td>(869.1)</td>
<td>(126.4)</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Share of loss in equity method investments, net</td>
<td>(2.2)</td>
<td>(1.1)</td>
<td>(7.2)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
<td>(127.4)</td>
</tr>
<tr>
<td>Deemed dividend</td>
<td>(284.9)</td>
<td>—</td>
<td>(6.7)</td>
<td>(1.0)</td>
</tr>
<tr>
<td>Net loss attributable to ordinary shareholders of the Company</td>
<td>(1,067.8)</td>
<td>(612.9)</td>
<td>(883.0)</td>
<td>(128.4)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
<td>(127.4)</td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax of nil:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustments</td>
<td>—</td>
<td>—</td>
<td>325.6</td>
<td>47.3</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(550.7)</td>
<td>(80.1)</td>
</tr>
</tbody>
</table>

Note:

(1) Includes share-based compensation of RMB24.9 million, RMB17.6 million and RMB35.4 million (US$5.1 million) in 2016, 2017 and 2018, respectively.
Revenue

We generate revenue mainly from (i) live streaming and (ii) advertisement and other revenues.

The following table sets forth sources of our revenue in absolute amounts and as percentages of total net revenue for the periods indicated:

<table>
<thead>
<tr>
<th>Net revenues</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB</td>
<td>%</td>
<td>RMB</td>
</tr>
<tr>
<td><strong>For the Year Ended December 31,</strong></td>
<td><strong>(in millions, except for percentages)</strong></td>
<td><strong>(in millions, except for percentages)</strong></td>
<td><strong>(in millions, except for percentages)</strong></td>
</tr>
<tr>
<td>Live streaming</td>
<td>611.3</td>
<td>77.7</td>
<td>1,521.8</td>
</tr>
<tr>
<td>Advertisement and others</td>
<td>175.6</td>
<td>22.3</td>
<td>363.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>786.9</strong></td>
<td><strong>100.0</strong></td>
<td><strong>1,885.7</strong></td>
</tr>
</tbody>
</table>

**Live Streaming**

We primarily generate live streaming revenues through the sales of virtual gifts. See “Business—Monetization opportunities—Live Streaming”. We expect that our revenues from live streaming derived from the sale of virtual gifts to increase as we grow our user base, enhance our user engagement, expand virtual gifting scenarios, increase users' willingness to pay, and continue to capitalize on the significant market potential of eSports.

**Advertisement and Others**

We generate advertisement revenue primarily through offering various forms of advertising services and promotion campaigns to advertisers, including (i) integrated promotion activities during live streaming, (ii) advertisement display, and (iii) online and offline events-related advertisements. To a lesser extent, we also generate revenue from revenue sharing arrangements with game developers and publishers through game distribution. See "Business—Monetization Opportunities—Advertisement and Other Services." We expect that our revenues from advertisement will grow as a result of our increased brand awareness, broader user base, increase in user traffic, and continuous innovation in advertisement format.

Cost of Revenues

Our cost of revenues primarily consists of (i) revenue sharing fees and content cost, (ii) bandwidth cost, and (iii) others. The table below sets forth a breakdown of the components of cost of revenues in absolute amounts and as percentages of total cost of revenues for the periods indicated:

<table>
<thead>
<tr>
<th>Cost of revenues</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RMB</td>
<td>%</td>
<td>RMB</td>
</tr>
<tr>
<td><strong>For the Year Ended December 31,</strong></td>
<td><strong>(in millions, except for percentages)</strong></td>
<td><strong>(in millions, except for percentages)</strong></td>
<td><strong>(in millions, except for percentages)</strong></td>
</tr>
<tr>
<td>Revenue sharing fees and content cost(1)</td>
<td>782.4</td>
<td>67.7</td>
<td>1,373.1</td>
</tr>
<tr>
<td>Bandwidth cost</td>
<td>334.9</td>
<td>29.0</td>
<td>433.6</td>
</tr>
<tr>
<td>Others</td>
<td>37.8</td>
<td>3.3</td>
<td>83.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,155.1</strong></td>
<td><strong>100.0</strong></td>
<td><strong>1,890.4</strong></td>
</tr>
</tbody>
</table>

Note:

(1) Include content right costs which are expensed over the streaming periods.
Revenue sharing fees and content cost. Our revenue sharing fees represent our payment to streamers based on a percentage of revenue from sales of virtual items, including virtual gifts and other subscription based privileges. When a viewer sends a virtual gift to a streamer, we pay a certain percentage of the sales of virtual gifts to the streamers or the talent agency of which the streamer is a member. In addition, we give certain of our streamers a monthly pay that is determined based on the popularity of the streamer. Our content cost mainly covers costs we incurred in purchasing content rights, compensating and recruiting streamers, and those we incurred in generating self-produced content. We expect the revenue sharing fees and content cost to increase in absolute amount as our business grows and we further expand our content offerings, enhance user engagement and strengthen investment in eSports. We expect the percentage of revenue sharing fees and content cost of total net revenues to decline as we benefit from economies of scale.

Bandwidth cost. Bandwidth cost is fees that we pay to telecommunication service providers for bandwidth and content delivery-related services. We expect our bandwidth cost continue to increase in absolute amount as our user base and user engagement grow and as we release more products and services. We expect the percentage of bandwidth cost of total net revenues to decline due to economies of scale and upgrade in our technology infrastructure.

Others. Other costs include fees that we pay to third-party payment processing platforms through which our users purchase our virtual currencies, depreciation of servers, cost related to data center services and other IT infrastructure expenditures.

Operating Expenses

Our operating expenses consist of (i) sales and marketing expenses; (ii) research and development expenses; (iii) general and administrative expenses; and (iv) other operating income.

The following table sets forth the components of our operating expenses in absolute amounts and as percentages of total operating expenses for the periods indicated:

<table>
<thead>
<tr>
<th>Operating expenses</th>
<th>2016 RMB</th>
<th>%</th>
<th>2017 RMB</th>
<th>%</th>
<th>2018 RMB</th>
<th>US$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing expenses</td>
<td>223.5</td>
<td>54.8</td>
<td>310.3</td>
<td>50.6</td>
<td>538.9</td>
<td>78.4</td>
<td>53.4</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>93.5</td>
<td>22.9</td>
<td>212.1</td>
<td>34.6</td>
<td>329.3</td>
<td>47.9</td>
<td>32.6</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>95.0</td>
<td>23.3</td>
<td>100.6</td>
<td>16.4</td>
<td>196.8</td>
<td>28.6</td>
<td>19.4</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>(3.8)</td>
<td>(1.0)</td>
<td>(9.3)</td>
<td>(1.6)</td>
<td>(54.9)</td>
<td>(7.9)</td>
<td>(5.4)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>408.2</strong></td>
<td><strong>100.0</strong></td>
<td><strong>613.7</strong></td>
<td><strong>100.0</strong></td>
<td><strong>1,010.1</strong></td>
<td><strong>147.0</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Sales and Marketing Expenses

Our sales and marketing expenses primarily consist of (i) salaries and benefits for our sales and marketing employees, (ii) branding and advertisement expenses, include costs of placing advertisements, holding promotional events and developing and designing marketing campaigns to generate user traffic to our platform, and (iii) other expenses, such as sponsorship of eSports tournaments for which we have naming rights. We expect our sales and marketing expenses to continue to grow in absolute amount as we continue to promote our brand as well as grow our business.

Research and Development Expenses

Our research and development expenses primarily consist of (i) salaries and benefits, for our research and development employees, and (ii) other expenses primarily including depreciation related
to research use. We expect our research and development expenses to continue to grow in absolute amount as we continue to upgrade IT infrastructure to offer better user experience.

**General and Administrative Expenses**

Our general and administrative expenses primarily consist of (i) salaries and benefits for our general and administrative staff, (ii) share-based compensation, (iii) professional service fees, and (iv) other expenses primarily including travel expenses, general office expenses, and office rental expenses. We expect our general and administrative expenses to grow in absolute amount as we grow our business and incur additional costs related to operating as a public company and complying with our reporting obligations under the U.S. securities laws.

**Other Operating Income, net**

Our other operating income, net primarily consists of (i) gain or loss on daily operation due to foreign exchange rate fluctuations, (ii) gain on government subsidies, which refer to funds we received from local government, and (iii) gain or loss on litigation settlement.

**Other expense, net**

Our other expense, net primarily consists of the impairment loss from equity method investments, and the disposal loss of cost method investments.

**Foreign currency translation adjustments**

Foreign currency translation adjustments are reported as a cumulative translation adjustments and are shown as a component of other comprehensive income. A cumulative translation adjustment is resulted from the translation of the financial statements of the consolidating entities within the group with functional currency other than the group's reporting currency in Renminbi. The cumulative translation adjustment for the year ended December 31, 2018 was mainly attributable to the significant amount of cash and cash equivalents held at Cayman Islands holding company level and the depreciation in the Renminbi against the U.S. dollar during the year ended December 31, 2018. We expect that the foreign currency translation adjustments will continue to fluctuate in accordance with the fluctuation between Renminbi and U.S. dollars in future periods.

**Results of Operations**

**Year Ended December 31, 2018 Compared to Year Ended December 31, 2017**

**Revenue.** Our revenue increased by 93.8% from RMB1,885.7 million in 2017 to RMB3,654.4 million (US$531.5 million), mainly attributable to the increase in (i) live streaming revenue and (ii) advertisement and other revenues.

**Live streaming revenue.** Our live streaming revenue increased by 106.8% from RMB1,521.8 million in 2017 to RMB3,147.2 million (US$457.7 million) in 2018. During the same periods, our quarterly average paying users grew from approximately 2.4 million to 3.8 million, and our quarterly average ARPPU grew from RMB156 to RMB208. The growth in live streaming revenue, quarterly average paying users and quarterly average ARPPU were attributable to our continuing effort in growing our user base and developing users’ willingness to pay, including offering of compelling content especially eSports related content, increased popularity of our platform, optimized product features and introduction of interactive streaming channels.

**Advertisement and other revenues.** Our advertisement and other revenues increased by 39.4% from RMB363.9 million in 2017 to RMB507.2 million (US$73.8 million) in 2018, primarily (i) driven by our expansion of advertiser base, improved user traffic and streamer popularity, more diversified offering of
innovative advertising formats as well as sponsorship we attracted from our online and offline events, and (ii) as a result of the increase of game offerings and distributions driven by industry growth.

**Cost of revenues.** Our cost of revenues increased by 85.3% from RMB1,890.4 million in 2017 to RMB3,503.4 million (US$509.5 million) in 2018, primarily due to the increase of the revenue sharing fees and content cost and the increase of bandwidth cost.

**Revenue sharing fees and content cost.** Our revenue sharing fees and content cost increased by 103.2% from RMB1,373.1 million in 2017 to RMB2,790.0 million (US$405.8 million) in 2018, primarily due to the increases in (i) the revenue sharing fees in line with the increase in live streaming revenue, and (ii) content cost as we continuously introduce high quality content such as eSports related content on our platform.

**Bandwidth cost.** Our bandwidth cost increased by 28.2% from RMB433.6 million in 2017 to RMB555.9 million (US$80.8 million) in 2018, primarily as a result of the increased bandwidth necessary to support the growth of our user traffic and enhance our user experience.

**Gross profit (loss) and gross profit margin.** As a result of the foregoing, we had gross profit of RMB151.0 million (US$22.0 million) in 2018, as compared gross loss of RMB4.7 million in 2017. Our gross margin improved from negative 0.2% to positive 4.1% during the same periods.

**Total operating expenses.** Our total operating expenses increased by 64.6% from RMB613.7 million in 2017 to RMB1,010.1 million (US$147.0 million) in 2018.

**Sales and marketing expenses.** Our sales and marketing expenses increased by 73.7% from RMB310.3 million in 2017 to RMB538.9 million (US$78.4 million) in 2018. This increase was primarily attributable to the increase in employee salaries and benefits as a result of the expansion of our sales and marketing team, increase in branding and advertisement expenses due to our growing marketing needs, and higher expenses incurred for the organization of marketing events and sponsorship of eSports tournaments during the period.

**Research and development expenses.** Our research and development expenses increased by 55.3% from RMB212.1 million in 2017 to RMB329.3 million (US$47.9 million) in 2018. The increase was primarily due to increase in employee salaries and benefits as a result of increased research and development headcount as part of our continuing focus to develop innovative product features, strengthen monetization efficiency and upgrade IT infrastructure.

**General and administrative expenses.** Our general and administrative expenses increased by 95.6% from RMB100.6 million in 2017 to RMB196.8 million (US$28.6 million) in 2018. This increase was primarily attributable to (i) increases in employee salaries and benefits as a result of increased administrative headcount and higher employee salaries, (ii) professional service fees and (iii) increases in share-based compensation to the founding shareholders of Nonolive.

**Other operating income, net.** Our other operating income, net increased significantly from RMB9.3 million in 2017 to RMB54.9 million (US$7.9 million) in 2018. The increase is mainly attributable to foreign exchange gain related to our cash and cash equivalents and receivables, which are denominated in U.S. dollars, and the depreciation of RMB against U.S. dollars in 2018, the increase in the government subsidies and income from litigation settlement we recognized during the same period.

**Other expense, net.** Our other expense, net increased significantly from RMB0.26 million in 2017 to RMB20.2 million (US$2.9 million) in 2018. The increase is primarily due to a disposal loss of RMB3.5 million (US$0.5 million) for cost method investments in 2018, and an impairment loss of RMB15.2 million (US$2.2 million) for equity method investments in 2018. The impairment loss on
equity method investments was mainly due to the deterioration of the investee's operating performance for which the Company determined to be other-than-temporary.

**Foreign exchange loss, net.** Our foreign exchange loss, net increased from nil in 2017 to RMB75.6 million (US$11.0 million) in 2018. The increase is mainly relating to a U.S. dollar amount due to one of our shareholders in connection with our reorganization.

**Interest income.** Interest income consists of interests earned on bank deposits. We recorded RMB6.9 million in 2017 and RMB85.8 million (US$12.5 million) in 2018, respectively. The increase in interest income was mainly due to the increase in cash balances due to our Series E financing.

**Loss before income tax expenses.** As a result of the foregoing, our loss before income tax increased by 42.1% from RMB611.8 million in 2017 to RMB869.1 million (US$126.4 million) in 2018.

**Income tax expense.** We had no income tax expense in 2017 and 2018 due to our cumulative net losses and the resulting tax loss carryforward.

**Net loss.** Our net loss increased from RMB612.9 million in 2017 to RMB876.3 million (US$127.4 million) in 2018.

### Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

**Revenue.** Our revenue increased by 139.7% from RMB786.9 million in 2016 to RMB1,885.7 million in 2017, mainly attributable to the increase in (i) live streaming revenue and (ii) advertisement and other revenues.

**Live streaming revenue.** Our live streaming revenue increased by 149.0% from RMB611.3 million in 2016 to RMB1,521.8 million in 2017, mostly attributable to the significant growth of quarterly average paying users from approximately 0.9 million to 2.4 million. As it takes time to cultivate new users' paying habits, the quarterly average ARPPU decreased slightly from RMB164 to RMB156. The growth in the live streaming revenue and paying user base were attributable to our continual effort in growing our user base and developing users' willingness to pay, including offering of compelling content especially eSports related content, increased popularity of our platform, optimized product features and introduction of interactive streaming channels.

**Advertisement and other revenues.** Our advertisement and other revenues increased by 107.3% from RMB175.6 million in 2016 to RMB363.9 million in 2017, primarily (i) driven by our expansion of advertiser base and improved user traffic and streamer popularity, as well as more diversified offering of innovative advertising format and (ii) as a result of the increase of game offerings and distributions driven by industry growth.

**Cost of revenues.** Our cost of revenues increased by 63.7% from RMB1,155.1 million in 2016 to RMB1,890.4 million in 2017, primarily attributable to the increase of the revenue sharing fees and content cost and the increase of bandwidth cost.

**Revenue sharing fees and content cost.** Our revenue sharing fees and content cost increased by 75.5% from RMB782.4 million in 2016 to RMB1,373.1 million in 2017, primarily due to the increases in (i) the revenue sharing fees in line with the increase in live streaming revenue, and (ii) content cost as we continuously introduce high quality content, such as eSports related content on our platform.

**Bandwidth cost.** Our bandwidth cost increased by 29.5% from RMB334.9 million in 2016 to RMB433.6 million in 2017, primarily as a result of the increased bandwidth necessary to support the growth of our user traffic and enhance our user experience.
Gross profit (loss) and gross profit margin. As a result of the foregoing, we had a gross loss of RMB4.7 million in 2017, as compared a gross loss of RMB368.2 million in 2016. Our gross margin improved from negative 46.8% to negative 0.2% during the same period.

Total operating expenses. Our total operating expenses increased by 50.4% from RMB408.2 million in 2016 to RMB613.7 million in 2017.

Sales and marketing expenses. Our sales and marketing expenses increased by 38.8% from RMB223.5 million in 2016 to RMB310.3 million in 2017. This increase was primarily attributable to the increase in employee salaries and benefits as a result of the expansion of our sales and marketing team, increase in branding and advertisement expenses due to our increased marketing needs, and higher expenses for the organization of events and eSports tournaments during the period.

Research and development expenses. Our research and development expenses increased by 127.0% from RMB93.5 million in 2016 to RMB212.1 million in 2017. This was primarily attributable to increase in employee salaries and benefits as a result of increased research and development headcount, which is due to our continuous focus on research and development to promote innovative product features, strengthen monetization efficiency and upgrade IT infrastructure.

General and administrative expenses. Our general and administrative expenses increased by 5.9% from RMB95.0 million in 2016 to RMB100.6 million in 2017. This increase was primarily attributable to increase in employee salaries and benefits as a result of increased administrative headcount and higher employee salaries, partially offset by decrease in professional service fees due to reduced need for professional services associated with capital raising activities during the period.

Other operating income, net. Our other operating income increased by 145.0% from RMB3.8 million in 2016 to RMB9.3 million, in 2017. The increase was primarily attributable to the increase in the government subsidies and litigation settlement we recognized during 2017, partially offset by foreign exchange loss related to our sales made on Apple's app store platform, which are denominated in U.S. dollars.

Other income/(expenses), net. Our other expense, net for 2016 and 2017 were income of RMB0.05 million and expense of RMB0.26 million respectively.

Interest income. Interest income consists of interest earned on bank deposits. We recorded RMB3.9 million in 2016 and RMB6.9 million in 2017, respectively.

Loss before income tax expenses. As a result of the foregoing, our loss before income tax in 2017 decreased by 21.6% from RMB780.7 million in 2016 to RMB611.8 million.

Income tax expense. We had no income tax expense in 2016 and 2017 due to our cumulative net losses and the resulting tax loss carryforward.

Net loss. As a result of the foregoing, our net loss decreased from RMB782.9 million in 2016 to RMB612.9 million in 2017.

Selected Quarterly Results of Operations

The following table sets forth our unaudited combined and consolidated quarterly results of operations for the periods indicated. You should read the following table in conjunction with our audited combined and consolidated financial statements and related notes included elsewhere in this prospectus. We have prepared the unaudited combined and consolidated quarterly financial information on the same basis as our audited combined and consolidated financial statements. The unaudited combined and consolidated quarterly financial information includes all adjustments, consisting only of
normal and recurring adjustments, that we consider necessary for a fair statement of our operating results for the quarters presented.

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2017</th>
<th>June 30, 2017</th>
<th>September 30, 2017</th>
<th>For Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>283.0</td>
<td>371.0</td>
<td>548.9</td>
<td></td>
</tr>
<tr>
<td>Costs of revenues</td>
<td>(372.0)</td>
<td>(421.9)</td>
<td>(526.3)</td>
<td></td>
</tr>
<tr>
<td>Gross profit (loss)</td>
<td>(89.0)</td>
<td>(59.9)</td>
<td>22.6</td>
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</tr>
</tbody>
</table>

Operating expenses:

<table>
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<tr>
<th></th>
<th>March 31, 2017</th>
<th>June 30, 2017</th>
<th>September 30, 2017</th>
<th>For Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and marketing expenses</td>
<td>(104.6)</td>
<td>(76.9)</td>
<td>(65.3)</td>
<td></td>
</tr>
<tr>
<td>General and administrative expenses(1)</td>
<td>(19.5)</td>
<td>(22.9)</td>
<td>(27.8)</td>
<td></td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(38.2)</td>
<td>(48.0)</td>
<td>(52.8)</td>
<td></td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>0.4</td>
<td>2.4</td>
<td>(0.7)</td>
<td></td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(161.9)</td>
<td>(145.4)</td>
<td>(146.6)</td>
<td>(159.8)</td>
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</table>

Loss from operations:

<table>
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<tr>
<th></th>
<th>March 31, 2017</th>
<th>June 30, 2017</th>
<th>September 30, 2017</th>
<th>For Three Months Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other income (expenses), net</td>
<td>(0.0)</td>
<td>(0.1)</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(27.2)</td>
</tr>
<tr>
<td>Interest income</td>
<td>2.2</td>
<td>0.2</td>
<td>2.4</td>
<td>2.1</td>
</tr>
<tr>
<td>Loss before income taxes</td>
<td>(248.7)</td>
<td>(196.2)</td>
<td>(121.6)</td>
<td>(45.3)</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(256.3)</td>
</tr>
<tr>
<td>Share of loss in equity method investments</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(218.6)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(248.9)</td>
<td>(194.9)</td>
<td>(124.3)</td>
<td>(44.8)</td>
</tr>
</tbody>
</table>

Note:

(1) Includes share-based compensation as follows:

We have generally experienced a steady growth in our quarterly net revenues for the eight quarters in the period from January 1, 2017 to December 31, 2018. The growth was mainly attributable to the growth of paying users from 1.7 million in the first quarter of 2017 to 4.2 million to the fourth quarter of 2018, and ARPPU from RMB135 to RMB242 in the same periods. The increase in the number of paying users and ARPPU was a result of our continued efforts in growing user base and user engagement through popular streamers and rich and engaging content, and in cultivating active users’ paying habit by creating various paying scenarios. The slight decrease in the first quarter of 2018 was due to the decrease in our advertisement revenues, as the demand for our advertisement services is generally lower in the first quarter of each year. This is primarily attributable to a general slowdown in business activities during the Chinese New Year holiday and the fact that advertisers typically limit their budgets for online platforms during this time of the year. The net revenues trend we have experienced in the past may not apply to, or be indicative of, our future operating results.

Our cost of revenues grew in the period from January 1, 2017 to December 31, 2017 as a result of our business growth, which requires higher revenue sharing fees and content cost as well as bandwidth costs. Growth in our cost of revenues accelerated in the period from January 1, 2018 to December 31, 2018 due to our strategic focus on recruiting top streamers to attract more users and diversify our
content offerings, which contributed significantly to our revenue sharing fees and content cost. The growth of our cost of revenues is likely to persist if our business continues to grow.

**Taxation**

*Cayman Islands*

We are incorporated in the Cayman Islands. Under the current law of the Cayman Islands, we are not subject to income or capital gains tax. In addition, dividend payments are not subject to withholding tax in the Cayman Islands.

*Hong Kong*

Our subsidiaries in Hong Kong are subject to Hong Kong profits tax on their activities conducted in Hong Kong at a uniform tax rate of 16.5%. Payments of dividends by our subsidiaries to us are not subject to withholding tax in Hong Kong.

*PRC*

Generally, our subsidiary and consolidated variable interest entities in China are subject to enterprise income tax on their taxable income in China at a rate of 25%, except where a special preferential rate applies. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

Wuhan Douyu obtained High and New Technology Enterprise ("HNTE") status from 2016 to 2018. It enjoyed a preferential tax rate of 15% in 2017 and 2018 to the extent it has taxable income under the PRC Enterprise Income Tax Law. It will enjoy the 15% preferential tax rate as long as it re-applies for HNTE status every three years and meet the HNTE criteria during this three-year period. If Wuhan Douyu fails to meet the criteria for qualification as an HNTE in any year, (i) the enterprise cannot enjoy the 15% preferential tax rate in that year and must instead use the uniform 25% enterprise income tax rate and (ii) it will need to re-apply for HNTE status.

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 the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and Capital and receives approval from the relevant tax authority, in which case the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the preferential rate of 5%. Effective from November 1, 2015, the above mentioned approval requirement has been abolished, but a Hong Kong entity is still required to file application package with the relevant tax authority, and settle the overdue taxes if the preferential 5% tax rate is denied based on the subsequent review of the application package by the relevant tax authority. See "Risk Factors—Risks Related to Our Corporate Structure—Our PRC subsidiary and PRC variable interest entities are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements."

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—Under the PRC enterprise income tax law, we may be classified as a PRC "resident enterprise," which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment."

We are subject to value-added tax, or VAT, at a rate of 6% on the services we provide and 16% before April 1, 2019 and 13% after April 1, 2019 on sales of goods, in each case less any deductible
VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law.

**British Virgin Islands**

Under the current laws of the British Virgin Islands, our company is not subject to tax on income or capital gains. In addition, upon payments of dividends by our British Virgin Islands subsidiary to its shareholders who are not resident in the British Virgin Islands, no British Virgin Islands withholding tax will be imposed.

**Internal Control Over Financial Reporting**

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. In connection with the audit of our combined and consolidated financial statements as of and for the fiscal year ended December 31, 2018, we and our independent registered public accounting firm identified one material weakness and other control deficiencies 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 a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

One material weaknesses that has been identified relates to our lack of sufficient skilled staff with U.S. GAAP knowledge for the purpose of financial reporting and lack of formal accounting policies and procedures manual to ensure proper financial reporting to comply with U.S. GAAP and SEC requirements.

We have implemented and plan to implement a number of measures to address the material weakness that has been identified in connection with the audit of our combined and consolidated financial statements as of and for the year ended December 31, 2018. We are in the process of implementing, and plan to continue to develop, a full set of U.S. GAAP accounting policies and financial reporting procedures as well as related internal control policies, including a systematic accounting manual for U.S. GAAP and financial closing process. We have also started to enhance U.S. GAAP expertise and will continue to do so in the near future. We plan to hire new finance team members with U.S. GAAP qualifications in order to strengthen our U.S. GAAP reporting framework. We will also participate in trainings and seminars provided by professional services firms on a regular basis to gain knowledge on regular accounting and SEC reporting updates and will also provide internal training to our current accounting team on U.S. GAAP knowledge. We intend to remediate this material weakness and the other control deficiencies in multiple phases and expect that we will incur certain costs for implementing our remediation measures. We cannot assure you, however, that all these measures will be sufficient to remediate our material weakness in time, or at all. See "Risk Factors—Risks Related to Our Business and Industry—If we fail to implement and maintain an effective system of internal controls, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of our shares may be materially and adversely affected.” 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.
Critical Accounting Policies, Judgments and Estimates

An accounting policy is considered critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time such estimate is made, and if different accounting estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the combined and consolidated financial statements.

We prepare our financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates.

The following descriptions of critical accounting policies, judgments and estimates should be read in conjunction with our combined and consolidated financial statements and accompanying notes and other disclosures included in this prospectus. When reviewing our financial statements, you should consider (i) our selection of critical accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies and (iii) the sensitivity of reported results to changes in conditions and assumptions.

Basis of Consolidation

We prepare our combined and consolidated financial statements in conformity with U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect our reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of each fiscal period and our reported amounts of revenue and expenses during each fiscal period. We continually evaluate these judgments and estimates based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Since the use of estimates is an integral component of the financial reporting process, our actual results could differ from those estimates. Some of our accounting policies require a higher degree of judgment than others in their application.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most significant judgments and estimates used in the preparation of our financial statements.

Revenue recognition

We recognize revenue when a persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. Revenue are recorded, net of sales related taxes and surcharge. We principally derive revenue from (i) live streaming and (ii) advertisement and others.

Live streaming

We principally engage in operating our own live streaming platforms, which enable streamers and users to interact with each other during live streaming. The users have the option to purchase virtual
currency, which is non-refundable and can only be used to redeem for virtual items to be used in the live streaming sessions on our platforms. Unredeemed virtual currency is recorded as deferred revenue. Virtual currencies used to purchase virtual items are recognized as revenue according to the prescribed revenue recognition policies of virtual items addressed below unless otherwise stated.

Virtual items are categorized as consumable and time-based items. Consumable items consist of virtual gifts presented from the users to streamers to show their support, and are consumed immediately upon redemption. For consumable virtual item, we recognize live streaming revenue when the consumable virtual item is used. Time-based items consist of monthly premium subscription services. Live streaming revenue for the time-based items is recognized ratably over a fixed period on a straight line basis. We do not have further obligations to the users after the virtual items are consumed immediately or after the stated period of time for time-based items.

Virtual items may be sold individually or bundled into one arrangement. When our users purchase multiple virtual items bundled within the same arrangement, we evaluate such arrangements under ASC 605-25 Multiple-Element Arrangements. We allocate arrangement consideration in multiple-deliverable revenue arrangements at the inception of an arrangement to all service revenues based on the relative selling price in accordance with the selling price hierarchy, which includes: (i) vendor-specific objective evidence ("VSOE") if available; (ii) third-party evidence ("TPE") if VSOE is not available; and (iii) best estimate of selling price ("BESP") if neither VSOE nor TPE is available.

**Advertisement**

We generate advertisement revenues from rendering of various forms of advertisement services and provision of promotion campaigns on the live streaming platforms by way of advertisement display or integrated promotion activities during live streaming on the live streaming platforms. Advertisements on our platforms are generally charged on the basis of duration whereby revenue is recognized ratably over the contract period of display. We provide sales incentives in the forms of discounts and rebates to advertisers or advertisement agencies based on purchase volume. Revenue is recognized based on the price charged to the advertisers or agencies, net of sales incentives provided to the advertisers or agencies. Sales incentives are estimated and recorded at the time of revenue recognition based on the contracted rebate rates and estimated sales volume based on historical experience.

**Other revenue**

Other revenue mainly consists of game distribution revenue. Online games developed by third-party game developers are displayed through our platforms to attract users to download and play the games. We earn revenues from game developers in accordance with the pre-determined arrangements based on the in-game purchase amounts for the games downloaded or played through our platform. Game distribution revenue is recognized at a point in time when the purchase in game is made. Other revenue also includes ticket revenue for certain events held by us.

**Income taxes**

Current income taxes are provided for in accordance with the laws of the relevant tax authorities.

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 consider all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation. Deferred
tax assets are then reduced by a valuation allowance through a charge to income tax expense when, in the opinion of management, it is more like than not that a portion of or all of the deferred tax assets will not be realized.

We account for uncertainty in income taxes recognized in the combined and consolidated financial statements by applying a two-step process to determine the amount of the benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained (defined as a likelihood of more than fifty percent of being sustained upon an audit, based on the technical merits of the tax position), the tax position is then assessed to determine the amount of benefits to recognize in the combined and consolidated financial statements. The amount of the benefits that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. We did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2016, 2017 and 2018.

Share-based compensation

We follow ASC 718 "Stock Compensation," and under the fair value recognition provisions of ASC 718, we recognize share-based compensation net of an estimated forfeiture rate and therefore only recognize compensation cost for those shares expected to vest over the service period of the award.

Upon closing of the issuance of Series A preferred equity, our two founding shareholders, Mr. Shaojie Chen and Mr. Wenming Zhang, entered into an arrangement with the investor, whereby a certain percentage of their equity interest in Wuhan Douyu ("Founders' Equity") became subject to service and transfer restriction. Such Founders' Equity interest is subject to repurchase by us upon early termination of their requisite period of employment. The repurchase price is the minimum price permitted under PRC law. The Founders' Equity shall be vested monthly in equal installment over the period from closing of the issuance of Series A Preferred Equity to 2018 year-end. This arrangement has been accounted for as a grant of restricted shares awards subject to service vesting conditions based on the fair value of the underlying equity interest at the grant date which is determined to be RMB18.65 per share.

In April 2018, board of directors adopted a restricted share unit scheme, which was approved by our board of directors and amended and restated in April 2019 (the “Amended and Restated 2018 RSU Scheme”). Under the Amended and Restated 2018 RSU Scheme, the maximum aggregate number of shares that may be issued shall not exceed 2,106,321 RSUs. One RSU represents one ordinary share. The Scheme shall be valid and effective for a period of 10 years.

On April 1, 2018, pursuant to a board of director resolution, 2,098,069 RSUs corresponding to 2,098,069 ordinary shares were granted to certain employees, directors and officers for zero cash subscription, of which 2,097,087 RSUs corresponding to 2,097,087 ordinary shares remain outstanding. The RSUs are vested by equal instalment for 36 months upon a qualified IPO, with the same meaning as such term is defined in the Series E Shareholders Agreement (“Qualified IPO”).

The fair value per RSU was estimated as the fair value of ordinary share (RMB274.51 per share) at the date of grant.

In connection of the acquisition of Nonolive, Gogo Glocal, one of our subsidiaries in which we hold a controlling stake, issued 4,900,000 ordinary shares, which represents 46% of its equity, to the founders for Nonolive. These ordinary shares are subject to transfer restrictions and repurchase by us for a consideration of US$1.0 upon early termination of their requisite employment service period of 15 months. These ordinary shares will vest upon the earlier of the satisfaction of certain performance
target as measured by number of daily active users or the requisite service period. This arrangement has been accounted for as a grant of restricted shares awards subject to service vesting conditions based on the fair value of the underlying equity interest at the grant date, which is determined to be RMB18.45 per ordinary share of Gogo Glocal.

With the assistance of a third party valuer, we used the discounted cash flow method to determine the underlying equity value of Gogo Glocal and adopted an equity allocation model to determine the fair value of the restricted shares as of the dates of issuance, which was determined to be at RMB18.45 per share. The aggregate fair value of the restricted shares was RMB90,425,865. This fair value measurement is based on significant inputs that are not observable in the market and thus represents a fair value measurement categorized within Level 3 of the fair value hierarchy. Key assumptions include a discount rate range of 27% and a terminal growth rate of 3%. For details, please refer to Note 16 to the combined and consolidated financial statements for the years ended December 31, 2016, 2017 and 2018 included elsewhere in this prospectus.

**Fair value of our ordinary share**

Prior to our initial public offering, we were 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 at various dates for the following purposes:

- Determining the fair value of our ordinary shares at the date of the grant of share-based compensation award to our employees as one of the inputs into determining the grant date fair value of the award.
- Determining the fair value of our paid in capital of Wuhan Douyu as one of the inputs into determining the deemed dividend when issuing preferred equity.

The following table sets forth the fair value of our ordinary shares/paid in capital estimated at different times prior to our initial public offering with the assistance from an independent valuation firm:

<table>
<thead>
<tr>
<th>Date</th>
<th>Fair Value per share/paid in capital</th>
<th>DLOM</th>
<th>Discount rate</th>
<th>Type of valuation</th>
<th>Purpose of valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 30, 2014</td>
<td>18.65</td>
<td>23.5%</td>
<td>25.0%</td>
<td>Discounted cash flow method</td>
<td>Fair value of restricted paid in capital in connection of share based compensation</td>
</tr>
<tr>
<td>February 3, 2016</td>
<td>81.47</td>
<td>23.0%</td>
<td>22.0%</td>
<td>Discounted cash flow method</td>
<td>Fair value of paid in capital in connection of deemed dividend related to Series B Preferred Equity</td>
</tr>
<tr>
<td>August 8, 2016</td>
<td>128.33</td>
<td>22.0%</td>
<td>21.5%</td>
<td>Discounted cash flow method</td>
<td>Fair value of paid in capital in connection of deemed dividend related to Series C Preferred Equity</td>
</tr>
<tr>
<td>April 1, 2018</td>
<td>274.51</td>
<td>10.5%</td>
<td>19.0%</td>
<td>Discounted cash flow method</td>
<td>Fair value of restricted share units granted in connection of share based compensation</td>
</tr>
</tbody>
</table>

The determination of the fair value of our ordinary shares/paid in capital of Wuhan Douyu 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.

The major assumptions used in calculating the fair value of ordinary shares 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 consideration of the factors including risk-free rate, comparative industry risk, equity risk premium, company size premium and non-systemic risk factors.

Discount for lack of marketability, or DLOM. DLOM was quantified by the average-price Asian put option model ("AAP Model"). Under AAP model, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as a basis to determine the DLOM. AAP model is one of the methods commonly used in estimating DLOM as it can take into consideration factors like timing of a liquidity event (such as an IPO) and estimated volatility of our shares. The farther the valuation date is from an expected liquidity event, the higher the put option value and thus the higher the implied DLOM. The lower DLOM is used for the valuation, the higher is the determined fair value of the ordinary shares.

The income approach involves applying appropriate discount rates to estimated cash flows that are based on earnings forecasts. Our revenues and earnings growth rates, as well as major milestones that we have achieved, contributed to the increase in the fair value of our ordinary shares. However, these fair values are inherently uncertain and highly subjective. The assumptions used in deriving the fair values are consistent with our business plan. These assumptions include: no material changes in the existing political, legal and economic conditions in China; our ability to retain competent management, key personnel and staff to support our ongoing operations; and no material deviation in market conditions from economic forecasts. These assumptions are inherently uncertain.

A hybrid method of the probability-weighted expected return method ("PWERM") and the option pricing method ("OPM") was used to allocate equity value to preferred and ordinary shares, taking into account the guidance prescribed by the AICPA Audit and Accounting Practice Aid, "Valuation of Privately-Held Company Equity Securities Issued as Compensation." Under the PWERM, the values of ordinary shares and preferred shares are based upon the probability-weighted value derived through the OPM under liquidation, redemption and Qualified IPO scenarios. Under the OPM, ordinary shares and preferred shares are treated as call options on equity value, with exercise prices based on the liquidation preferences, redemption payouts and Qualified IPO automatic conversion of the preferred shares. The OPM involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of our company or an initial public offering, and estimates of the volatility of our equity securities. The anticipated timing is based on the plans of our board of directors and management. Estimating the volatility of the share price of a privately held company is complex because there is no readily available market for the shares. We estimate the volatility of our shares to range from 41% - 52% based on the historical volatilities of comparable publicly traded companies engaged in similar lines of business. Had we used different estimates of volatility, the allocations between preferred and ordinary shares would have been different.

The fair value of our paid in capital of Wuhan Douyu increased from RMB18.65 as of December 30, 2014 to RMB81.47 as of February 3, 2016. DLOM decreased from 23.5% to 23% during the same period, primarily due to our expectations for the timing of our initial public offering. Meanwhile, the increase in fair value of our ordinary shares was attributable to organic growth of our business.

The fair value of our paid in capital of Wuhan Douyu increased from RMB81.47 as of February 3, 2016 to RMB128.33 as of August 8, 2016. DLOM decreased from 23% to 22% during the same period,
primarily due to our expectations for the timing of our initial public offering. Meanwhile, the increase in fair value of our ordinary shares was attributable to organic growth of our business.

The fair value of our ordinary share increased from RMB128.33 as of August 8, 2016 to RMB274.51 as of April 1, 2018. DLOM decreased from 22% to 10.5% during the same period, primarily due to completion of 2018 Restructuring, and our expectations for the timing of our initial public offering. Meanwhile, the increase in fair value of our ordinary shares was attributable to organic growth of our business.

We do not need to estimate the fair value of our ordinary shares once our shares begin trading.

**Recent accounting pronouncements**

Under the Jumpstart Our Business Startups Act of 2012, as amended ("the JOBS Act"), we meet the definition of an emerging growth company and have elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In March 2016, the FASB issued an amendment (ASU 2016-08) to the new revenue recognition guidance clarifying how to determine if an entity is a principal or agent in a transaction. In April (ASU 2016-10), May (ASU 2016-12), and December (ASU 2016-20) of 2016, the FASB further amended the guidance to include performance obligation identification, licensing implementation, collectability assessment and other presentation and transition clarifications. The amendment will be effective for annual reporting periods beginning after December 15, 2018 including interim periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted only for annual and interim periods beginning after December 15, 2016.

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). As an emerging growth company ("EGC"), we have elected to adopt the new revenue standard as of the effective date applicable to nonissuer and will implement the new revenue standards effective January 1, 2019, using the modified retrospective method for the annual reporting period for the year ended December 31, 2019. We have completed our assessment and currently does not expect the adoption of this guidance will have significant effects on our revenue recognition practices, financial positions, results of operations or cash flows. The new standard will require us to provide more robust disclosures than required by previous guidance, including disclosures related to disaggregation of revenue into appropriate categories, performance obligations, and the judgments made in revenue recognition determinations.

In January 2016, the Financial Accounting Standard Board ("FASB") issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities". This guidance revises the accounting related to the classification and measurement of investments in equity securities as well as the presentation for certain fair value changes in financial liabilities measured at fair value, and amends certain disclosure requirements. The guidance requires that all equity investments, except those accounted for under the equity method of accounting or those resulting in the consolidation of the investee, be accounted for at fair value with all fair value changes recognized in income. For financial liabilities measured using the fair value option, the guidance requires that any change in fair value caused by a change in instrument specific credit risk
be presented separately in other comprehensive income until the liability is settled or reaches maturity. In February 2018, the FASB issued ASU 2018-03, “Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10)” in which improvements were made to clarify ASU 2016-01. These aforementioned guidance is effective for annual reporting periods in fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted for certain provisions. A reporting entity would generally record a cumulative effect adjustment to beginning retained earnings as of the beginning of the first reporting period in which the guidance is adopted. We do not expect the adoption of ASU 2016-01 to have a significant impact on the combined and consolidated financial statements.

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 to 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. 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 (ASU 2018-11), the FASB further amended the guidance to provide another transition method in addition to the existing transition method by allowing entities to initially apply the new leases standard at the adoption date and recognize an accumulative effective adjustment to the opening balance of retained earnings in the period of adoption. For non-public business entities, these aforementioned guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years beginning after December 15, 2020. Early application of the guidance is permitted. As of December 31, 2018, we have RMB75,761,349 of future minimum operating lease commitments that are not currently recognized on our combined and consolidated balance sheets. Therefore, we would expect changes to our combined and consolidated balance sheets for the recognition of these and any additional leases entered into in the future upon adoption.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. This ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of our portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. For non-public business entities, the guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. We are in the process of evaluating the impact of adoption of this guidance on its combined and consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Payments. The primary purpose of the ASU is to reduce the diversity in practice that has resulted from the lack of consistent principles on this topic. For non-public business entities, the guidance in the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted for all entities. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively from the earliest date practicable if retrospective application would be impracticable. We do not expect the adoption of this guidance will have a significant impact on our combined and consolidated financial statements.

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Non-GAAP Financial Measure

To supplement our combined and consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use adjusted net loss, a non-GAAP financial measure, which is calculated as net loss adjusted for shared-based compensation expenses, share of loss in equity method investment and impairment loss on investment, to understand and evaluate our core operating performance. Adjusted net loss is presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measure to its most directly comparable GAAP financial measures. As adjusted net loss has material limitations as an analytical metric and may not be calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, you should not consider adjusted net loss as a substitute for, or superior to, net loss prepared in accordance with GAAP. We encourage investors and others to review our financial information in its entirety and not rely on any single financial measure.

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

<table>
<thead>
<tr>
<th></th>
<th>For the Year Ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 (in millions)</td>
<td>2017</td>
<td>2018</td>
<td>US$</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782.9)</td>
<td>(612.9)</td>
<td>(876.3)</td>
<td>(127.4)</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share-based compensation expenses</td>
<td>24.9</td>
<td>17.6</td>
<td>35.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Share of loss in equity method investments</td>
<td>2.2</td>
<td>1.1</td>
<td>7.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Impairment loss of investment</td>
<td>—</td>
<td>—</td>
<td>15.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Adjusted net loss</td>
<td>(755.8)</td>
<td>(594.2)</td>
<td>(818.5)</td>
<td>(119.1)</td>
</tr>
</tbody>
</table>

Liquidity and Capital Resources

Cash flows and working capital

Prior to this offering, our principal sources of liquidity have been funding provided by private placements of convertible redeemable preferred shares. As of December 31, 2018, we had RMB5,562.2 million (US$809.0 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of cash on hand and time deposits placed with banks with maturities of three months or less and money market funds stated at cost plus accrued interest.

We intend to finance our future working capital requirements and capital expenditures from cash generated from operating activities and funds raised from financing activities, including the net proceeds we will receive from this offering. We may, however, require additional cash due to changing business conditions or other future developments, including any investments or acquisitions we may decide to pursue. We believe that our current cash and cash equivalents, together with our cash generated from operating activities and financing activities will be sufficient to meet our present anticipated working capital requirements and capital expenditures. If our existing cash is insufficient to meet our requirements, we may seek to issue debt or equity securities or obtain additional credit facilities. Financing may be unavailable in the amounts we need or on terms acceptable to us, if at all. Issuance of additional equity securities, including convertible debt securities, would dilute our earnings per share. The incurrence of debt would divert cash for working capital and capital expenditures to service debt obligations and could result in operating and financial covenants that restrict our activities.
operations and our ability to pay dividends to our shareholders. If we are unable to obtain additional equity or debt financing as required, our business and prospects may suffer.

As a holding company with no material operations of our own, we conduct our operations primarily through our PRC subsidiaries, variable interest entities and their subsidiaries. We are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries in China through capital contributions or loans, subject to the approval of government authorities and limits on the amount of capital contributions and loans. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of direct investment and loans by offshore holding companies to PRC entities may delay or limit us from using the proceeds of our initial public offering to make additional capital contributions or loans to our PRC subsidiary" and "Use of Proceeds." The ability of our subsidiaries in China to make dividends or other cash payments to us is subject to various restrictions under PRC laws and regulations. See "Risk Factors—Risks Related to Doing Business in China—Our PRC subsidiary and PRC variable interest entities are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements" and "Risk Factors—Risks Related to Doing Business in China—Under the PRC enterprise income tax law, we may be classified as a PRC "resident enterprise," which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment."

The following table presents the summary of our combined and consolidated cash flow data for the years ended December 31, 2016, 2017 and 2018.

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### Operating activities

Net cash used in operating activities was RMB337.6 million (US$49.1 million) in 2018. The difference between our net cash used in operating activities and our net loss of RMB876.3 million (US$127.4 million) was due to increase in accounts payable of RMB348.3 million (US$50.7 million), increase in accrued expenses and other current liabilities of RMB348.3 million (US$50.7 million), increase in amounts due to related parties of RMB348.3 million (US$50.7 million) and increase in deferred revenue of RMB348.3 million (US$50.7 million), partially offset by increase in other current assets of RMB348.3 million (US$50.7 million), increase in prepayments of RMB348.3 million (US$50.7 million), and increase in amount due from related parties of RMB348.3 million (US$50.7 million). The increases in accounts payable, accrued expenses and other current liabilities and amount due to related parties are attributable to our business growth which requires and is likely to continue to require (i) more revenue sharing fees payable to streamers; (ii) higher bandwidth cost, marketing expense and content cost; and (iii) higher labor costs payable due to increased headcount. The increase in deferred revenue is likely to continue as a result of the growth in unredeemed virtual currency in parallel with the growth of our business. The increase in other current assets and prepayments are driven by the growth in content rights and prepayment to streamers, which we expect

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to persist if our business continues to grow. The depreciation of property and equipment, amortization of intangible assets, share-based compensation, and foreign exchange loss were all non-cash in nature and were adjusted in the presentation of our net cash flow from operating activities based on indirect method. The depreciation of property and equipment, amortization of intangible assets, and share-based compensation is likely to increase if our business continues to grow. The foreign exchange loss was mainly due to a U.S. dollar amount due to one of our shareholders in connection with our restructuring, which was fully paid off in March 2019.

Net cash used in operating activities was RMB381.0 million in 2017. The difference between our net cash used in operating activities and our net loss of RMB612.9 million was due to increase in accounts payable of RMB127.1 million, increase in amount due to related parties of RMB113.6 million, increase in accrued expenses and other current liabilities of RMB76.1 million and increase in deferred revenue of RMB30.9 million, partially offset by increase in accounts receivable of RMB95.3 million and increase in prepayments of RMB45.7 million, increase in other current assets of RMB17.8 million. The increases in accounts payable, amount due to related parties, deferred revenue, accounts receivable and accrued expenses and other current liabilities are attributable to our business growth which requires higher bandwidth capacity, results in more advance payments from users and generates more receivable from customers such as advertisers and more headcount. The increase in prepayments is driven by our continuous efforts to provide quality content by securing top streamers.

Net cash used in operating activities was RMB714.1 million in 2016. The difference between our net cash used in operating activities and our net loss of RMB782.9 million is due to increase in accrued expenses and other current liabilities of RMB72.3 million, increase in amount due to related parties of RMB42.2 million, share-based compensation of RMB24.9 million and increase in deferred revenue of RMB12.0 million, partially offset by increase in prepayments of RMB38.0 million, increase in other current assets of RMB33.8 million and increase in accounts receivable of RMB20.4 million. The increases in accrued expenses and other current liabilities, amount due to related parties, deferred revenue and accounts receivable are attributable to our business growth which requires higher bandwidth capacity, results in more advance payments from users and generates more receivable from customers such as advertisers and more headcount. The increase prepayments is driven by our continuous efforts to provide quality content by securing top streamers.

**Investing activities**

Net cash used in investing activities was RMB265.0 million (US$38.5 million) in 2018 primarily due to payment for investments of RMB92.5 million (US$13.5 million), purchase of intangible assets of RMB83.2 million (US$12.1 million), payment for acquisition of subsidiary, net of cash acquired, of RMB58.0 million (US$8.4 million) and purchase of property and equipment of RMB32.8 million (US$4.8 million), partially offset by proceeds on disposal of intangible assets of RMB1.5 million (US$0.2 million).

Net cash used in investing activities was RMB92.0 million in 2017 primarily due to payment for investments of RMB60.0 million, purchase of property and equipment of RMB23.8 million and purchase of intangible assets of RMB8.2 million.

Net cash used in investing activities was RMB86.3 million in 2016 due to purchase of property and equipment of RMB44.6 million, payment for investments of RMB39.5 million and purchase of intangible assets of RMB2.2 million.

**Financing activities**

Net cash provided by financing activities was RMB5,280.1 million (US$768.0 million) in 2018 primarily due to (i) our completion of series E financing in March 2018, and (ii) the additional capital injection from one of our shareholders in connection with our reorganization.
Net cash provided by financing activities was RMB500.0 million in 2017 primarily due to completion of series D financing in Wuhan Douyu in June 2017.

Net cash provided by financing activities was RMB1,298.2 million in 2016 primarily due to completion of series B financing in February 2016 and series C financing in Wuhan Douyu in August 2016, respectively.

Capital Expenditures

We made capital expenditures of RMB46.8 million, RMB32.0 million, and RMB116.0 million (US$16.9 million) in 2016, 2017 and 2018, respectively. In these periods, our capital expenditures were mainly used for purchases of, intangible assets such as agency contract rights and computer software, and plant and equipment such as servers and computers. We will continue to make capital expenditures to meet the expected growth of our business. As of December 31, 2018, we did not have significant capital commitments.

Contractual Obligations

The following table sets forth our contractual obligations as of December 31, 2018:

<table>
<thead>
<tr>
<th>Payment Due by Years Ending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Holding Company Structure

DouYu International Holdings Limited is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries, variable interest entities and their subsidiaries in China. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries, variable interest entities and their subsidiaries. If our subsidiaries and variable interest entities or any newly formed subsidiaries 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, variable interest entities and their subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with the Accounting Standards for Business Enterprise as promulgated by the Ministry of Finance of the PRC, or PRC GAAP. Pursuant to the law applicable to China's foreign investment enterprise, our subsidiaries, variable interest entities and their subsidiaries that are foreign investment enterprises in the PRC have to make appropriation from their after-tax profit, as determined under PRC GAAP, to reserve funds including (i) general reserve fund, (ii) enterprise expansion fund and (iii) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the reserve fund has reached 50% of the registered capital of our subsidiaries, variable interest entities and their subsidiaries. Appropriation to the other two reserve funds are at our subsidiary’s discretion.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding from the proceeds of our offshore fund raising activities to our PRC subsidiaries only through loans or capital contributions, and to our consolidated affiliated entity only through loans, in each case subject to the satisfaction of the applicable government registration and approval requirements. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of direct investment and loans by offshore holding companies to PRC entities may delay or limit us from using the proceeds of our initial public offering to make additional capital contributions or loans to our PRC subsidiary." As
a result, there is uncertainty with respect to our ability to provide prompt financial support to our PRC subsidiaries when needed. Notwithstanding the foregoing, our PRC subsidiaries may use their own retained earnings (rather than Renminbi converted from foreign currency denominated capital) to provide financial support to our consolidated affiliated entity either through entrustment loans from our PRC subsidiaries or direct loans to such consolidated affiliated entity's nominee shareholders, which would be contributed to the consolidated variable entity as capital injections. Such direct loans to the nominee shareholders would be eliminated in our combined and consolidated financial statements against the consolidated affiliated entity's share capital.

**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 combined and 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.

**Quantitative and Qualitative Disclosure about Market Risk**

**Interest rate risk**

We have not been exposed to material risks due to changes in market interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure.

After completion of this offering, we may invest the net proceeds we receive from the offering in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

**Foreign exchange risk**

Substantially all of our revenues are denominated in Renminbi. The Renminbi is not freely convertible into foreign currencies for capital account transactions. The value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and 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. 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.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. To the extent that we need to convert U.S. dollars we received from this offering into Renminbi for our operations or capital expenditures, 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.
As of December 31, 2018, we had U.S. dollar-denominated cash and cash equivalents and amount due to related parties of US$573.6 million and US$197.4 million, respectively. A 10% depreciation of U.S. dollar against the Renminbi based on the foreign exchange rate on December 28, 2018 would result in a decrease of RMB394.4 million in cash and cash equivalents and RMB135.8 million in amounts due to related parties. A 10% appreciation of U.S. dollar against the Renminbi based on the foreign exchange rate on December 28, 2018 would result in an increase of RMB394.4 million in cash and cash equivalents and RMB135.8 million in amounts due to related parties.

We estimate that we will receive net proceeds of approximately US$ [REPLACE WITH NUMBER] million from this offering, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on the initial offering price of US$ [REPLACE WITH NUMBER] per ADS. Assuming that we convert the full amount of the net proceeds from this offering into RMB [REPLACE WITH NUMBER], a 10% appreciation of the U.S. dollar against RMB [REPLACE WITH NUMBER], from a rate of RMB6.8755 to US$ 1.00, the rate in effect as of December 28, 2018, to a rate of RMB [REPLACE WITH NUMBER] to US$ 1.00, will result in an increase of RMB [REPLACE WITH NUMBER] million in our net proceeds from this offering. Conversely, a 10% depreciation of the U.S. dollar against the RMB [REPLACE WITH NUMBER], from a rate of RMB6.8755 to US$ 1.00, the rate in effect as of December 28, 2018, to a rate of RMB [REPLACE WITH NUMBER] to US$ 1.00, will result in a decrease of RMB [REPLACE WITH NUMBER] million in our net proceeds from this offering.

**Inflation risk**

Since our inception, inflation in China has not materially impacted 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 2016, 2017 and 2018 were increases of 2.1%, 1.8% and 1.9%, respectively. Although we have not in the past been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.
INDUSTRY OVERVIEW

Certain information, including statistics and estimates, set forth in this section and elsewhere in this prospectus has been derived from an industry report commissioned by us and independently prepared by iResearch in connection with this offering. We believe that the sources of such information are appropriate, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. However, such information involves a number of assumptions and limitations, and actual events or circumstances may differ materially from events and circumstances that are assumed in this information. Therefore, investors are cautioned not to place any undue reliance on the information, including statistics and estimates, set forth in this section or similar information included elsewhere in this prospectus. Forecasts and other forward-looking information obtained from the sources of such information are subject to the same qualifications and uncertainties as the other forward-looking statements in this prospectus, as well as risks due to a variety of factors, including those described under "Risk factors" and elsewhere in this prospectus.

CHINA IS THE LARGEST GAMES MARKET IN THE WORLD

China is the world's largest games market, both in terms of revenue and total number of gamers, and is expected to continue to drive the growth of the global games market. According to iResearch, China’s games market represents 31.1% of the global games market in terms of revenue in 2018, which is expected to grow at a CAGR of 10.5% from 2018 to 2023, outpacing any other major games markets in the world.

<table>
<thead>
<tr>
<th>Total Revenue of the Global Games Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>(RMB in billions)</td>
</tr>
<tr>
<td>( billions) 618</td>
</tr>
</tbody>
</table>

Note: Games market size include revenue from mobile, PC and console games.
Source: iResearch
China also has the world's largest population of gamers, which is expected to further grow from 683 million in 2018 to 878 million in 2023 representing more than 28% of the global gamer population.

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</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>2,012</td>
<td>2,181</td>
<td>2,385</td>
<td>2,492</td>
<td>2,598</td>
<td>2,717</td>
<td>2,842</td>
<td>2,971</td>
<td>3,096</td>
</tr>
<tr>
<td>China</td>
<td>530</td>
<td>583</td>
<td>650</td>
<td>683</td>
<td>716</td>
<td>754</td>
<td>795</td>
<td>836</td>
<td>878</td>
</tr>
</tbody>
</table>

Note: Gamers represent users who played mobile, PC or console games in the given period, with duplicates among mobile, PC and console gamers removed.

Source: iResearch

Supported by highly engaging and entertaining user experience, games is the leader among major online entertainment verticals in China in terms of monetization capacity as measured by ARPPU. According to iResearch, games recorded an average daily time spent per active user of 57 minutes and an annual ARPPU of RMB1,030 in 2018.

Online Entertainment Verticals in China – Annual ARPPU(1) in 2018

(RMB)

<table>
<thead>
<tr>
<th></th>
<th>Games</th>
<th>Live Streaming(2)</th>
<th>Online Video</th>
<th>Online Literature</th>
<th>Online Music</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,030</td>
<td>574</td>
<td>194</td>
<td>153</td>
<td>117</td>
</tr>
</tbody>
</table>

Note:

(1) Annual ARPPU is calculated as annual revenue per annual paying user with duplicates removed across all platforms in a given year;
(2) Annual ARPPU for live streaming is calculated by dividing annual virtual gifting revenue for live streaming platforms by the number of annual paying users for live streaming platforms with duplicates removed across all platforms. Non-game-centric live streaming annual ARPPU was RMB1,030 and game-centric live streaming annual ARPPU was RMB365.

Source: iResearch

As a result of smartphones' proliferation and reduced cost of data usage, mobile games have witnessed significant growth over the past decade, contributing to the overall growth of China's games market across all major dimensions including user base, average time spent as well as monetization. According to iResearch, the total revenue of China's mobile games market has increased from RMB56.2 billion in 2015 to RMB165.5 billion in 2018, and is expected to further grow at a CAGR of 12.9% to RMB303.2 billion by 2023. In terms of user base, the total number of mobile gamers in China has increased from 456 million in 2015 to 659 million in 2018, and is expected to reach 874 million by 2023, representing a CAGR of 5.8%.

CHINA IS THE GLOBAL LEADER IN ESPORTS

China's games market is becoming increasingly eSports-based. eSports is a form of competition through multi-player video games with online functionality, and has evolved into one of the most popular game genres given its high demand of dexterity, foresight and strategy. According to iResearch, out of the top 50 most popular games in China ranked by average of Baidu's search index in 2018, over half are eSports games. China's eSports gamers as a percentage of overall gamer population has increased from 19.4% in 2015 to 51.3% in 2018, and is expected to reach 57.4% by 2023, which will be higher than that of any other major games markets in the world, according to iResearch. Total revenue
from eSports games has increased at a CAGR of 37.0% from 2015 to 2018, compared with 14.8% for non-eSports games.

Since their launch two decades ago, PC eSports games have been instrumental in promoting professional eSports competition and growing the devoted eSports gamer base in China. PC games offer immersive gameplay experience, enabled by PC's substantial processing power and comprehensive game control designs. Out of the top 10 most popular eSports games ranked by average of Baidu's search index in 2018, seven are originated from PC; in particular, three are solely PC-based. With the proliferation of smartphone and development of mobile Internet, mobile eSports games have also been gaining significant popularity in recent years. Mobile Internet has lowered the threshold to access and play games, enabling eSports to penetrate a broader player group. According to iResearch, compared to mobile eSports gamer base, PC players consist of a higher proportion of devoted gamers, with higher penetration for game live streaming content viewership.

**eSports ecosystem**

There are a number of key participants in the eSports ecosystem. Content distributors, which are mainly live streaming platforms, are at the center of the ecosystem by publicizing content to attract eSports audiences and advertisers, which in turn stimulate the generation of more quality content, enhancing the overall commercial value of the ecosystem through a virtuous cycle. Acquisition of media rights and content licenses for eSports tournaments have become a crucial part of content distributors' strategy.

![eSports Ecosystem Diagram](image)

Source: iResearch

**China’s eSports market**

China is the global leader in eSports. According to iResearch, the revenue of China's eSports market reached RMB112.8 billion in 2018, more than tripled since 2015, and is expected to reach RMB247.8 billion by 2023, representing 49.4% of the global eSports market. Over half of the global eSports market growth from 2018 to 2023 is expected to come from China. China's eSports market also has the largest gamer base in the world with 351 million gamers in 2018, which was 7.1 times of the
size of U.S. market and represents a CAGR of 50.5% since 2015. It is expected to reach 504 million by 2023, accounting for 64.5% of the global eSports gamer base.

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<tr>
<td></td>
<td></td>
<td>160</td>
<td>194</td>
<td>424</td>
<td>536</td>
<td>603</td>
<td>665</td>
<td>702</td>
<td>743</td>
<td>781</td>
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<tr>
<td>China</td>
<td></td>
<td>103</td>
<td>125</td>
<td>275</td>
<td>351</td>
<td>396</td>
<td>433</td>
<td>455</td>
<td>480</td>
<td>504</td>
</tr>
</tbody>
</table>

Note: eSports gamers represent users who played eSports games in a given period.

Source: iResearch

China's success in the global eSports industry is built upon its largest gamer base in the world. The proliferation of mobile eSports games has also contributed to the booming popularity of eSports in China, given the market's high mobile penetration. In 2016, in light of the increasing eSports demand and popularity, China's National Development and Reform Commission issued the policy to encourage development of eSports tournament on the premise of protection over IP and minors. The Ministry of Education has also recognized eSports as a major of study for higher education in China. China also participated and won first place in League of Legends and King of Glory competitions during the 2018 Asian Games, where eSports was featured as a demonstration sport.

**eSports viewership in China**

Due to the highly competitive and dynamic nature of eSports games, viewing eSports content has evolved into one of the mainstream entertainment formats in China. According to iResearch, China eSports viewer population achieved phenomenal growth from 113 million in 2015 to 288 million in 2018, which was 4.7 times the U.S. viewer population, and is expected to reach 443 million by 2023. In particular, various eSports tournaments have drawn undivided attention from both gamers and media, and have already surpassed traditional sports competitions in terms of viewership. According to iResearch, in 2018, China's highest concurrent viewers, namely the highest number of concurrent viewers at any given time, of Tencent League of Legends Pro League Finals and PlayerUnknown’s Battlegrounds Global Invitational amounted to 67 million and 60 million, respectively, exceeding the 2018 World Cup and Winter Olympics, which recorded 54 million and 22 million highest concurrent viewers in China. 2018 marked the first year that a Chinese team won the League of Legends World Championship Finals, which attracted 100 million unique viewers, representing an increase of more than 40 million viewers from previous year. The massive and growing viewership will continue to stimulate the growth of eSports market revenue by attracting sponsorship and enhancing the development of eSports games and tournaments.

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<td></td>
<td></td>
<td>235</td>
<td>323</td>
<td>385</td>
<td>464</td>
<td>539</td>
<td>586</td>
<td>640</td>
<td>711</td>
<td>768</td>
</tr>
<tr>
<td>China</td>
<td></td>
<td>113</td>
<td>138</td>
<td>224</td>
<td>288</td>
<td>334</td>
<td>371</td>
<td>390</td>
<td>413</td>
<td>443</td>
</tr>
</tbody>
</table>

Note: eSports viewers represent users who watched eSports games in a given period.

Source: iResearch

**CHINA’S GAME-CENTRIC LIVE STREAMING MARKET**

**Background**

Playing games is not the only way for game enthusiasts to enjoy games. Against the backdrop of eSports' booming popularity in China, a large, fast-growing group of game viewers emerged with increasing demand for convenient and immersive experience to watch highly skillful game-play and
eSports competition content, while socializing with others on a real-time basis. The emergence of game-centric live streaming platforms specifically captured such demand by providing users with live streaming of passionate streamers narrating exciting and dynamic game-play content, either generated by themselves or by other players. Game-centric live streaming platforms also foster an engaging environment for viewers and streamers by offering various real-time interactive social features such as virtual gifting and bullet chatting. Bullet chatting is a live commenting function that enables viewers to send comments across the screen which can be seen by all viewers. As a result, game-centric live streaming platforms have witnessed a significant growth in popularity over the recent years, particularly in China.

Size and Growth

China represents the world's largest game-centric live streaming market in terms of total revenue, surpassing the U.S. since 2016. According to iResearch, in 2018, China's game-centric live streaming market is approximately 4.9 times the U.S. market in terms of MAUs. The total revenue of game-centric live streaming market in China increased by nearly 15 times from RMB0.8 billion in 2015 to RMB13.2 billion in 2018, and is expected to reach RMB39.8 billion by 2023. This represents a 2018-2023E CAGR of 24.7%, which nearly doubles the growth rate of non-game-centric live streaming market in China during the same period. In particular, eSports content will continue to be the main driving force for China's game-centric live streaming platforms. According to iResearch, eSports live streaming as the percentage of game-centric live streaming platforms' total revenue is expected to increase from 50.3% in 2018 to 59.8% by 2023.

<table>
<thead>
<tr>
<th>Total Revenue of the Live Streaming Market in China</th>
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<tbody>
<tr>
<td>(RMB in billions)</td>
</tr>
<tr>
<td>2015  7 1 20 3 34 47 61 72 82 92 103</td>
</tr>
<tr>
<td>2016  1 8 13 18 24 29 34 40</td>
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<tr>
<td>2017  26 34 43 49 53 58 63</td>
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<tr>
<td>2018  34 47 61 72 82 92 103</td>
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<td>2019E 63 61 72 82 92 103</td>
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<td>2020E 34 40 49 53 58 63</td>
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<td>2021E 34 40 49 53 58 63</td>
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<tr>
<td>2022E 34 40 49 53 58 63</td>
</tr>
<tr>
<td>2023E 34 40 49 53 58 63</td>
</tr>
</tbody>
</table>

Note: China's live streaming market size is measured by total revenues of platforms that are mainly focused on game-centric and non-game-centric live streaming operation in China.

Source: iResearch

The key drivers supporting the high growth of China's game-centric live streaming market include:

1. rapid growth of eSports games and a massive and fast-growing demand to watch eSports;
2. transition from video recording of eSports games to live streaming, which enables more interactive and engaging user experience;
continuous product innovation by live streaming platforms in China to enhance user experience and engagement; while focusing on games, leading game-centric live streaming platforms have also expanded content offering into other pan-entertainment categories such as talent shows, anime and outdoor events. Such diversification empowers them to widen user demographics and broaden scope for monetization; and improvement in China’s Internet infrastructure, leading to higher bandwidth that allows for better streaming speed and video quality that are critical for game streaming.

In addition, participants in China’s game-centric live streaming industry has been working to promote a healthy environment. Certain major players, such as Tencent, have endeavored to implement self-disciplinary code of conduct to prohibit illegal or immoral content, and to prevent vicious competition among different live-streaming platforms.

Users

Game-centric live streaming platform users are typically younger and game-centric Internet users with strong sustainability, engagement and increasing propensity to spend. The distinctive user features are demonstrated as follows:

• Large user base with strong growth potential. MAUs of game-centric live streaming platforms in China grew from 84 million in 2015 to 255 million in 2018, representing a CAGR of 44.5%, and is expected to increase to 400 million by 2023. China’s massive user base provides significant penetration potential for game-centric live streaming.

<table>
<thead>
<tr>
<th>Game-Centric live streaming Platform MAUs in China</th>
</tr>
</thead>
<tbody>
<tr>
<td>84</td>
</tr>
</tbody>
</table>

Note: Game-centric live streaming MAUs represents average monthly active mobile users and PC users on the game-centric live streaming platforms in a given period without removing duplicates between mobile and PC users.

Source: iResearch

• Longer usage lifespan compared with games. Live streaming of a particular game generally enjoys a longer user lifespan than playing the game. As illustrated by hit games such as League of Legends, the launch of new games often causes an upsurge in the respective streaming viewership, while the loss of active players for old games does not necessarily lead to a corresponding loss of viewers. According to iResearch, former players usually continue to remain as viewers, and therefore some eSports games such as League of Legends and PlayerUnknown’s Battlegrounds may have a much larger viewership than its active player base. These phenomena lay a solid foundation for game-centric live streaming platforms to have a stable and growing group of cornerstone users from old games.
Stronger user engagement compared with other live streaming entertainment formats. Through the provision of quality games-centric content, game-centric live streaming platforms are able to cultivate a highly engaged and sustainable community of game enthusiasts. According to iResearch, in 2018 the average daily time spent per mobile active user on game-centric live streaming platforms was 42 minutes, 30.2% higher than 32 minutes for non-game-centric live streaming platforms. Among users of game-centric live streaming platforms, PC users consist of more devoted eSports players who follow eSports games and tournaments more closely. PC also enables users to enjoy multiple entertainment formats simultaneously by playing games while watching game-centric live streaming at the same time.

Strong and increasing propensity to spend. Users of game-centric live streaming platforms have become increasingly accustomed to paying for quality content as the platforms develop more innovative content and social interaction features. Number of game-centric live streaming platforms' annual paying users increased from three million in 2015 to 32 million in 2018, representing a CAGR of 124.3%, and is expected to reach 63 million by 2023, according to iResearch. With gamers' high propensity to spend, as demonstrated by their high ARPPU for games, the ARPPU for game-centric live streaming platforms is expected to continue to grow in the long run, given their users' common passion in games. Annual ARPPU for the game-centric live streaming market in China increased from RMB256 in 2015 to RMB365 in 2018, and is expected to increase further to RMB581 in 2023, representing a CAGR of 9.7% from 2018.

Streamers

Through playing and narrating games live, streamers play a vital role in attracting and retaining user traffic as well as enhancing user engagement, and therefore are crucial assets to game-centric live streaming platforms. Streamers can in turn monetize on game-centric live streaming platforms through measures such as receiving virtual gifts from users, advertisement income by streamer endorsement and commercialization of content created. The top streamers can inspire a large fan base of viewers with their superior skillsets and passionate personality, and generate significant monetization opportunity and user engagement.

In line with the growth in users, there is a massive and growing population of streamers on China's game-centric live streaming platforms, which grew from six million in 2015 to 18 million in 2018, representing a CAGR of 47.6%, and is expected to grow to 28 million in 2023, according to iResearch.
The growth in game-centric live streaming platform users enhances monetization opportunities which attract more streamers and fuel a virtuous cycle.

| Number of Streamers on Game-Centric Live Streaming Platforms in China |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Streamers       | 6     | 11    | 14    | 18    | 21    | 23    | 25    | 26    | 28    |

Source: iResearch

**Monetization channels**

The major monetization channel for China's game-centric live streaming platforms stems from gifting virtual items. Users can purchase virtual items on the platforms for the purpose of rewarding streamers that they like, and live streaming platforms typically share a portion of the payment for virtual items. By giving streamers virtual gifts, viewers show their appreciation for the streamers and get to engage in live streaming on a more interactive and real-time basis. Compared with other live streaming formats, game-centric live streaming offers a more sustainable context for virtual gifting due to the massive base of game fans with high engagement and propensity to spend on game-centric entertainment formats.

Advertisement is expected to become an increasingly important monetization method for game-centric live streaming platforms. Game-centric live streaming platforms are natural marketing channels for online games, given its massive and engaging user base of game enthusiasts. Besides, game-centric live streaming platforms are also attractive to brand advertisers because of their massive user traffic as well as effective advertising formats, such as streamer endorsement during live streaming. Game-centric live streaming platforms therefore have the potential to capture a growing proportion of advertisers’ budgets.

In addition to the aforementioned forms, China's game-centric live streaming platforms are also diversifying into other monetization methods such as game distribution, subscription membership and commercialization of streamer created content.

| Total Revenue of the Game-Centric Live Streaming Platforms in China |
|--------------------|-------|-------|-------|-------|
|                   | 2015  | 2016  | 2017  | 2018  |
| Total RMB (billion) | 0.8   | 1.2   | 2.8   | 5.0   |
| Virtual Gifting    | 0.1   | 0.1   | 0.2   | 0.4   |
| Advertisement      | 2.5   | 4.5   | 7.2   | 11.7  |
| Others             | 0.8   | 0.7   | 0.5   | 0.8   |

Note: Other revenue from game-centric live streaming platforms includes game distribution, subscription membership and commercialization of streamer created content.

Source: iResearch
Key success factors for game-centric live streaming platforms

Key factors for a game-centric live streaming platform to succeed include:

*Effective streamer management system.* Quality streamers are important content providers for game-centric live streaming platforms to attract and engage users. Top-performing game live streamers need to possess not only superior game-playing skills but also the ability to inspire viewer interaction with streamers and other viewers. Game-centric live streaming platforms with superior streamer development and management mechanisms that are able to effectively identify, cultivate and retain top-quality streamers should be better positioned to realize their growth potential.

*Strong social attribute.* Gamers have strong social attributes and seek to be part of a community sharing similar interest. Therefore, game-centric live streaming platforms introduced various social features for users to interact with each other, such as group chatting and bullet chatting. These platforms also offer ways for viewers to interact with streamers. For example, talented game streamers may play games together with their viewers. Creating and maintaining a social community among viewers and streamers create barriers of entry and is crucial to build strong engagement and loyalty to the live streaming platforms.

*Superior technology that delivers enhanced user experience.* Leveraging the massive preference and behavior data on viewers and streamers, game-centric live streaming platforms can apply cutting-edge technology to develop deep insights and improve operation capabilities. Through the application of technology, platforms can identify new trends in content offering, provide personalized game content to users, offer data-driven guidance to streamers and ultimately enhance user experience.

*Strong relationship with game developers and publishers.* Game-centric live streaming platforms partner with game developers and publishers to offer high-quality game-centric live streaming content and identify trending game titles and tournaments. Thus, the relationship with games partners is crucial to the success of game-centric live streaming platforms, and also serves as a key barrier to entry. In addition, through commercial partnerships with game developers and publishers, game-centric live streaming platforms can also capitalize on more monetization opportunities.
BUSINESS

OUR MISSION

We make the world a fun place through games and other interactive entertainment.

OVERVIEW

We are the largest game-centric live streaming platform in China and a pioneer in the eSports value chain. We operate our platform both on PC and mobile apps, through which users can enjoy immersive and interactive games and entertainment live streaming. According to iResearch, among China's game-centric live streaming platforms, we ranked:

- first by the size of our user base as measured by average total MAUs on both mobile and PC platforms during the fourth quarter of 2017 and 2018;
- first by the level of user engagement as measured by average total daily time spent by active users on our platform during the fourth quarter of 2017 and 2018; and
- first by the number of top 100 game streamers with whom we contracted in December 2017 and December 2018.

The passion for games and interactions among gamers and game enthusiasts extend beyond just playing. Against the backdrop of eSports' booming popularity, China has a massive and growing gamer community that is seeking interactive and engaging entertainment through game live streaming. According to iResearch, China is the world's largest game-centric live streaming market, with approximately 4.9 times the MAUs of the U.S. market in 2018. Revenues from China's game-centric live streaming market is expected to grow at a CAGR of 24.7% from 2016 to 2018, which is nearly twice the expected growth rate of the non-game-centric live streaming market. Game-centric live streaming revenue accounted for 13.8%, 24.1% and 28.0% of total live streaming revenue in 2016, 2017 and 2018 in China. In 2018, live streaming annual ARPPU in China was RMB574, which takes into account both the game-centric and non-game centric live streaming platforms, while game-centric live streaming annual ARPPU in China was RMB365. The difference between live streaming annual ARPPU and game-centric live streaming annual ARPPU indicates significant growth potential for game-centric live streaming ARPPU. The average total MAUs of game-centric live streaming platforms in China is expected to increase from 255 million in 2018 to 417 million by 2023. As the leading game-centric live streaming platform in China, we are well positioned to capture a significant share of this large and growing user base.

Our platform attracts a large number of highly loyal and engaged users. As of December 31, 2016, 2017 and 2018, we had 98.7 million, 182.1 million and 253.6 million registered users, respectively. With 111.4 million average MAUs on our PC platform and 42.1 million average MAUs on our mobile platform, we had 153.5 million average total MAUs during the fourth quarter of 2018, representing year-over-year growth of 14.3% from 134.3 million average total MAUs during the same period of 2017. We consider our PC platform an important component of our business as it attracts PC users who are more devoted eSports enthusiasts and is a natural gateway to eSports games, which enables users to simultaneously play games and watch game live streaming. According to iResearch, we were the most searched game-centric live streaming platform in China based on average of Baidu's search index and ranked as the top free and top grossing game-centric live streaming app in Apple's App Store in 2018. Our large user base is primarily acquired through organic growth, with over 92% of our new mobile users in the fourth quarter of 2018 installed our apps without third-party marketing. Our diverse product offerings and continuously enriched content allow us to effectively retain users, evidenced by our 75.2% and 74.9% average next-month active user retention rates over the past twelve months as of December 2017 and December 2018, respectively. Our average next-three-month active user retention rate was 68.9% and 68.6% for the same periods. Our large and loyal user base is also highly engaged, as evidenced by the average total daily time spent by active users of 17.2 million and
24.2 million hours in the fourth quarter of 2017 and 2018, respectively. The average daily time spent by each active user was 40 minutes and 54 minutes for the same periods. Our active users spent over 1.6 billion and 2.2 billion hours on our platforms and generated more than 2.0 billion and 2.1 billion bullet chats in the fourth quarter of 2017 and 2018, respectively.

Our platform brings together a deep pool of top streamers and provides a sustainable streamer development system. As of December 31, 2017 and 2018, our platform had 3.9 million and 6.0 million registered streamers, including more than 2,000 and 5,200 top streamers each of whom entered into an exclusive contract with us directly as of each date, respectively. These top exclusive streamers streamed an average of 3.8 and 4.2 hours per show in the fourth quarter of 2017 and 2018, respectively, and all of our streamers generated a total of 16.6 million and 29.8 million streaming hours during the same periods. Approximately 430 and 592 of our streamers had more than one million viewers during the fourth quarter of 2017 and 2018, respectively. Approximately 384,800 of our streamers are managed through talent agencies as of December 31, 2018. Our exclusive contract model with top streamers helps ensure a consistent supply of quality content, which is effectively supplemented by the talent agency model that captures a large group of promising and rising streamers. With years of experience, we have developed a well-designed system to discover, train, and promote streamers who are already popular or have demonstrated the potential to become popular, and to help them grow and monetize their popularity.

As one of the first game-centric live streaming platforms to make the foray into eSports, we are strategically positioned to benefit from the proliferation of the eSports industry in China. The eSports industry generates highly attractive content and helps to transform our platform into an engaged and vibrant community. Through our investments in and collaborations with a variety of participants across the value chain, we have gained coveted access to premium eSports content attracting millions of viewers to our platform and enabling us to organize our own tournaments and produce exclusive eSports content only available on our platform which further attracts users and improves their stickiness. According to iResearch, we had the largest eSports viewer base as measured by average total MAUs that viewed eSports live streaming during the fourth quarter of 2017 and 2018. Our average total eSports MAUs were approximately 80.9 million and 95.8 million in the fourth quarter of 2017 and 2018, respectively.

We have built powerful technology infrastructure to ensure a stable and optimized live streaming experience for our users. The optimized user experience attracts a large number of users on our platform and enables us to collect and analyze vast amounts of behavioral data leveraging our big data analytics capabilities. Investing in the user experience generates significant benefits for our platform. For example, since the implementation of our customized content recommendation system in early 2016, our user click-through rate for content recommendations on our home page increased from 18% in June 2016 to 43% in December 2018. Through comprehensive and refined content categorization, customized recommendations and development of new products and features, we enhance user experience to attract new users and increase user loyalty.

We employ a multi-channel monetization model. We believe the vibrant and interactive game community created on our platform drives user satisfaction, which provides diversified opportunities for user spending. Leveraging a large number of viewers and a deep pool of streamers, our monetization channels primarily include live streaming and advertisement. Live streaming is our main monetization channel and generated 77.7%, 80.7% and 86.1% of our total net revenue in 2016, 2017 and 2018, respectively. Our live streaming revenue is primarily derived from the sales of a wide array of virtual gifts. Our massive and highly engaged user base attracts advertisers from a wide spectrum of industries, which has led to rapid growth in our advertising revenue since 2016. In addition, we generate a small portion of our revenue from game distribution, which involves revenue-sharing arrangements with game developers and publishers. These channels effectively supplement each other and unleash future monetization potential.
We have grown rapidly since our inception. Our revenue increased from RMB786.9 million in 2016 to RMB1,885.7 million in 2017, and reached RMB3,654.4 million (US$531.5 million) in 2018. We had net loss of RMB782.9 million, RMB612.9 million and RMB876.3 million (US$127.4 million) during those same periods.

OUR STRENGTHS

We are at the forefront of the game-centric live streaming industry in China. We believe that the following competitive strengths contribute to our success and differentiate us from our competitors.

Leading game-centric live streaming platform

We are the largest game-centric live streaming platform in China measured by average total MAUs and average total daily time spent by active users in the fourth quarter of 2017 and 2018, according to iResearch. Our average total MAUs were 134.3 million and 153.5 million in the fourth quarter of 2017 and 2018, respectively, while our average total daily time spent by active users was 17.2 million hours and 24.2 million hours in the same periods. The average daily time spent by each active user in the fourth quarter of 2017 and 2018 was 40 minutes and 54 minutes, respectively. In the fourth quarter of 2018, our average total MAUs consist of 111.4 million average total MAUs on our PC platform and 42.1 million average total MAUs on mobile platform, both of which ranked first among China's game-centric live streaming platforms in the fourth quarter of 2018 according to iResearch. We consider our PC platform an important component of our business as it attracts PC users who are more devoted eSports enthusiasts and is a natural gateway to eSports games, which enables users to simultaneously play games and watch game live streaming. Our large and active user base has made us the go-to platform for top streamers, culminating in exclusive contracts with 38 and 50 out of China's top 100 game streamers in December 2017 and December 2018, according to iResearch. We also had the highest share of the top 100 game streamers for six and eight of the top 10 streamed games in China for the same periods, according to iResearch.

We are prominently positioned at the center of China's eSports ecosystem, connecting viewers, streamers, game developers and publishers, advertisers, eSports teams and eSports tournament organizers. With our large and growing active user base, we create an interactive community where streamers generate high quality content to attract more users. The growth in the number of users and streamers bolsters their commercial value to advertisers, game developers and publishers, who access their target audiences through our platform and in turn create more attractive products to draw an even larger number of users to our platform. As a result, our interactive community fuels a powerful self-reinforcing network effect that helps solidify our leadership position in the game-centric live streaming market in China.

Large and highly engaged user base

We believe we are the go-to platform for game-centric live streaming in China. According to iResearch, we had the highest number of average total MAU among game-centric live streaming platforms in the fourth quarter of 2018. In 2018, according to iResearch, we were the most searched game-centric live streaming platform in China based on average of Baidu's search index and ranked as the top free and top grossing game-centric live streaming app in Apple’s App Store. Our rich and dynamic content offerings and engaging social media features bolster organic growth of our user base. In the fourth quarter of 2018, over 92% of our new mobile users installed our apps without third-party marketing. Since inception, we have grown our user base significantly. As of December 31, 2016, 2017 and 2018, we had 98.7 million, 182.1 million and 253.6 million registered users, respectively. Our average total MAU grew from 82.5 million in the first quarter of 2016 to 153.5 million in the fourth quarter of 2018.

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Our user base is also loyal and highly engaged. For the past twelve months ended December 2018, our average next-month active user retention rate was 74.9%, as compared to 75.2% for the past twelve months ended December 2017. Our average next-three-month active user retention rate was 68.9% and 68.6% for the same periods. In the fourth quarter of 2017 and 2018, our active users spent over 1.6 billion and 2.2 billion hours and posted over 2.0 billion and 2.1 billion bullet chats on our platform in total, respectively. We believe the longer our users use our platform, the longer viewing hours they tend to spend. Based on our data, our active users spend an average of 5.7 hours per month during their first quarter of accessing our platform, 13.5 hours per month in the fourth quarter from the quarter when they first accessed our platform and 15.9 hours per month the sixth quarter from the quarter when they first accessed our platform. We have started tracking the monthly viewing hours of active users based on the cohort of first-time viewers on our platform since the fourth quarter of 2016. We calculate the average monthly viewing hours per active user by dividing (i) the sum of viewing hours of active users by each viewer cohort in a particular quarter by (ii) the number of such active users (which excludes non-active users in such quarter) and (iii) the number of months in the quarter. We also offer virtual gifts and membership privileges to cultivate our users' paying habits, and as engagement increases, we believe that monetization will follow. Our paying ratio increased from 0.5% in the first quarter of 2016 to 2.8% in the fourth quarter of 2018. While in 2017 our quarterly average ARPPU was RMB156, in 2018 our quarterly average ARPPU was RMB208.

We expand and solidify our user base through diverse product offerings and continuously enriched content. We engage our users via interactive social features and events both online and offline. For example, on our online social forum Yu-Bar, our streamers can interact with their followers through posting and replying to short blogs. In 2018, Yu-Bar witnessed approximately 144 million posts, responses, likes and forwards, collectively. We organize major offline events, such as "Douyu Carnival" ("斗鱼嘉年华") which is a fan meet-and-greet event for popular streamers. Our 2018 Douyu Carnival ("斗鱼嘉年华") attracted more than half a million offline visitors and was viewed online for over 230 million times. We also offer various other entertainment genres to keep our users engaged on our platform.

**Deep pool of top streamers empowered by a comprehensive streamer development system**

Our large, enthusiastic and highly engaged user base has attracted a deep pool of top streamers to our platform. According to iResearch, in December 2017 and December 2018, we ranked first in terms of the number of top 100 game streamers in China that we contracted with, which was 38 and 50 out of China's top 100 game streamers, respectively. As of December 31, 2017 and 2018, our platform had 3.9 million and 6.0 million registered streamers, respectively. We sign exclusive contracts with top individual streamers directly. We also sign contracts with streamer talent agencies to manage our streamers. Our exclusive contract model ensures the stability of top streamers and their production of high quality streaming content, and our platform is enhanced by our talent agency model, which captures a large group of promising, rising streamers. During the fourth quarter of 2017 and 2018, our streamers generated a total of 16.6 million and 29.8 million streaming hours, respectively. As of December 31, 2017 and 2018, we had entered into exclusive agreements with more than 2,000 and 5,200 top streamers, respectively. These top exclusive streamers streamed an average of 3.8 and 4.2 hours per show in the fourth quarter of 2017 and 2018, respectively. Followers of our exclusive streamers generated 65% and 63% of the total viewing time across our platform in the same periods.

We have established a comprehensive streamer development system to discover, train, and promote our streamers. Our talent scouting program aims to discover talented streamers at an early stage. This program is based on a well-designed streamer performance monitoring system, which uses more than 20 quantitative metrics generated from our proprietary user data analytics. After discovery and signing, we invest significant resources to incubate and train our exclusive streamers to improve their live streaming techniques and develop their personal styles to help grow their viewer base. In addition, we endeavor to increase streamers' influence beyond live streaming by offering them additional online and
offline commercial opportunities. Consequently, our platform is home to a large group of top streamers in China, evidenced by over 590 exclusive streamers each having more than one million viewers during the fourth quarter of 2018. In December 2017 and December 2018, we had the highest share of the top 100 game streamers for six and eight of the top 10 streamed games in China, respectively, according to iResearch.

**Strategically positioned in eSports to secure coveted access to premium content**

The growing popularity of eSports is an important phenomenon in the world of media and entertainment. As eSports content is mainly accessible online and distributed through live streaming, we believe we are well positioned to capitalize on the eSports industry growth by leveraging our leadership in China's game-centric live streaming industry. Recognizing the market potential since inception, we became one of the first live streaming platforms in China to make the foray into eSports. Our platform covers a broad range of eSports game titles. There are more than 300 game-themed channels on our platform each categorized by either an individual game or a certain genre, which typically covers multiple games. As of December 31, 2018, our platform streamed 94 out of the top 100 games ranked by iResearch based on Baidu's search index. According to iResearch, we had the largest eSports viewers base as measured by average total MAUs that viewed eSports live streaming during the fourth quarter of 2017 and 2018. Our average total eSports MAUs were approximately 80.9 million and 95.8 million in the fourth quarter of 2017 and 2018, respectively. League of Legends, PlayerUnknown's Battlegrounds, and King of Glory, the three most popular eSports games on our platform, each attracted over 40 million average total MAUs on our platform and in total generated over 1,050 million hours spent by our users during the fourth quarter of 2018.

We believe the success of our platform helps make us the partner of choice for various participants along the eSports industry and helps promote the popularity of eSports in China. Game developers and publishers have been increasingly relying on live streaming platforms to promote the awareness and popularity of eSports games. Through our successful, long-term partnerships with major game developers and publishers, we stream official tournaments for the most popular eSports games. Since 2016, we have obtained global and nationwide exclusive streaming rights to 29 major tournaments in China, covering major games including League of Legends, PlayerUnknown's Battlegrounds, and DOTA2. In 2018, we streamed around 337 official tournaments and events.

We also sponsor a large number of leading eSports teams internationally and domestically, including approximately 26 teams specializing in League of Legends, PlayerUnknown's Battlegrounds, or King of Glory in 2018. Our collaboration with leading eSports teams gives us access to premium quality eSports content, including training videos and play-throughs by leading eSports teams, which attracts millions of enthusiastic viewers to our platform. As of December 31, 2018, approximately 48 former professional players streamed to provide premium quality eSports content on our platform. In 2018, such former professional players attracted approximately 120 million viewers.

To further increase our influence in the eSports ecosystem, we organize our own eSports tournaments and produce content exclusive to our platform. In 2018, we organized approximately 85 eSports tournaments, among which the most popular one, Golden Grand Tournament (“黃金大獎賽”), attracted 18.7 million viewers. During the 2018 spring season of Douyu Super League, the eSports games were viewed online over 111 million times and approximately 5.2 million bullet chats were generated.

**Technology-and big data-enabled user experience and value proposition**

We focus on technological advancement. Our solid technology and big data analytical capabilities enable us to provide better user experience and enhance value proposition to partners.

Our technologies help us offer superior live streaming experience. With our video stream scheduling capability, multi-dimensional CDN technology, and best-in-class low latency P2P technology

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that can process high volume of data with minimal delay (latency), we provide stable high-resolution viewing experience to viewers while minimizing bandwidth cost. We collect and analyze vast amounts of behavioral data leveraging our large viewer base and big data analytic capabilities. This enables us to gain unique viewer insights and recommend customized content to them. Since the implementation of customized recommendation system in early 2016, our viewer click-through rate for content recommendations on our home page increased from 18% in June 2016 to 43% in December 2018. In addition, our AI technology automatically selects highlights from live streaming and generates short video clips that our viewers may watch at any time.

Our technologies also help enhance our value proposition to advertisers and eSports partners. For example, through big data analytics, we can identify the most effective way of promoting products, and help game developers and publishers to better target traffic on our platform. Our smart scenario advertising service captures and analyzes real-time live streaming content using AI image detection technology and place integrated interactive advertisements accordingly.

**Multiple monetization channels with significant potential**

We have established multiple monetization channels including live streaming, advertisement and others. The vibrant and interactive game community created on our platform drives user satisfaction, which motivates user spending across a diversified range of scenarios. As a result, we continually monitor the latest developments in the industry and seek to expand our monetization channels.

*Live Streaming.* Live streaming is our main monetization channel. Revenue from live streaming accounted for 77.7%, 80.7% and 86.1% of our total net revenue in 2016, 2017 and 2018, respectively. We primarily generate live streaming revenues through sales of virtual gifts. Gifting is the natural expression of affection from game enthusiasts to inspire and show appreciation to streamers. We continually promote the popularity of our streamers and solicit content compelling to our users and encourage our viewers to gift their favorite streamers through our platform. We incentivize user spending by offering customized virtual gifts and various streamer and user rankings on our platform. These efforts have led to a rapid growth in the number of quarterly average paying users from 0.9 million in 2016 to 2.4 million in 2017 to and further to 3.8 million in 2018. Moreover, our quarterly average ARPPU changed from approximately RMB164 in 2016 to RMB156 in 2017 and increased to RMB208 in 2018.

*Advertisement and others.* Advertisement on our platform has strong appeal to advertisers, including both brand and game publishers, due to our large and engaged user base. We provide a variety of advertising formats, including (i) integrated promotion activities during live streaming, (ii) advertisement display, and (iii) online and offline events-related advertisements. We expect to introduce more integrated promotion activities that are engaging, creative and fun, as they cause fewer interruptions to our users while offering increased potential due to less time and space restrictions than traditional display advertisements. We also hold our own events that are sponsored by advertisers, who have naming rights to these events. Given that many of our users are game enthusiasts, we are well positioned to provide other services to game developers and publishers, including game distribution.

**Visionary and experienced management team with strong shareholder support**

Our platform was founded on our passion for online games and technology innovation. As a pioneer of game-centric live streaming and eSports in China, we have propelled the development of the industry and plan to continue to capitalize on its growth. Our founder and CEO, Mr. Shaojie Chen, is a successful and renowned entrepreneur with a proven track record. He founded the eSports platform Zhangmenren and the online video platform Acfun before founding DouYu. Our co-founder and co-CEO, Mr. Wenming Zhang, has outstanding technological credentials combined with diverse management experience. He also co-founded Zhangmenren with Mr. Chen. In addition, our management team has extensive experience in the online game and live streaming industries.
We also benefit from the strong capabilities and support of Tencent, our major shareholder and strategic partner, in live streaming, advertisement and game distribution, which helps reinforce and solidify our position as a leading game-centric live streaming platform in China. See “Business—Our Relationship with Tencent” for a more detailed description of our cooperation with Tencent. We intend to further solidify our strategic cooperation with Tencent in the future.

OUR STRATEGIES

To fulfill our mission of making the world a fun place through games and other interactive entertainment, we plan to pursue the following strategies to grow our business.

Further strengthen our position in the eSports industry

We intend to further strengthen our pivotal position in the eSports industry by dedicating more resources and capital to explore this market. We plan to continue organizing our eSports tournaments, investing in eSports team sponsorship and commercial promotion of professional gamers on our platform, while also seeking opportunities to acquire more live streaming rights of high-profile eSports events and creating more innovative proprietary eSports related content. Leveraging our current and future collaborative relationships with game developers and publishers, eSports teams and professional team members, we expect to broaden our access to premium eSports content and thus attracting more eSports enthusiasts to our platform.

Continue to attract more viewers and streamers while investing in technologies

We strive to provide the most captivating content and build a more dynamic and highly interactive community to expand our user base and to increase user engagement. We will continue to enhance and optimize our user experience through investment in and utilization of propriety data insights and leading technological capabilities. We also plan to work with more content providers to diversify the entertainment genres on our platform in order to offer a more integrated and engaging social experience, such as through co-development of customized games and organizing eSports events to enable more interactive social functions. Through enriched content and enhanced engagement, we intend to retain our viewers within our platform for a longer life cycle.

We also plan to attract, nurture and promote more streamers. We seek to adopt more customized approach with streamers to groom their popularity and better monetize their traffic and popularity. We also plan to increase our collaborations with talent agencies to enlarge our streamer pool. We intend to leverage our expertise and resources to promote streamers holistically by enhancing their public exposure across both online and offline channels such as Douyu Carnival (“斗鱼嘉年华”). We expect to continue to build our brand equity and awareness, which will enable us to further attract and retain viewers and increase our streamers’ stickiness to and reliance on our platform.

Technology is vital to our success as a leading online entertainment platform. We plan to further invest in R&D and adopt cutting-edge technologies. We will further leverage our AI technology and big data analytics to more effectively identify high potential streamers, analyze the needs of our viewers and advertisers and provide more customized products and services to enhance our user experience.

Increase monetization capabilities

We intend to expand user monetization by increasing viewers willingness to pay through diversified paying scenarios, such as customized virtual gifts, and enhanced interaction between streamers and viewers. We also plan to increase revenue generated through membership subscription fees by offering more premium content and new functionalities accessible by members only.

We plan to broaden our advertiser base. We plan to offer more comprehensive and innovative advertising solutions to our business partners based on viewers’ behavior, demographics and interests.
We also plan to launch new formats of advertising placements, such as advertisements in highlight replays during the intervals between matches to increase our advertising effectiveness while minimizing viewer disturbance. We will monitor and evaluate market developments and consider partnering with game publishers and game producers to jointly operate and distribute new games on our platform. We are also exploring collaborations with game developers to enhance user experience and diversify viewer gifting scenarios.

We plan to explore more innovative approaches to promote and commercialize streamers by enhancing their popularity.

Selective overseas expansion

We target to further explore overseas markets through organic expansion and selective investments. Our target markets are those with good eSports environments and high growth potential. We aim to transfer our capabilities and experience in China to these new markets, and have acquired a controlling stake at Gogo Glocal, a company incorporated under the laws of the Cayman Islands, who holds Nonolive through a wholly-owned subsidiary Doyu HongKong Limited, a company incorporated under the laws of Hong Kong. Nonolive is a mobile live streaming platform focused on overseas markets. Doyu HongKong Limited acquired the business of Nonolive in 2018.

OUR BUSINESS

Content on Our Platform

We are dedicated to providing a wide range of live streaming content with a primary focus on games, especially on eSports. Our diverse content also covers other entertainment options such as talent shows, music and outdoor activities to better serve a broad user base and cater to diverse interests. Those non-game content also complements our game content.

Games

Games content, especially eSports content, has been our focus since inception. 72.0% of our streamers were game streamers as of December 31, 2018 and game streaming attracted 81.3% of viewership in terms of total viewing hours across our platform in the fourth quarter of 2018. Our massive user base, deep pool of top streamers, and strong brand awareness allow us to secure coveted eSports content. In addition, we leverage our business acumen and insight, as well as big data capabilities, to identify and promote top trending games.

The following table illustrates selected core competitive games streamed on our platform with strong eSports elements:

<table>
<thead>
<tr>
<th>Multiplayer Online Battle Arena</th>
<th>League of legends</th>
<th>King of Glory</th>
<th>DOTA 2</th>
<th>Sports/Racing</th>
<th>NBA2K</th>
<th>Rocket League</th>
<th>FIFA 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>First-Person Shooter</td>
<td>PlayerUnknown’s Battlegrounds</td>
<td>CS: GO</td>
<td>Counter Strike</td>
<td>Overwatch</td>
<td>Fighting</td>
<td>Dungeon Fighter</td>
<td>Street Fighters</td>
</tr>
<tr>
<td>Real Time Strategy</td>
<td>Starcraft II</td>
<td>Warcraft III</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Our dynamic game streaming content is generated primarily from eSports. In addition to competitive games, we also offer other games genres such as role-playing games and console based games.
eSports

In light of the growth potential of the Chinese eSport market and the popularity of eSport among younger generations, we made the foray into eSport since inception and now prioritize eSport in our business development. With our game-centric nature, brand awareness and well-established online distribution capabilities, we are the partner of choice for various participants along the eSport industry and have promoted the growth of the China eSport industry.

We have a large number of eSport viewers. League of Legends, PlayerUnknown's Battlegrounds and King of Glory, the three most popular eSport games on our platform, each attracted over 40 million average total MAUs on our platform and in total generated over 1,050 million hours spent by our users during the fourth quarter of 2018. In addition to streaming of major eSport events and tournaments, we sponsor or cooperate with professional player teams and associations and organize our proprietary eSport tournaments.

*Coveted Access to Premium eSport Content*

By providing access to our massive user base, we have successfully fostered long-term partnerships with major game developers and leading eSport teams. As eSport content is mainly accessible online and distributed through live streaming, we are well positioned to help connect downstream users with upstream game developers. Game developers and publishers have been increasingly relying on live-streaming platforms to promote the awareness and popularity of newly published games. Live streaming platforms played a significant role in the commercial success of some of the major games today, such as PlayerUnknown's Battlegrounds. This mutually beneficial relationship has solidified our partnerships with participants on the eSport industry.

These partnerships give us access to premium quality eSport content that attracts millions of enthusiastic viewers to our platform. Leveraging our collaborative relationships with major game developers and publishers, we stream official tournaments for some of the most popular eSport games. Since 2016, we have obtained global and nationwide exclusive streaming rights to 29 major tournaments in China, covering major games including League of Legends, PlayerUnknown's Battlegrounds, and DOTA2. In 2018, we streamed around 337 official tournaments and events.

We differentiate ourselves from other platforms streaming eSport competitions by creating our proprietary content involving popular streamers for better viewing experience. We believe that our proprietary content and features provided will further increase the popularity of eSport tournaments. On our official streaming channel, we produce commentary programs before and after matches to provide informed match previews and post-match reviews by professional players. In addition, our platform also offers discussion forums and tournament footage archives, all tailored at satisfying viewer demand and improving the viewing experience.

*eSport Team Professionals or Collaboration*

We sponsor, promote and collaborate with professional eSport teams who either represent our brand in eSport tournaments or produce exclusive content, including play-through, training, tutoring and commentating on eSport tournaments. We sponsor a large number of leading eSport teams internationally and domestically, including approximately 26 teams specializing in League of Legends, PlayerUnknown's Battlegrounds or King of Glory. In addition, approximately 48 former professional players streamed to provide premium quality eSport content on our platform as of December 31, 2018. In 2018, such former professional players attracted approximately 120 million viewers.

Under our collaborative framework, we have the naming rights of certain teams we sponsor and their related products. We have the right to commercialize the popularity of their team members, and we have exclusive intellectual property rights to certain content generated by the members of the teams.
we sponsor. We arrange advertisement activities and other online and offline events for them and receive a portion or all of the revenues generated from these activities and events. We also have the flexibility of allocating streaming hours of the eSports teams we sponsor pursuant to viewer demands throughout the day. In return, we pay a sponsorship fee and promote the sponsored teams on our platform. We may also incentivize our sponsored teams to reach a certain ranking by offering an incentive fee.

Our sponsorship of eSports teams allows us to discover and recruit high quality streamers more efficiently as professional players naturally have more competitive advantages in becoming a top-performing game streamer. We recruited more than 225 exclusive top-performing game streamers from the eSports teams we sponsored as of December 31, 2018. As of the same date, 62 game streamers from the eSports teams we sponsored granted us naming rights.

Organization of eSports Tournaments

In addition to streaming eSports tournaments and events held by others, we organize our own eSports tournaments, whose participants are often our streamers and viewers, which add on to the interactive nature of our platform and enhance the user experience. In these self-organized tournaments, our top streamers lead teams formed by our viewers to compete with each other. We live stream these tournaments, and we partner with certain media outlets to publicize and promote them. Through our organization and promotion, we have propelled the popularity of a group of streamers who emerged from these competitions and have recruited many rising streamers. In 2018, we organized approximately 85 eSports tournaments, among which the most popular one, Golden Grand Tournament (“黄金大奖赛”), had attracted 18.7 million viewers. Douyu Super League runs two seasons (Spring and Fall) every year and covers more than 15 popular eSports games, including League of Legends, DOTA 2, PlayerUnknown's Battleground, CS: GO and King of Glory. During the 2018 spring season of Douyu Super League, the eSports games were viewed online over 111 million times and approximately 5.2 million bullet chats were generated. Our self-organized eSports tournaments further expand our content offering and bring monetization opportunities of selling sponsorship rights to third-party sponsors.

Other entertainment content

To accommodate our users' diverse interests and retain our strong game-centric traffic, we have expanded our content to include a wide spectrum of live streaming entertainment options, such as talent shows, music, outdoor and travel. This helps promote our brand, attract a diverse user base, increase user monetization potential and drive user engagement and stickiness.

Video clips

In addition to providing live streaming content, we record and offer high-quality video clips to allow users to watch replays of selective live streaming content. Our viewers and streamers can also edit and upload short video clips by themselves. The flexibility of video clips incentivizes users to explore more content and enhances user engagement.

Our Users

We have a large and engaging young user base with a high propensity to spend and share on social networks. As of December 31, 2016, 2017 and 2018, we had 98.7 million, 182.1 million and 253.6 million registered users, respectively. During the fourth quarter of 2017 and 2018, we had the largest live streaming user base among game-centric live streaming platforms in China as measured by average total MAUs, according to iResearch. Our average total MAUs grew from 85.6 million in 2016 to 112.6 million in 2017, representing a year-over-year growth of 31.5%. Our average total MAUs was 133
153.5 million for the fourth quarter of 2018, consisting of 111.4 million average total MAUs on our PC platform and 42.1 million average total MAUs on our mobile platform. Expansion in our user base is mainly driven by organic growth without third-party marketing, as a result of our diverse and high quality content product offerings and strong brand recognition, and is impacted by seasonality in our business. Over 92% of our new users in the fourth quarter of 2018 installed our apps without third-party marketing.

Our users are attracted to and retained by our rich game-centric content and influential streamers. According to iResearch, we were the most searched game-centric live streaming platform in China based on average of Baidu's search index and ranked as the top free and top grossing game-centric live streaming app in Apple’s App Store in 2018. We have incentive structures in place to reward users for staying active on our platform, such as giving viewers a certain amount of virtual currencies for each increment of stream viewing time that they reach per day. We ranked first in terms of average total daily time spent by active users in the fourth quarter of 2017 and 2018, among all game-centric live streaming platforms in China, according to iResearch. Our average total daily time spent by active users was 17.2 million and 24.2 million hours during the fourth quarter of 2017 and 2018, respectively, while our average daily time spent by each active user was 40 minutes and 54 minutes for the same periods. Our quarterly average paying users grew from 0.9 million in 2016 to 2.4 million in 2017, and further to 3.8 million in 2018.

Given the lifestyle of younger generations, our users tend to be young individuals who enjoy eSports and other visual entertainment content through live streaming, while socializing with others on a real-time basis. We target a young user base by establishing our brand in streaming and eSports and offering features popular among the younger generation on our platform. Their willingness to spend more time and to pay grows in parallel with their income as they age. A substantial proportion of our users are in economically developed areas, which have higher Internet penetration rates and higher household disposable income.

**Our Streamers**

Our streamers are the primary source of new content on our platform. As of December 31, 2018, 72.0% of registered streamers and 81.4% of exclusive streamers were game streamers who are professional or recreational game players that enjoy playing games and sharing their skills and insights. Our streamers also include self-made entertainers such as singers who can utilize our platform to showcase their skills, talents and ideas. Being a new social phenomenon in China, streamers are like key opinion leaders or social icons who have gained wide popularity among the younger generation. As the population of streamer population grows and their needs to commercialize their popularity continue to rise, we serve as the platform to facilitate the monetization of this new social phenomenon.

As of December 31, 2018, our streamer pyramid consisted of 6.0 million registered streamers, including more than 5,200 top streamers each of whom entered into an exclusive contract with us directly, approximately 384,800 streamers managed through talent agencies and the rest who are self-registered streamers. As of December 31, 2017, our platform had 3.9 million registered streamers, including more than 2,000 top streamers each of whom entered into an exclusive contract with us directly. We ranked first in terms of the number of top 100 game streamers we contracted with, which was 38 and 50 out of China's top 100 game streamers, and had the highest share of the top 100 game streamers for six and eight of the top 10 streamed games in China in December 2017 and December 2018, respectively, according to iResearch. In addition to the top streamers with whom we sign direct exclusive contracts, we enter into collaborative agreements with talent agencies which are associations of streamers that organize streaming activities for their member streamers and promote them. Talent agencies provide us with a diversified pool of streamers. For details, please refer to "—Streamer Engagement."
Streamer Engagement

Our platform engages streamers in three ways: (1) signing exclusive contracts with streamers directly; (2) signing contracts with streamer talent agencies to manage our streamers; and (3) self-registration by streamers.

Exclusive Contract Model

Under this model, we enter into exclusive contracts with individual streamers directly. The exclusive contract model is an important way to recruit and retain high quality streamers. The over 5,200 top streamers we signed exclusive contracts with as of December 31, 2018, are the bedrock of our platform and have contributed vastly to user attraction and retention and revenue generation. In 2018, our exclusive streamers contributed 62.6% to total viewership in terms of viewing hours on our platform and 50.3% of the total live streaming revenue generated from our platform. We believe our strategic focus on exclusive contracts with top streamers offers us unique competitive advantages as compared to other game-centric live streaming platforms.

Our exclusive contracts have exclusivity clauses that require streamers to live stream on our platform only during the contract term. In addition to payments of a portion of virtual gift sales and advertisement sales, we typically pay our exclusive streamers base compensation based on the content he or she produces and the number of concurrent viewers who watch live-streaming at the same time. We have the right to review and adjust our streamers' base compensation taking into account their performance metrics. As such, our exclusive streamers are incentivized to produce engaging content that attracts more viewers and promotes spending on our platform.

We have the right to commercialize the streamers and the content they produce as our intellectual property under the exclusive contract model. We promote and monetize the popularity of our exclusive streamers through online and offline commercial activities, such as shows on popular Internet platforms and TV channels. The typical contract term is three to five years and is renewable upon mutual consent. After signing, we are responsible for arranging commercial activities for them. Under this contract model, we require minimum effective live streaming hours from our exclusive streamers, which refer to hours meeting the lowest predetermined concurrent stream viewership. Utilizing our big data analytic capabilities, we allocate the live streaming hours for these streamers to match user activity levels to maximize our operational efficiency. We also have control over the content streamed by exclusive streamers. We have dedicated teams that focus signing exclusive streamers broadcasting different genres of content to diversify our content offering.

Talent Agency Model

We also enter into collaboration agreements with talent agencies to manage our streamers. Talent agencies are responsible for recruiting, training, managing and promoting their own member streamers, and are also responsible for organizing streaming activities on our platform. We only pay talent agencies a portion of the virtual gift sales which will typically be redistributed to their members by the talent agencies.

Contracting with talent agencies is an important component of our operations. It contributes to our revenue and ability to discover and recruit diversified streamers in an efficient way. We can access a diverse range of streamers by entering into collaboration contracts with their talent agencies. Under the talent agency model, we provide guidance on content monitoring to the talent agencies, who in turn manage and promote their members. All talent agencies and their members must comply with our guidance and policies pursuant to our collaboration agreements with them.
Self-Registration Model

A large number of streamers self-registered on our platform to share their interests in games, who are attracted to our platform by virtue of our reputation and scale. The self-registered streamers also form a large talent pool that provides steady supply of future popular streamers.

Streamer Discovery and Development

With the help of our comprehensive performance metric analytical system, we identify top streamers with potential for high popularity, with whom we seek to sign exclusive contracts. These metrics include the quality of a streamer's content, activity levels and user engagement. After identifying streamers with potential, we put them into different categories according to the demographics that they likely appeal to and help direct traffic from their target demographics to them by giving them top positions of streaming rooms. If these streamers perform to our satisfaction after a performance monitoring period, we may sign exclusive base compensation contracts with them and further design career development plans for them.

Leveraging our unique industry insights and proprietary big data analytics capabilities, we establish development plans for streamers which not only optimize the streamed content itself, but also help guide the streamers to focus on trendy topics and increasing the streamers' positive public exposure. We promote streamers' content on and outside of our platform, boost their popularity through traditional media channels and provide them with opportunities to attend online and offline activities where they can further increase their public exposure, such as Douyu Carnival ("斗鱼嘉年华").

Case Study

Below is a case study of one of our star streamers, which is representative of our discovery and development system:

Streamer A started streaming on our platform with a few thousand followers. Through our streamer discovery system, we identified his potential to become a much more popular streamer and started promoting him in 2016. Our promotion methods included having him compete with our most popular game streamers in our well-publicized all-star streamer tournament, having him interact with fans for the first time offline at our Douyu Carnival ("斗鱼嘉年华"), which produced a lot of goodwill and positive publicity, promoting his personal game lecture video series on Tencent WeGame and having him make public appearances with established streamers and other celebrities. Streamer A now enjoys the reputation of being the go-to game tutor and commentator, and had over 16 million followers as of December 31, 2018.

Streamer Retention

We retain our top streamers by increasing the attractiveness of our platform. Our streamers enjoy broad exposure to a large user base through our network and we also invest in streamers' professional development by providing online and offline promotion activities to propel them to greater stardom. We take steps to mitigate the risk of losing our streamers to other platforms. For every streaming genre or section, we have several top streamers that are in friendly competition with each other to avoid a monopoly by one streamer and to attract viewers who may be viewing at different times of the day. We also try to discover and cultivate emerging streamers to serve as backups in case we lose certain top streamers for a genre. Historically, we have not suffered material losses or negative financial impact on our revenue due to the departure of top streamers.

Our streamers are also subject to certain non-compete clauses during or after the contract period. We are entitled to sizeable liquidated damages upon breach by a streamer, which we believe is sufficient to deter breaches or cover the costs of recruiting a comparable streamer.

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Monetization Opportunities

We generate revenue through sales of virtual gifts during live streaming, advertisement services and others.

Live Streaming

We derive a substantial portion of our revenues from live streaming, mainly from the sale of virtual gifts. In 2016, 2017 and 2018, we generated RMB611.3 million, RMB1,521.8 million and RMB3,147.2 million (US$457.7 million) from live streaming, representing 77.7%, 80.7%, and 86.1% of our total net revenues for the same periods. For the fourth quarter of 2018, we had 4.2 million paying users, 85.7% of which were users who gifted during watching game-centric live streaming content.

Users are able to purchase virtual gifts on our platform using our virtual currency and send them to streamers as a gesture of appreciation or support. Users can purchase the virtual currency on our site via various online third-party payment platforms, including WeChat Pay, AliPay and other payment platforms. In addition to purchasing these virtual currencies on our site, users can purchase virtual currencies from our online store at third-party websites such as Tmall.com. The price of our virtual currency does not change and virtual currency does not expire. However, virtual currency is non-refundable and may not be converted back to cash or be transferred between users.

When a streamer receives a virtual gift, that virtual gift is displayed in his or her profile. We pay our streamers fees based on a percentage of revenue from virtual gift sales on live streaming channels. We have the system in place to foster the interaction and promote spending on our platform. We also offer other subscription-based privileges to incentivize user spending, such as our premium monthly subscription service—premium member (“贵族”). Our premium member service is a prepaid package which encourages user spending.

A wide variety of virtual gifts are available to our users, with prices ranging from approximately RMB0.1 to approximately RMB2,000. We provide an innovative and diverse selection of virtual gifting to convert our active users to paying users and frequently release new virtual goods related to events and pop culture trends to increase sales. In addition, we organize streamer popularity contests to promote spending by viewers to show support of the streamers they follow.

Advertisement and Other Services

We generate revenues from advertisement and other services, including brand advertisements, game advertisements and to a lesser extent, game distribution. Our advertisement and other revenue was RMB175.6 million, RMB363.9 million and RMB507.2 million (US$73.8 million) in 2016, 2017 and 2018, which constituted approximately 22.3%, 19.3% and 13.9% of our total revenues for the same periods.

Advertisement

Our value proposition to advertisers is driven by our strong brand recognition, massive and engaged user base. We offer a full suite of precise and effective advertisement products and marketing strategies, successfully attracting a large number of advertisers. We distribute advertisements in three ways: (i) integrated promotion activities during live streaming, where advertising partners integrate their service or products with our shows, programs or events where our streamers play an active role in the promotion; (ii) traditional display advertisements in various areas of our platform, where advertising partners directly place their services or products; and (iii) online and offline events-related advertisements, where advertising partners can participate to promote their services or products. As integrated promotion activities and online and offline events-related advertisements cause fewer interruptions to our users while offering greater potential due to fewer time and space restrictions than
traditional display advertisements, they are an important part in our advertisement revenue. We expect such advertising format to contribute an increasing portion of advertisement revenues.

Our advertisers may request a specific streamer to deliver integrated promotion activities during live-streaming. We help the streamers determine the price with big data analytics and industry knowledge. Our streamers must sign advertisement contracts with us and may be entitled to a portion of the fees. A direct contract between the advertiser and our streamer is strictly prohibited. The price of our advertising services depends upon various factors, including the form and size of the advertisement, popularity of the content or event in which the advertisements will be placed, and specific targeting requirements. In 2016, 2017, and 2018, we provided services to 245, 222, and 282 advertisers, respectively.

Our traditional display advertisements include, but are not limited to, full screen advertisements, slides, banners, links, videos, logos and buttons. We offer advertisement placements on our home page or pre-streaming. Such placements may stay on the top or bottom of the streaming interface or appear as pop-ups.

For integrated promotion activities during live streaming, we usually cooperate with third-party advertising agencies to identify advertisers to place order with us. For traditional display advertisements, we usually work with advertisers directly. Our advertising agency partners include members of the American Association of Advertising Agencies, or 4As, and other leading Chinese advertising agencies. We have been building connections with our advertisers and plan to sign more contracts with them directly going forward.

Our brand and game advertising contracts are usually in the form of collaborative frameworks for a period of time. The brand advertising contracts require the third-party agencies to generate sales exceeding certain thresholds and the third-party advertising agencies are generally billed upon each advertisement and are required to pay promptly. For game advertisements, we provide links to the advertisers’ games on our platform and are entitled to fees such as incentive fees for effective registration solicited through our platform, and we also utilize soft-product placements or ask our hosts to produce play-throughs of the games we promote.

Others

We also generate a small portion of our revenues from other services, including game distribution. Game distribution currently represents another monetization channel. With many of our audience being gamers, our platform is a prime gateway for distributing games from developers and publishers to their customers. Based on revenue-sharing contracts with developers and publishers of mobile and web-based games, we are compensated according to game-related user transaction volume our platform generates for the games we distribute. These revenue-sharing arrangements are usually in the form of collaborative frameworks for a period of time, which may be renewed in good faith upon expiration.

Our Platform

Our platform offers unique features to our users, such as content recommendation, data analytic tools and room control. With its diverse content offering and advanced technological features, we believe our platform creates an interactive, engaging and fun community.

Live Streaming Process and Platform Interface

We operate our platform both on PC and mobile apps, through which users can enjoy immersive and interactive games and entertainment live streaming.
Streaming Process

Live streaming is conducted in the form of real-time streaming units, also known as rooms or channels, on our website and mobile apps. The following flow chart illustrates the viewing and streaming process:

To broaden our user base, we allow users to watch live streaming on our platform without registration, either through our website or mobile apps. To become a streamer, a user must register on our platform and verify his or her identity with a government issued ID. As a result, certain of our streamers are also active users as well as paying users on our platform. After the streamer's identity is verified, he or she may apply to create a new room for streaming. Once a room or channel is created, our streamers may customize video, audio and other room settings. We provide streamers and room managers with administrative accounts and they are responsible for monitoring and ensuring that their rooms' content comply with our terms of service. We usually assign one room to one streamer, who can then connect with other streamers using our live streaming platform to co-stream together.

During streaming, viewers interact with streamers and with each other mainly through bullet chats. Our active users generated more than 2.1 billion bullet chats in the fourth quarter of 2018. The average number of bullet chats in our active room per day was 22.8 million for the fourth quarter of 2018. Users can also give virtual gifts to streamers to show their support and appreciation.

In 2018, we had 2.8 million active rooms on our platform that the respective streamer has streamed at least once during this period.
The following screenshots illustrate the appearance of our web portal and mobile app:
Access Our Streaming Platform

Viewer Access

We developed a web-based streaming portal and its supplemental applications as well as mobile streaming apps to provide comprehensive viewing experiences for our viewers. Viewers can access our platform via our web portal at www.douyu.com or PC application Douyu PC Client Portal (斗鱼PC客户端). Alternatively, viewers can download our mobile app Douyu Live Streaming (斗鱼直播) free of charge. Our web portal and mobile streaming app offer substantially similar functions and features, with our mobile streaming app providing simplified and easy to use functions tailored for mobile users.

Viewer Features

Our viewers have access to the following features, which create a fun, interactive and engaging user experience.

Watching, following and sharing. When watching a live stream, viewers have the option to specify screen resolutions, screen size and stream quality, or have the platform automatically adjust the settings based on their Internet connection. Viewers may choose to click on the “follow” button in a stream room to follow the streamer and receive notifications for future streaming. Viewers are also able to share links to live streams on social media platforms.

Interaction. Bullet chatting is featured on our platform to allow viewers to post messages that glide across the screen. Bullet chats can be seen by all viewers who watch the same live stream, stimulating interactions among viewers. Viewers can also communicate with each other or the streamer real-time through our regular chat room function. Lastly, viewers can initiate direct voice chat requests with the streamers.

Content catalog and recommendations. With our advanced matching algorithm and massive user data base, we are able to generate an individualized front page containing content recommendations for each user after they have signed in. To help our users navigate and explore our selection of live streaming rooms, we have created online catalogs grouped by categories for our users. These online catalogs are also searchable by keywords, streamers' names, and room numbers.

Purchasing and gifting. Viewers can purchase various virtual gifts on our platform with virtual currencies and send them to streamers. See "—Monetization Opportunities—Life Streaming." Purchases of virtual currencies can be made conveniently through our online store at third-party websites such as Tmall.com. Payments may also be made through third-party payment platforms, such as WeChat Pay and AliPay.

Other social features. We also develop new products and features to enhance user experience and increase user engagement. Our platform features Yu Bar (鱼吧), a short-blogging community where streamers can interact with their followers by posting and replying to short blogs. During 2018, Yu-Bar witnessed approximately 144 million interactions including posts, responses, likes and forwards. In addition, we offer features such as "Streamer Tailor-made Gifts" that allow top streamers to design unique gifts to be purchased by their followers. Our "Douyu Fleet" (斗鱼车队) allows users to create private groups of up to 2,000 members to complete certain tasks together to create vibrant interactions.

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Below are screenshots of interfaces showing the above-mentioned features:

**Streamer Access**

In addition to accessing our PC portal and mobile applications, streamers can easily live stream through the streaming applications we specifically developed for them, including our PC application *Douyu Streaming Assistant* ("斗鱼直播伴侣") and mobile app *Douyu Game-centric Streaming Assistant* ("斗鱼手游直播助手"). With our mobile app, our streamers can stream anywhere and anytime. Streaming outdoor activities, which has become popular among younger users, is made more convenient with our mobile app.
Streamer Features

Our streamers have access to the following features to optimize the streaming experience:

Streaming and uploading. Our platform synchronizes and integrates multimedia streams, including audio and video streams and picture display, into one live-streaming output. Streamers can easily start live-streaming utilizing our easy-to-use interface. Other than live streaming, streamers can store streaming archives on Douyu Streaming Video (“斗鱼视频”) for their followers to watch or revisit after the live streaming. Streamers may also appoint room managers, make announcements, send notifications to viewers and change the room’s title.

Performance analytical tools. Our platform provides certain analytical tools for streamers to monitor their performance statistics in real time. These performance statistics include peak number, current number and cumulative number of viewers in the room, number of chats and comments, average time watched per user and number of virtual gifts received.

Facial beautification. Streamers on our platform can utilize the beautification tools on our platform to improve their appearances during streaming. Our facial beautification feature has been serving many streamers as a useful tool since its launch.

Below is a screenshot of our platform interface for streamers on our PC app:
Our Technology

Our advanced technology infrastructure and capabilities allow us to efficiently and effectively provide our services with superior user experience. Our platform incorporates the following features:

**Video and audio quality**

We strive to adopt the latest video and audio industry standards across multiple devices and networks. Our state-of-the-art technology allows us to provide smooth audio-visual transmission while minimizing the bandwidth used in the transmission of our content. Our mobile apps are designed to run smoothly on all mobile phones, with minimum bandwidth requirements of approximately 400 kilobytes per second. Our PC and mobile apps support blue-ray high quality live streaming.

We devote significant resources to develop and maintain a creative combination of multiple Internet protocol quality assurance mechanisms to minimize data loss and jitter. The mechanisms we employ include cloud-based intelligence routing, low-bitrate redundant solution, P2P data exchange technologies, upstream-forward error correction and adaptive jitter. We use a routing algorithm that optimizes the delivery of audio and video data across our cloud-based network, enabling us to provide consistent quality of service with minimum delay.

**Content recommendation**

Since 2016, we have invested considerable resources in developing and implementing an individualized content recommendation system. This system is built on the user data that we have accumulated from over 200 million registered users, analyzed through algorithms embedded in our cutting-edge AI and machine learning capabilities. Our content recommendation system precisely matches users with their favorite kinds of content. For example, our user click-through rate for content recommendations on our home page increased from 18% in June 2016 to 43% in December 2018.

**Image recognition**

Leveraging advanced cloud-based recognition technology, we are able to add tags to the live streaming content on a real-time basis, which allows the users to perform real-time secondary screening based on streaming content. For example, while in the shooting games, users can perform secondary screening on the types of firearms to choose streaming programs they would like to watch. They may also choose streaming programs they would like to watch based on the virtual characters used in MOBA games.

**Streamer discovery and evaluation**

We have built a comprehensive streamer evaluation system that utilizes our strong AI and machine learning capability to predict and identify streamers with potential through over 20 quantitative metrics, including characteristics of streams and interaction frequency. As this system tracks streamer performance over time, we also rely on this system extensively in streamer evaluation.

**Advanced streaming capabilities**

Our technology infrastructure enables real-time multicast video streaming and communication between users across multiple devices. Our technology has also been developing to allow us to achieve a lower ping time for users of our platforms with fewer servers and less bandwidth. The technology infrastructure underlying our platform can support simultaneous viewing from tens of millions of devices. Our self-developed live streaming software, compared to other third-party software, provides better compatibility and usability, as well as more extended functions to facilitate interaction with streamers. Utilizing peer-to-peer technology, we have also minimized the bandwidth used in transmission of our content. Our leading video compression techniques enable streamers to provide smooth live streaming with weak network coverage and therefore offer them better streaming experience.
Cloud-based network infrastructure

Our team of experts developed a cloud-based network infrastructure specifically designed to handle multi-party audio-and video-enabled real-time online interactions. We own approximately 1,800 servers which are hosted in two Internet data centers in China. Our cloud-based network infrastructure provides quality data delivery and allows multiple users to interact online from anywhere in China easily and with minimal delay. We engaged multiple industry leading cloud service providers in China to maintain our network infrastructure.

Our system is designed for scalability and reliability to support growth in our user base. The number of servers contributes significantly to our fast streaming speed and reliable services, and can be expanded with comparative ease, given the low cost of renting data centers to host additional servers in any high traffic region in our network. The amount of bandwidth we lease is continually expanded to cope with increased peak concurrent users.

Stability and security

We utilize high-availability clusters comprising groups of servers to provide sufficient redundancy and ensure continued service in the event of single point server failure due to hostile attacks, systematic errors or other reasons. Our high-availability data system helps ensure that back-up servers are connected to our network promptly once master servers experience technical difficulties. In addition, our proprietary operation and maintenance system closely and monitors the usage of server resources such as CPU, memory and common technical issues and alerts our technical team to unusual technical difficulties. As a result, our platform is highly stable. We also use firewall services to safeguard against sophisticated cyber-attacks.

Moreover, our user data is encrypted and saved in two different places within our internal servers rather than client-based servers, protected by access control, and further backed up in our long-distance disaster recovery system, so as to minimize the possibility of data loss. If a security breach is detected, our technical team will be notified immediately and coordinate with the local supporting staff to diagnose and solve the technical problems. As of the date of this prospectus, we have not experienced any material network disruptions or security breaches.

Research and Development

We believe that our ability to develop product features, functions and services tailored to the rapidly evolving needs of our user base has been a key factor for the success of our business. Our product development and R&D efforts focus on developing leading technologies and delivering the best user experience in the live streaming industry.

We have been able to rapidly scale our product development output and deliver an increasing range of content and innovative features to fulfill evolving user needs and maximize the quality of user experience. Our research and development team works on both back-end and front-end development of our products and services, including (a) the improvement of our core audio and video data processing and streaming technologies, (b) the enhancement of network and server structures, data distribution and transfer technologies to achieve lower latency and reduce interruptions, and (c) the creation of new features and functions to meet the diversified needs of our users. We will continue to invest in research and development in order to reinforce and solidify our industry leading position.

As of December 31, 2018, we had 731 research and development employees. Our research and development personnel are experienced in the Internet industry, a majority of whom have over five years of relevant work experience. Approximately 29% of our research and development team hold master's degrees or above. Our platform features are designed and developed internally, including
various interactive audio and video technologies. We expect to continue to develop all of our core technologies in-house.

Content Monitoring System

Our live streaming platform contains real-time content, which we monitor to maintain a healthy ecosystem and ensure compliance with PRC laws and regulations. We have developed a comprehensive system to monitor content on our platform and filter inappropriate and illegal content and content that may infringe on the intellectual property rights of third parties.

We developed the following mechanisms to monitor the content on our platform:

• **AI-backed Automatic Detection Process.** We utilize an automatic system to monitor our platform and the data generated in our system for sensitive key words or questionable materials on a real-time basis. The text identification system screens text content based on pre-set key words and an anti-spam system; the picture identification system screens picture content based on optical character recognition and illegal content detection; and the audio identification system screens audio content by converting it into text content and analyzing for illegal content. We have also developed a proprietary monitoring system in-house that takes screenshots of our live streaming channels every 10 seconds based on our "smart" image detection technology. Our system has machine learning capability and will update our database automatically.

• **Manual Review.** All of the automatic detection results that are escalated are reviewed by our content monitoring staff manually. We have a dedicated content monitoring team who also proactively check our rooms on a 24/7 basis for inappropriate or illegal content.

• **Self-regulation system by streamers, room managers.** We require streamers and room managers to monitor the content in their rooms and ensure that their rooms' content comply with our terms of service. We provide streamers and room managers with administrative accounts, which give them special privileges such as forcibly removing or banning viewers from the room. Streamers and room managers are incentivized to ensure the compliance of their room with our terms of service pursuant to our policies.

• **Report by users.** Our users are encouraged to report any noncompliance of our terms of service via the "report" button on our website and mobile apps. We review users' report on a 24/7 basis and strive to resolve each report within 90 seconds. Reporting users are entitled to awards in the form of our virtual currency, should the report is considered valid.

We deal with violations of varying severity in accordance with our strict policies and applicable regulations. Our actions may include warnings, cutting off or temporary suspension of the room and/or account for minor violations, with follow-up review to ensure effective enforcement and rectification. For serious violations, the relevant account is deleted permanently and all virtual currency and items are forfeited, and the room may be permanently closed. Our streamers agree to indemnify us for all damages arising from third-party claims against us caused by the infringing content produced by them.

Our Relationship with Tencent

Tencent became a shareholder of Wuhan Douyu, one of our wholly-owned subsidiaries, in April 2016 when it purchased certain of Wuhan Douyu's shares through Linzhi Lichuang, an entity controlled by Tencent. Tencent subsequently increased its investment in Wuhan Douyu by purchasing shares in Wuhan Douyu's subsequent rounds of financing and in our company by subscribing for Series E Preferred Shares. Upon the completion of this offering, Tencent will hold % of our total outstanding ordinary shares through Nectarine representing % of our total voting power, assuming the underwriters do not exercise their over-allotment option. For details please refer to "Description of Share Capital—History of Securities Issuances."
On December 20, 2017, we and Tencent, through our respective PRC affiliated entities, entered into a strategic cooperation agreement, which became effective on January 31, 2018 and was subsequently replaced by the Amended and Restated SCFM dated April 1, 2019. Pursuant to the Amended and Restated SCFM, the parties agreed to pursue strategic cooperation in various areas of game live streaming, advertisement and game distribution. We plan to promote content related to games owned by or licensed to Tencent at certain prominent places of our platform. The specific location, content, and operations of the cooperation between Tencent and us are subject to further negotiation pursuant to market principles. The Amended and Restated SCFM has a term of three years, which may be renewed if certain conditions are met. We also use CDN, P2P streaming technologies, online payment and website technology support services provided by Tencent and engage in other related party transactions with Tencent. See "Related Party Transactions."

In addition to the Amended and Restated SCFM, we also entered into a share purchase agreement (the "Share Purchase Agreement") with Nectarine on March 8, 2018. Pursuant to the Share Purchase Agreement, we issued 7,828,728 of Series E Preferred Shares to Nectarine at a price of approximately US$80.6 per share, representing 25.95% of our total outstanding shares on an as-converted basis as of the closing of the transaction. Nectarine also holds 3,125,000 of our Series B-2 Preferred Shares and 1,114,376 of our Series C-1 Preferred Shares. For details, please see "Principal [and Selling] Shareholders" and "Description of Share Capital—History of Securities Issuances." For more details relating to shareholder rights enjoyed by Tencent, please refer to "Description of Share Capital—Shareholders Agreement" and "Management—Terms of Directors and Officers."

For risks in connection with our relationship with Tencent, see "Risk Factors—Our Relationship with Our Major Shareholders—We may not realize the benefits we expect from our strategic cooperation with Tencent, which may materially and adversely affect our business and results of operations" and "—Certain existing shareholders have substantial influence over our company and their interests may not be aligned with the interests of our other shareholders."

Customer Service

We have a dedicated customer service team that is available on a 24/7 basis. Our viewers and streamers may submit inquiries, feedback or complaints by sending messages via online chat or emails at any time. Upon receipt of complaints or inquiries, our customer service team will conduct an investigation and provide viewers and streamers with explanations for and solutions to the issues they report promptly. We require complaints to be resolved within five business days. As of the date of this prospectus, we have not received any complaints from our users that resulted in a material adverse impact on our business.

Branding and Marketing

Leveraging our diverse and quality content offerings, optimal user experience and deep pool of talented streamers, we believe that we have built significant goodwill and brand awareness among viewers and streamers. Our market position benefits significantly from our large and engaged user base and word-of-mouth effect.

In addition to word-of-mouth marketing, we also leverage our position in the eSports industry, and promote our brand awareness by sponsoring leading eSports teams and organizing proprietary eSports tournaments.

We host many offline activities to enhance our brand recognition and positive publicity. For example, we launched Douyu Carnival ("斗鱼嘉年华") in 2016, which was a fan meet-and-greet event for popular streamers and has since become a symbolic game pop culture event in China. In 2018, more than half a million offline visitors attended Douyu Carnival ("斗鱼嘉年华") and it was viewed online over 230 million times.

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Competition

Game-centric live streaming is an emerging industry in China. As a leading player in this market, we face competition from providers of similar services, and other online entertainment platforms. Other game-centric live streaming compete directly with us for viewers and streamers. In addition, we compete with other large video streaming platforms, social media platforms, and other platforms offering online entertainment. We believe that our ability to compete effectively for users depends upon many factors, including the quality and variety of our content, user experience on our platform, recruitment and retention of top streamers, capability to adjust to changes in technology and customer tastes and the strength of our brands.

Intellectual Property

We regard our proprietary domain names, copyrights, trademarks, trade secrets and other intellectual property as critical to our operations. We rely on a combination of patents, copyrights, trademarks and trade secret laws to protect our intellectual property. As of December 31, 2018, we had registered:

- 298 trademarks in China, including the logo for our douyu.com;
- 59 domain names, including douyutv.com, douyu.tv and douyu.com;
- 359 patents in China; and
- 44 software copyrights in China, relating to all of our online communities and other products.

As of December 31, we had 249 pending trademark applications in China, the United States, Singapore, Malaysia, Thailand, Indonesia and Vietnam. As of December 31, 2018, we have submitted 2,476 pending patent applications independently or jointly with third parties in China and 265 international patent applications through the procedures under the Patent Cooperation Treaty, or PCT. In addition, we are in the process of applying for registration of another four software copyrights in China. Substantially all of our intellectual property is owned by Wuhan Douyu, and certain trademarks, copyrights and domain names are owned by Wuhan Ouyue for the purpose of maintaining and renewing their operating licenses as required by relevant PRC government authorities.

We implement comprehensive measures to protect our intellectual property in addition to making trademark and patent registration applications. Our key measures to protect our intellectual properties include: (i) trademark searches prior to the launch of our new products; (ii) timely registration and filing with relevant authorities and application of intellectual property rights for our significant technologies and self-developed software; and (iii) overall source code protection of proprietary information.

Employees

We had 1,306, 1,822 and 2,250 employees as of December 31, 2016, 2017 and 2018. As of December 31, 2018, substantially all of our employees were based in China. The following table sets forth a breakdown of our employees by function as of December 31, 2018.

<table>
<thead>
<tr>
<th>Function</th>
<th>Number of employees</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations and products</td>
<td>688</td>
<td>30.6%</td>
</tr>
<tr>
<td>Research and development</td>
<td>731</td>
<td>32.5%</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>212</td>
<td>9.4%</td>
</tr>
<tr>
<td>General and administration</td>
<td>619</td>
<td>27.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,250</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
Our success depends on our ability to attract, retain and motivate qualified personnel. We adopt high standards in recruitment with strict procedures to ensure the quality of new hires. Moreover, we provide a robust training program for new employees that we hire, which we believe are effective in equipping them with the skill set and workplace ethics that we require of our employees. We have developed a dynamic corporate culture that encourages innovation, technical skills and self-development.

We enter into standard contracts and agreements regarding confidentiality, intellectual property, employment, commercial ethics policies and non-competition with most of our executive officers, managers and employees. These contracts typically include a non-competition provision effective during and up to two years after their employment with us and a confidentiality provision effective during and after their employment with us.

Our employees have formed the employee union. We believe that we maintain a good working relationship with our employees and we have not experienced any significant labor disputes.

**Properties**

Our corporate headquarters are located in Wuhan, China. As of December 31, 2018, we have leased office space with an aggregate area of approximately 36,684 square meters, of which approximately 32,285 square meters are in Wuhan, approximately 2,396 square meters are in Beijing, approximately 1,859 square meters are in Shanghai, and approximately 144 square meters are in Guangzhou. Our physical servers are primarily hosted at Internet data centers owned by major domestic Internet data center providers. We believe that our existing facilities are generally adequate in meeting our current needs, but we expect to seek additional space as needed to accommodate future growth.

**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. See "Risk Factors—Risks Related to Our Business and Our Industry—We may be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to our platform, or distributed to our users, or for proprietary information appropriated by former employees, which may materially and adversely affect our business, financial condition and prospects." "Risk Factors—Risks Related to Our Business and Our Industry—We may be held liable for information or content displayed on, retrieved from or linked to our platform, or distributed to our users if such content is deemed to violate any PRC laws or regulations, and PRC authorities may impose legal sanctions on us." "Risk Factors—Risks Related to Our Business and Our Industry—Implementation of the new labor laws and regulations in China may adversely affect our business and results of operations," and "Risk Factors—We are subject to risks relating to litigation, which could adversely affect our business, prospects, results of operations and financial condition."
REGULATION

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China.

As the live streaming industry is still at an early stage of development in China, new laws and regulations may be promulgated from time to time to introduce new regulatory requirements, including but not limited to, requirements of obtaining new licenses and permits in addition to those we currently have. There are substantial uncertainties with respect to the interpretation and implementation of current and future PRC laws and regulations, including those applicable to live streaming industries and our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities in China and that affect the dividends payment to our shareholders.

Regulations Relating to Telecommunications Services

In September 2000, the State Council issued the Regulations on Telecommunications of China, or the Telecommunications Regulations, as amended on July 29, 2014 and February 6, 2016, to regulate telecommunications activities in China. The Telecommunications Regulations set out basic guidelines on different types of telecommunications business activities in China. According to the Catalog of Telecommunications Business (2015 Amendment) implemented on March 1, 2016, Internet information services constitute a type of value-added telecommunications service. The Telecommunications Regulations require operators of value-added telecommunications services to obtain value-added telecommunications business operation licenses from MIIT, or its provincial branches prior to the commencement of such services.

The Regulations for the Administration of Foreign-Invested Telecommunications Enterprises, or the FITE Regulations, which took effect on January 1, 2002 and were amended on September 10, 2008 and February 6, 2016, regulate foreign direct investment in telecommunications companies in China. The FITE Regulations stipulate that foreign investors are generally prohibited from holding more than 50% of equity interest in a foreign-invested enterprise that provides value-added telecommunications services, including, among others, provisions of Internet content. In addition, foreign investors are required to have sufficient experience operating value-added telecommunications services when applying for the MIIT’s value-added telecommunications business operation license.

On July 13, 2006, the Ministry of Information Industry (which is the predecessor of MIIT) issued the Circular on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Services, or the MIIT Circular 2006, which provides that (a) foreign investors can only operate a telecommunications business in China through telecommunications enterprises with a valid telecommunications business operation license; (b) domestic license holders may not rent, transfer or sell telecommunications business operation licenses to foreign investors in any form or provide any foreign investors with resources, venues or facilities to promote unlicensed operations of telecommunications businesses in China; (c) value-added telecommunications service providers or their shareholders must directly own the domain names and registered trademarks that are used in their daily operations; (d) each value-added telecommunications service provider must have necessary facilities for its approved business operations and maintain such facilities in the geographic regions specified in its license; and (e) all value-added telecommunications service providers should improve their network and information security, establish a relevant information safety system and set up emergency plans to ensure network and information safety.

Regulations Relating to Internet Information Services

The Administrative Measures on Internet Information Services (the "ICP Measures") issued by the State Council on September 25, 2000 and amended on January 8, 2011, regulate provisions of Internet
information services in the PRC. According to the ICP Measures, Internet information services refer to provisions of information through the Internet to online subscribers, including commercial and non-commercial services. Pursuant to the ICP Measures, commercial Internet information service providers shall obtain ICP Licenses from relevant PRC local authorities before engaging in commercial Internet information services in China. In addition, according to relevant PRC laws, administrative regulations or rules, providers of Internet information services in respect of news, publishing, education, medical treatment, health, pharmaceuticals or medical apparatuses shall obtain consent of the relevant PRC competent authority before applying for an operating permit or carrying out record-filing procedures.

Additionally, the ICP Measures and other relevant measures also prohibit publication of any content that propagates, among others, obscenity, pornography, gambling and violence, incite the commission of crimes or infringe upon the lawful rights and interests of third parties. If an Internet information services provider detects that information transmitted on its system falls under the specified prohibition, such provider must immediately terminate the transmission and delete the information and report it to the government authorities. Any provider's violation of these prohibitions, in serious cases, will lead to revocation of its ICP License and shutdown of its Internet systems.

Regulations Relating to Mobile Internet Applications Information Services

In addition to the Telecommunications Regulations and other regulations above, mobile applications (the "APPs") and the Internet application store (the "APP Store") are specially regulated by the Regulations for the Administration of Mobile Internet Applications Information Services (the "APP Provisions"), which were promulgated by the Cyberspace Administration of China ("CAC") on June 28, 2016 and became effective on August 1, 2016.

Pursuant to the APP Provisions, the APP information service providers shall satisfy relevant qualifications required by laws and regulations, strictly carry out the information security management responsibilities and fulfill their obligations in various aspects relating to the real-name system, protection of users' information and the examination and management of information content. The APP Store service providers shall file with the local cyberspace administration authorities within 30 days after its APP Store services have launched, and such APP Store service providers are responsible for overseeing APP providers operated on their stores.

Regulations Relating to Online Transmission of Audio-Visual Programs

On April 13, 2005, the State Council promulgated the Certain Decisions on the Entry of the Private Capital into the Cultural Industry, according to which private capital was prohibited from engaging in the business of online transmission of audio-visual programs. On July 6, 2005, five PRC governmental authorities, including the MOC, the SARFT, the GAPP, the CSRC and the MOFCOM, jointly adopted the Several Opinions on Canvassing Foreign Investment into the Cultural Sector. On December 20, 2007, the SARFT and the MIIT jointly promulgated the Audio/Video Measures, which took effect on January 31, 2008 and were subsequently amended on August 28, 2015. Under these provisions, foreign investors are prohibited from engaging in the business of distributing audio-visual programs through Internet.

Providers of audio-visual program services through the Internet (including through mobile networks), in general, must be either state-owned or state-controlled entities, and the business to be carried out by such providers must satisfy the overall planning and guidance catalog for Internet audio-visual program service determined by SARFT; and such providers are required to obtain the License for Online Transmission of Audio/Video Program issued by NRTA, or complete certain registration procedures with NRTA.
On May 21, 2008, SARFT issued a Notice on Relevant Issues Concerning Application and Approval of License for the Online Transmission of Audio-Visual Programs, as amended on August 28, 2015, which further sets out detailed provisions concerning the application and approval process regarding the License for Online Transmission of Audio/Video Program. The notice also stipulates that Internet audio-visual program services providers engaging in such services prior to the promulgation of the Audio/Video Measures are able to apply for the license so long as their violation of the laws and regulations is minor in scope and can be rectified in a timely manner and they have no records of violation during the three months prior to the promulgation of the Audio/Video Measures. Further, on March 30, 2009, SARFT promulgated the Notice on Strengthening the Administration of the Content of Internet Audio-Visual Programs, which reiterates the pre-approval requirements for the audio-visual programs transmitted through the Internet, including through mobile networks, where applicable, and prohibits certain types of Internet audio-visual programs containing violence, pornography, gambling, terrorism, superstition or other similarly prohibited elements.

On April 1, 2010, the SARFT issued the Internet Audio-Visual Program Services Categories (Provisional), or the Provisional Categories, as adjusted on March 10, 2017, which classified Internet audio/visual program services into four categories. In addition, the Notice concerning Strengthening the Administration of the Streaming Service of Online Audio/Video Programs promulgated by the State Administration of Press, Publication, Radio, Film and Television (or the SAPPRFT, which is the predecessor of NRTA) on September 2, 2016 emphasizes that, unless a specific license is granted, the audio/visual programs service provider is forbidden from engaging in live streaming on major political, military, economic, social, cultural and sports events.

On July 6, 2012, the SARFT and the CAC issued the Notice Regarding Further Enhancement of Management of Online Audio and Video Programs such as Online Drama Series and Micro Films, pursuant to which providers of Internet audio-visual program services which are engaged in the production of online audio-visual programs such as online drama series and micro films and broadcast such programs on their own websites shall lawfully obtain the Radio and Television Program Production and Operating Permit issued by local branches of the NRTA and corresponding License for Online Transmission of Audio/Video Program at the same time. Providers of Internet audio-visual program services shall report the information on online audio-visual programs such as online drama series and micro films which have been reviewed and approved to the provincial branches of the NRTA in their domiciles for filing.

In April 2016, the SAPPRFT promulgated the Provisions on the Administration of Private Network and Targeted Transmission Audio-visual Program Services, which apply to the provision of radio, television programs and other audio-visual programs to a targeted audience on television and all types of handheld electronic equipment. This provision covers the Internet and other information networks as targeted transmission channels, including the provision of content, integrated broadcast control, transmission and distribution and other activities conducted in such forms as Internet protocol television, private network mobile television and Internet television. Anyone who provides private network and targeted transmission audio-visual program services must obtain a License for Online Transmission of Audio/Video Program issued by the SARFT and operate its business pursuant to the scope as provided in such license. Foreign-invested enterprises are not allowed to engage in the above referenced businesses.

In July 2016, the MOC promulgated the Notice on Strengthening the Administration of Network Performance, which regulates the behavior of entities conducting businesses related to network performance and performers. Entities operating network performances shall be responsible for the services and content posted on their website by performers. They must refine their content management mechanism and shut down the channel and stop the dissemination of any network performance as soon as they realize that such network performance is in violation of relevant laws and
regulations. Network performers shall be responsible for their performances and shall not perform any program containing violence, pornography, or other similarly prohibited elements.

In addition, the SAPPRFT issued the Notice Concerning Strengthening the Administration the Streaming Service of Online Audio-Visual Programs in September 2016, pursuant to which an Internet live-streaming service provider shall (i) equip personnel to review the content of the live-stream; (ii) establish the technical methods and work mechanisms in order to replace the unlawful content by using the backup program; and (iii) record the live-streaming program and keep the records for at least 60 days to fulfill the inspections requirements from the competent administrative authorities. The CAC promulgated the Regulations for the Administration of Online Live-Streaming Services, or Internet Live-Streaming Services Provisions, on November 4, 2016, which came into effect on December 1, 2016. According to the Internet Live-Streaming Services Provisions, an Internet live-streaming service provider shall (a) establish a live-streaming content review platform; (b) conduct authentication registration of Internet live-streaming issuers based on their identity certificates, business licenses and organization code certificates; and (c) enter into a service agreement with Internet live-streaming services user to specify both parties' rights and obligations.

In March 2018, the SAPPRFT issued the Notice on Further Regulating the Transmission Order of Internet Audio-Visual Programs, which requires that, among others, audio-visual platforms shall: (i) not produce or transmit programs intended to parody or denigrate classic works, (ii) not re-edit, re-dub, re-caption or otherwise ridicule classic works, radio and television programs, or original Internet audio-visual programs without authorization, (iii) not transmit re-edited programs, which unfairly distort the original content, (iv) strictly monitor the adapted content uploaded by platform users and not provide transmission channels for illicit content, (v) immediately take down unauthorized content upon receipt of complaints from copyright owners, radio and television stations, or film and television production institutions, (vi) strengthen the administration of movie trailers and prevent improper broadcasting of movie clips and trailers prior to authorized release, and (vii) strengthen the administration of sponsorship and endorsement for Internet audio-visual programs. Pursuant to this notice, the provincial branches of the NRTA shall have the authority to supervise radio and television stations and websites that offer audio-visual programs within its jurisdiction and require them to further improve their content management systems and implement relevant management requirements.

Regulations Relating to Online Cultural Activities

The Ministry of Culture promulgated the Provisional Measures on Administration of Internet Culture in 2011, as most recently amended in 2017, and the Notice on Issues Relating to Implementing the Newly Revised Provisional Measures on Administration of Internet Culture promulgated by the Ministry of Culture in 2011, which apply to entities that engage in activities related to "online cultural products." "Online cultural products" are classified as cultural products developed, published and disseminated through the Internet which mainly include: (i) online cultural products particularly developed for publishing through the Internet, such as, among other things, online music and video files, network games and online animation features and cartoons (including flash animation); and (ii) online cultural products converted from audio and visual products, games, performing arts, artworks and animation features and cartoons, and published on the Internet. Pursuant to this legislation, entities are required to obtain the Internet Culture Operation Licenses from the applicable provincial level counterpart of the MCT if they intend to commercially engage in any of the following types of activities:

- production, duplication, import, release or broadcasting of online cultural products;
- publishing of online cultural products on the Internet or transmission thereof to computers, fixed-line or mobile phones, radios, television sets or game consoles for the purpose of browsing, reading, reviewing, using or downloading such products by online users; or
In August 2013, the MOC issued the Administrative Measures for Content Self-Review by Internet Culture Business Entities, which requires Internet culture business entities to review the content of products and services to be provided prior to providing such content and services to the public. The content management system of an Internet culture business entity is required to specify the responsibilities, standards and processes for content review as well as accountability measures, and is required to be filed with the provincial level counterpart of the MCT.

**Regulations Relating to Online Game Operation**

The Notice on Interpretation of the State Commission Office for Public Sector Reform on Several Provisions relating to Animation, Online Game and Comprehensive Law Enforcement in Culture Markets in the 'Three Provisions' jointly promulgated by the MOC, the SARFT and the GAPP, which was issued by the State Commission Office for Public Sector Reform (a division of the State Council) and became effective on September 7, 2009, provides that the SAPPRFT is responsible for the examination and approval of online games to be uploaded on the Internet and that, after being uploaded, online games are subject to management by the MCT.

The Notice Regarding the Consistent Implementation of the "Regulation on Three Provisions" of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Online Games and the Examination and Approval of Imported Online Games (the "GAPP Notice"), promulgated by the GAPP, together with the National Copyright Administration and the Office of the National Working Group for Crackdown on Pornographic and Illegal Publications, on September 28, 2009, provides, among other things, that games are not allowed to be put online for operation without obtaining pre-approval from GAPP. Foreign investors are prohibited from investing or engaging in online game operations in China through establishing wholly-owned subsidiaries, or equity joint ventures or cooperative joint ventures with Chinese partners, and expressly prohibits foreign investors from gaining control over or participating in domestic online game operations indirectly by establishing other forms of joint venture, establishing contractual agreements or providing technical support. Material violation of the GAPP Notice will result in suspension or revocation of relevant licenses and registrations. In addition, according to the Administrative Provisions on Online Publishing Services, before publishing an online game, an online publishing service provider shall file an application with the competent administrative department for SAPPRFT of the province, autonomous region or municipality in the place where it is located and the application, after being approved at the provincial level, shall be submitted to the SAPPRFT for final approval. Online game operations are also categorized as Internet culture operation and the Internet culture provisions shall govern online game operations as well.

In 2010, the MOC promulgated the Provisional Measures on the Administration of Online Games, or Online Game Measures, as most recently amended in 2017, which set forth a broad range of activities related to the online game business, including the development and production of online games, the operation of online games, the issuance of virtual currencies used for online games and virtual currency trading services. Online Game Measures provide that any entity that is engaged in online game operations must obtain an Internet Culture Operation License, and require that the content of an imported online game be examined and approved by the MCT prior to the launch of the game and that the content of a domestic online game must be filed within 30 days of its launch with the MCT. The Online Game Measures also request online game operators to protect the interests of online players and specify certain terms that must be included in the service agreements between online game operators and the players of their online games. Furthermore, the online game operators are required to take technical and managerial measures to ensure online information security, including preventing computer virus invasion, attack or damage, backing up important data and saving user
registration information, operating information, maintaining logs and other information, and protecting state secrets, trade secrets and
users' personal information.

Regulations Relating to Anti-Fatigue Compliance System and Real-Name Registration System

On April 15, 2007, eight PRC government authorities, including the GAPP, the Ministry of Education, the Ministry of Public
Security and the Ministry of Information Industry, jointly issued a circular requiring the implementation of an anti-fatigue
compliance system and a real-name registration system by all PRC online game operators. Under the anti-fatigue compliance system,
three hours or less of continuous game playing by minors, defined as game players under 18 years of age, is considered to be
"healthy," three to five hours is deemed "fatiguing," and five hours or more is deemed "unhealthy." Game operators are required to
reduce the value of in-game benefits to a game player by half if it discovers that the amount of time a game player spends online has
reached the "fatiguing" level and to zero in case of a game player reaches an "unhealthy" level.

To identify whether a game player is a minor and thus subject to the anti-fatigue compliance system, a real-name registration
system should be adopted to require online game players to register their real identity information before playing online games.
Pursuant to a notice issued by the relevant eight government authorities on July 1, 2011, online game operators must submit the
identity information of game players to the National Citizen Identity Information Center, a subordinate public institution of the
Ministry of Public Security, for verification as of October 1, 2011.

In addition, pursuant to the Provisions on the Administration of Online Live-streaming Services promulgated by the CAC on
November 4, 2016 and which took effect on December 1, 2016, live streaming service providers should verify the identity of users
on a live streaming platform with their information such as through their mobile phone number. Also, according to the
Administrative Measures for Business Activities of Online Performances issued by Ministry of Culture on December 2, 2016 and in
effect as of January 1, 2017, live streaming service providers should require streamers on a live streaming platform to make real-
name registration.

Regulations Relating to Virtual Currency

On January 25, 2007, the Ministry of Public Security, the MOC, the Ministry of Information Industry and the GAPP jointly
issued a circular regarding online gambling which has implications on the issuance and use of virtual currency. To curtail online
games that involve gambling while addressing concerns that virtual currency might be used for money laundering or illicit trade, the
circular (a) prohibits online game operators from charging commissions in the form of virtual currency in connection with the
winning or losing of games; (b) requires online game operators to impose limits on use of virtual currency in guessing and betting
games; (c) bans the conversion of virtual currency into real currency or property; and (d) prohibits services that enable game players
to transfer virtual currency to other players. To comply with the relevant section of the circular that bans the conversion of virtual
currency into real currency or property, in relation to online music and entertainment, our virtual currency currently can only be used
by viewers to exchange for virtual items to be used to show support for performers or gain access to privileges and special features in
the channels which are services in nature instead of "real currency or property." Once the virtual currency is exchanged by viewers
for virtual items or the relevant privileged services, the conversion transaction is completed and we immediately cancel the virtual
item in our internal system.

In February 2007, fourteen PRC regulatory authorities jointly issued a circular to further strengthen the oversight of Internet
cafes and online games. In accordance with the circular, the People's Bank of China, or PBOC, has the authority to regulate virtual
currency, including: (a) setting limits on the aggregate amount of virtual currency that can be issued by online game operators and
the amount of virtual currency that can be purchased by an individual; (b) stipulating that virtual currency
issued by online game operators can only be used for purchasing virtual products and services within the online games and not for purchasing tangible or physical products; (c) requiring that the price for redemption of virtual currency shall not exceed the respective original purchase price; and (d) banning the trading of virtual currency.

On June 4, 2009, the MOC and the MOFCOM jointly issued a notice to strengthen the administration of online game virtual currency. The Virtual Currency Notice requires businesses that (a) issue online game virtual currency (in the form of prepaid cards and/or pre-payment or prepaid card points), or (b) offer online game virtual currency transaction services to apply for approval from the MCT through its provincial branches within three months after the issuance of the notice. The Virtual Currency Notice businesses that issue virtual currency for online games are prohibited from offering services that can trade virtual currency. Any company that fails to file the necessary application will be subject to sanctions, including but not limited to, mandatory corrective actions and fines.

Under the Virtual Currency Notice, online games virtual currency trading service provider refers to the business that provides platform services related to virtual trading in online games among game users. The Virtual Currency Notice further requires an online game virtual currency transaction service provider to comply with relevant e-commerce regulations issued by the MOFCOM. According to the Guiding Opinions on Online Trading (Interim) issued by the MOFCOM on March 6, 2007, online platform services are trading services provided to online buyers and sellers through a computer information system operated by the service provider.

The Virtual Currency Notice regulates, among others, the amount of virtual currency a business can issue, the retention period of user records, the function of virtual currency and the return of unused virtual currency upon the termination of online services. Online game operators are prohibited from distributing virtual items or virtual currencies to players through random selection methods such as lottery or betting, and the player directly pays cash or virtual currency. Game operators are prohibited from issuing virtual currency to game players in any way other than legal tender purchases. Any business that provides online game virtual currency transaction services is required to adopt technical measures to restrict the transfer of online game virtual currency among accounts of different game players.

In addition, the Online Game Measures promulgated in June 2010 and amended in 2017 further provide that (i) virtual currency may only be used to purchase services and products provided by the online service provider that issues the currency; (ii) the purpose of issuing virtual currency shall not be malicious appropriation of the user’s advance payment; (iii) the storage period of online gamers’ purchase record shall not be shorter than 180 days; and (iv) the types, price and total amount of virtual currency shall be filed with the cultural administration department at the provincial level. The Online Game Measures stipulate that virtual currency service providers may not provide virtual currency transaction services to minors or for online games that fail to obtain the necessary approval or filings, and that such providers should keep transaction records, accounting records and other relevant information for its users for at least 180 days. On December 1, 2016, the MOC released the Notice on Regulating Online Game Operation and Strengthening Concurrent and Ex-Post Supervision, to be implemented from May 2017, which restates and introduces a series of regulatory requirements governing the online game operation, including clarifications on online game operation and operators, virtual items rules, random-event rules, user protection measures and a reiteration of the MCT’s approval and filing requirements.

Currently, the PRC government has not promulgated any specific rules, laws or regulations to directly regulate virtual currency, except for the above-mentioned online game virtual currency. See "Risk Factors—Risks Related to Doing Business in China—Restrictions on virtual currency may adversely affect our revenues."
Regulations on Online Music

On November 20, 2006, the Ministry of Culture issued the Several Opinions of the Ministry of Culture on the Development and Administration of Online Music, or the Online Music Opinions, which became effective on the same date. The Online Music Opinions provide that, among other things, an internet music service provider must obtain an Internet Culture Operation License. On October 23, 2015, the Ministry of Culture promulgated the Circular on Further Strengthening and Improving the Content Administration of Online Music, effective as of January 1, 2016, which provides that internet culture operating entities shall report to a nationwide administrative platform the details of its self-monitoring activities on a quarterly basis.

In 2010 and 2011, the Ministry of Culture greatly intensified its regulations on online music products by issuing a series of circulars regarding online music industry, such as the Circular on Regulating the Market Order of Online Music Products and Renovating Illegal Conducts of Online Music Websites and the Circular on Investigating Illegal Online Music Websites in 2010. In addition, the Ministry of Culture issued the Circular on Clearing Illegal Online Music Products, which clarified that entities engaging in any of the following conducts will be subject to relevant penalties or sanctions imposed by the Ministry of Culture: (i) providing online music products or relevant services without obtaining corresponding qualifications; (ii) importing online music products that have not been reviewed by the Ministry of Culture; or (iii) providing domestically developed online music products that have not been filed with the Ministry of Culture.

On July 8, 2015, the National Copyright Administration issued the Circular regarding Ceasing Transmitting Unauthorized Music Products by Online Music Service Providers, which requires that (i) all unauthorized music products on the platforms of online music service providers shall be removed prior to July 31, 2015, and (ii) the National Copyright Administration investigate and punish the online music services providers who continue to transmit unauthorized music products following July 31, 2015.

Regulations Relating to Commercial Performances

The Administrative Regulations on Commercial Performances (Revised in 2016) was promulgated by the State Council and took effect on February 6, 2016. According to these regulations, to legally engage in commercial performances, a culture and arts performance group shall have full-time performers and equipment in line with its performing business, and file an application with the culture administrative department of the people's government at the county level for approval; while a performance brokerage agency shall have three or more full-time performance brokers and funds suitable for the relevant business, and file an application with the culture administrative department at the provincial level. The culture administrative department shall make a decision within 20 days from the receipt of the application whether to approve the application, and upon approval, will issue a commercial performance license. Anyone or any entity engaging in commercial performance activities without approval may have a penalty imposed, in addition to being ordered to cease its actions. Such penalty may include confiscation of performance equipment and illegal proceeds, and a fine of 8 to 10 times the illegal proceeds. Where there are no illegal proceeds or the illegal proceeds are less than RMB10,000, a fine of RMB50,000 to RMB100,000 will be imposed.

Regulations Relating to Production of Radio and Television Programs

On July 19, 2004, the SARFT issued the Regulations on the Administration of Production and Operation of Radio and Television Programs, or the Radio and TV Programs Regulations, which took effect on August 20, 2004 and was amended on August 28, 2015. The Radio and TV Programs Regulations require any entities engaging in the production and operation of radio and television programs to obtain a license for such businesses from the NRTA or its provincial branches. Entities
with the Radio and Television Program Production and Operating Permit must conduct their business operations strictly in
compliance with the approved scope of production and operations and these entities (except radio and TV stations) must not produce
radio and TV programs regarding current political news or similar subjects.

**Regulations Relating to Advertising Business**

The State Administration for Market Regulation (formerly known as State Administration of Industry and Commerce, "SAMR")
is the primary governmental authority regulating advertising activities in China. Regulations that apply to the advertising business
primarily include: (i) the PRC Advertisement Law, promulgated by the Standing Committee of the National People's Congress on
October 27, 1994 and most recently amended on October 26, 2018; and (ii) the Administrative Regulations for Advertising,
promulgated by the State Council on October 26, 1987 and which has been effective since December 1, 1987.

According to the above regulations, companies that engage in advertising activities must obtain, from the SAMR or its local
branches, a business license, which specifically includes operating an advertising business in its business scope. Enterprises engaged
in the advertising business with such advertising business in its business scope do not need to apply for an advertising operation
license, but such enterprise cannot be a radio station, a television station, a newspaper and magazine publishing house or any entity
otherwise specified in the relevant laws or administrative regulations. The business license of an advertising company is valid for the
duration of its existence, unless the license is suspended or revoked due to a violation of any relevant laws or regulations.

PRC advertising laws and regulations set certain content requirements for advertisements in China, including, among other
things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving
obscenities, superstition, violence, discrimination or infringement of the public interest. Advertisers, advertising agencies, and
advertising distributors are required to ensure that the content of the advertisements they prepare or distribute is true and in complete
compliance with applicable laws. In providing advertising services, advertising operators and advertising distributors must review the
supporting documents provided by advertisers for advertisements and verify that the content of the advertisements complies with
applicable PRC laws and regulations. Prior to distributing advertisements that are subject to government censorship and approval,
advertising distributors are obligated to confirm that such censorship has been performed and approval has been obtained. Violation
of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the
advertisements and orders to publish an advertisement correcting the misleading information. Where serious violations occur, the
SAMR or its local branches may revoke such offenders' licenses or permits for their advertising business operations.

On July 4, 2016, the SAMR issued the Interim Measures for the Administration of Internet Advertising, or the Internet
Advertising Measures, which became effective on September 1, 2016. According to the Internet Advertising Measures, Internet
Advertising refers to commercial advertising for direct or indirect marketing goods or services in the form of text, image, audio,
video, or other means through websites, web pages, Internet apps, or other Internet media. The Internet Advertising Measures
specifically set out the following requirements: (a) advertisements must be identifiable and marked with the word "advertisement"
ensuring consumers to distinguish them from non-advertisement information; (b) sponsored search results must be clearly
distinguished from organic search results; (c) it is forbidden to send advertisements or advertisement links by email without the
recipient's permission or induce Internet users to click on an advertisement in a deceptive manner; and (d) Internet information
service providers that do not participate in the operation of Internet advertisements should stop publishing illegal advertisements if
they know or should know that the advertisements are illegal.
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Regulations Relating to Internet Bulletin Board Services

On November 6, 2000, the Ministry of Information Industry promulgated the Administrative Measures on Internet Bulletin Board Services, or BBS Measures, which required commercial Internet information service providers that provide bulletin boards, discussion forums, chat rooms or similar services, or BBS services, to obtain specific approval from the competent telecommunications authorities. Commercial Internet information service providers are also required to conspicuously display their ICP License numbers and the BBS rules and inform users of the possible legal liabilities and consequences for posting inappropriate comments. Although the BBS Measures were abandoned in September 2014 by MIIT, certain telecommunication authorities still require online bulletin board services to be itemized in the ICP License if an ICP License holder intends to provide such services.

Regulations Relating to Intellectual Property Rights

Copyright

China has enacted various laws and regulations relating to the protection of copyright. China 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 PRC Copyright Law, promulgated in 1990 and amended in 2001 and 2010, or the Copyright Law, and its related implementing regulations, promulgated in 2002 and amended in 2013, are the principal laws and regulations governing copyright related matters. The Copyright Law provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright of their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software.

The State Council and the National Copyright Administration have promulgated various rules and regulations relating to the protection of software in China. According to these rules and regulations, software owners, licensees and transferees may register their rights in software with the Copyright Protection Center of China and obtain software copyright registration certificates. Although such registration is not mandatory under PRC law, software owners, licensees and transferees are encouraged to go through the registration process and registered software rights may be entitled to better protection. For the number of software programs for which we had registered software copyrights as of the date of this prospectus, see "Business—Intellectual Property."

The amended Copyright law covers Internet activities, products disseminated over the Internet and software products, among the subjects entitled to copyright protection. Registration of copyright is voluntary, and it is administered by the Copyright Protection Center of China. To further clarify some key Internet copyright issues, on December 27, 2012, the PRC Supreme People's Court promulgated the Regulation on Several Issues Concerning Applicable Laws on Trial of Civil Disputes over the Infringement of Information Network Transmission Right, or the 2013 Regulation. The 2013 Regulation took effect on January 1, 2013, and replaced the Interpretations on Some Issues Concerning Applicable Laws for Trial of Disputes over Internet Copyright that was initially adopted in 2000 and subsequently amended in 2004 and 2006. Under the 2013 Regulation, where an Internet information service provider works in cooperation with others to jointly provide works, performances, audio and video products of which the right holders have information network transmission right, such behavior will constitute joint infringement of third parties' information network transmission right, and the PRC court shall order such Internet information service provider to assume joint liability for such infringement.

To address the problem of copyright infringement related to content posted or transmitted on the Internet, the National Copyright Administration and Ministry of Information Industry jointly
promulgated the Measures for Administrative Protection of Copyright Related to Internet on April 29, 2005. These measures, which became effective on May 30, 2005, apply to acts of automatically providing services such as uploading, storing, linking or searching works, audio or video products, or other content through the Internet based on the instructions of Internet users who publish content on the Internet, or the Internet Content Providers, without editing, amending or selecting any stored or transmitted content. When imposing administrative penalties upon the act which infringes upon any user's right of communication through information networks, the Measures for Imposing Copyright Administrative Penalties, promulgated in 2009, shall be applied.

Where a copyright holder finds that certain Internet content infringes upon its copyright and sends a notice to the relevant Internet information service operator, the relevant Internet information service operator is required to (i) immediately take measures to remove the relevant content and (ii) retain all infringement notices for six months and to record the content, display time and IP addresses or the domain names related to the infringement for 60 days. If the content is removed by an Internet information service operator according to the notice of a copyright holder, the content provider may deliver a counter-notice to both the Internet information service operator and the copyright holder, stating that the removed content does not infringe upon the copyright of other parties. After the delivery of such counter-notice, the Internet information service operator may immediately reinstate the removed content and shall not bear administrative legal liability for such reinstatement.

An Internet information service operator may be subject to cease-and-desist orders and other administrative penalties such as confiscation of illegal income and fines, if it is clearly aware of a copyright infringement through the Internet or, although not aware of such infringement, it fails to take measures to remove relevant content upon receipt of the copyright owner's notice of infringement and, as a result, damages public interests. Where there is no evidence to indicate that an Internet information service operator is clearly aware of the existence of copyright infringement, or the Internet information service operator has taken measures to remove relevant content upon receipt of the copyright owner's notice, the Internet information service provider shall not bear the relevant administrative legal liabilities.

We have adopted measures to mitigate copyright infringement risks, but we could still face copyright infringement claims with respect to copyrighted content being streamed live, recorded or made accessible, or songs performed live, recorded or made accessible on our platform. See "Risk Factors—Risks Related to Our Business and Our Industry—We may be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to our platform, or distributed to our users, or for proprietary information appropriated by former employees, which may materially and adversely affect our business, financial condition and prospects."

**Patent**

The National People's Congress adopted the PRC Patent Law in 1984 and amended it in 1992, 2000 and 2008, respectively. A patentable invention, utility model or design must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a twenty-year term for an invention and a ten-year term for a utility model or design. 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, or else the use will constitute an infringement of the rights of the patent holder. For the number of patent applications, we made as of the date of this prospectus, see "Business—Intellectual Property."
According to the PRC Patent Law, if the Patent Office finds the application of an invention conforms to the legal requirements after its preliminary examination of such application documents, it shall publish the application promptly within 18 full months after the filing date. According to the Guidelines of Patent Examination, the examination of a patent shall include the preliminary examination, the substantive examination, examination of international applications entering the national phase and review. However, the above-mentioned regulations do not explicitly state how long it takes for a patent application to be approved or denied. In practice, it generally may take up to one year for the Patent Office to review and approve or deny applications of patents in the category of utility model or design and two to five years in the category of invention.

Trademark

The PRC Trademark Law, adopted in 1982 and amended in 1993, 2001 and 2013, with its implementation rules adopted in 2014, protects registered trademarks. The Trademark Office of National Intellectual Property Administration, or the Trademark Office handles trademark registrations and grants a protection term of ten years to registered trademarks, which may be extended for another ten years upon request. Trademark license agreements must be filed with the Trademark Office for record. For the number of trademarks, we had and trademark applications we have made as of the date of this prospectus, see "Business—Intellectual Property."

Domain name

In September 2002, China Internet Network Information Center ("CNNIC") issued the Implementing Rules for Domain Name Registration setting forth detailed rules for registration of domain names, which was amended on May 29, 2012. On September 1, 2014 the CNNIC issued the Measures on Domain Name Dispute Resolution and relevant implementing rules, pursuant to which the CNNIC can authorize a domain name dispute resolution institution to decide disputes. On August 24, 2017, the MIIT promulgated the Measures for Administration of Internet Domain Names, which regulates the registration of domain names. For the number of domain names we registered as of the date of this prospectus, see "Business—Intellectual Property."

Regulations Relating to Internet Infringement

On December 26, 2009, the Standing Committee of National People's Congress promulgated the PRC Tort Law, or the Tort Law, which became effective on July 1, 2010. Under the Tort Law, an Internet user or an Internet service provider that infringes upon the civil rights or interests of others through using the Internet assumes tort liability. If an Internet user infringes upon the civil rights or interests of another through using the Internet, the person being infringed upon has the right to notify and request the Internet service provider whose Internet services are facilitating the infringement to take necessary measures including the deletion, blocking or disconnection of an Internet link. If, after being notified, the Internet service provider fails to take necessary measures in a timely manner to end the infringement, it will be jointly and severally liable for any additional harm caused by its failure to act.

Regulations Relating to Internet Content and Information Security

The Administrative Measures on Internet Information Services specify that Internet information services regarding news, publications, education, medical and health care, pharmaceutical and medical appliances, among other things, are to be examined, approved and regulated by the relevant authorities. Internet information providers are prohibited from providing services beyond those included in the scope of their ICP Licenses or filings. The PRC government has promulgated measures relating to Internet content through a number of governmental agencies, including the MIIT, the Ministry of Culture and the General Administration of Press and Publication. These measures specifically prohibit
Internet activities, that result in the publication of any content which is found to propagate obscenity, gambling or violence, instigate crimes, undermine public morality or the cultural traditions of the PRC or compromise state security or secrets. Internet information providers must monitor and control the information posted on their websites. If any prohibited content is found, they must remove the offensive content immediately, keep a record of it and report it to the relevant authorities.

On December 13, 2005, the Ministry of Public Security promulgated Provisions on Technological Measures for Internet Security Protection, or the Internet Protection Measures, which took effect on March 1, 2006. The Internet Protection Measures requires all Internet information services operators to take proper measures including anti-virus, data back-up and other related measures, and keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days and submit the above information as required by laws and regulations.

The National People's Congress, China's national legislative body, enacted the Decisions on the Maintenance of Internet Security on December 28, 2000 and subsequently amended on August 27, 2009, that may subject any persons to criminal liabilities in China for any attempt to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe on intellectual property rights. The Ministry of Public Security has promulgated measures that prohibit the use of the Internet in ways which, among other things, results in a leakage of state secrets or a spread of socially destabilizing content.

In 1997, the Ministry of Public Security issued the Administration Measures on the Security Protection of Computer Information Network with International Connections (2011 Revision), which prohibit using the Internet in ways which, among others, result in a leak of state secrets or a spread of socially destabilizing content. The Ministry of Public Security has supervision and inspection powers in this regard, and relevant local security bureaus may also have jurisdiction. If an ICP License holder violates these measures, the PRC government may revoke its ICP License and shut down its website.

On December 28, 2012, the Standing Committee of the National People's Congress reiterated relevant rules on the protection of Internet information by issuing the Decision on Strengthening the Protection of Network Information, or the 2012 Decision. The 2012 Decision distinctly clarified certain relevant obligations of Internet information service providers. Once it discovers any transmission or disclosure of information prohibited by the relevant laws and regulations, the Internet information service provider shall stop transmission of such information, take measures such as elimination, keeping relevant records and reporting to relevant authorities. To comply with the above laws and regulations, we have developed the following mechanisms to monitor the content on our platform as AI-backed automatic detection process, manual review, self-regulation system by streamers and room managers and report by users, see "Business—Content Monitoring System."

**Regulations Relating to Privacy Protection**

Under the Several Provisions on Regulating the Market Order of Internet Information Services, issued by the Ministry of Industry and Information Technology in 2011, an ICP service operator may not collect any user personal information or provide such information to third parties without the consent of a user. An ICP service operator must expressly inform the users of the method, content and purpose for the collection and processing of such user personal information and may only collect such information necessary for the provision of its services. PRC laws and regulations prohibit Internet content providers from disclosing any information transmitted by users through their networks to any third parties without their authorization unless otherwise permitted by law. An ICP service operator is also required to properly keep the user personal information, and in case of any leak or likely leak of the user personal information, the ICP service operator must take immediate remedial measures and,
in severe circumstances, make an immediate report to the telecommunications regulatory authority. In addition, pursuant to the Decision on Strengthening the Protection of Online Information issued by the Standing Committee of the National People's Congress in December 2012 and the Order for the Protection of Telecommunication and Internet User Personal Information issued by the Ministry of Industry and Information Technology in July 2013, any collection and use of user personal information must be subject to the consent of the user, abide by the principles of legality, rationality and necessity and be within the specified purposes, methods and scope. An ICP service operator must also keep such information strictly confidential, and is further prohibited from divulging, tampering or destroying of any such information, or selling or providing such information to other parties. If an Internet content provider violates these regulations, the MIIT or its local bureaus may impose penalties and the Internet content provider may be liable for damages caused to its users.

Regulations Relating to Internet Publication and Cultural Products

On February 4, 2016, State Administration of Press, Publication, Radio, Film and Television, (or the SAPPRFT, which is the predecessor of NRTA), and the MIIT issued the Administrative Provisions on Online Publishing Services, or the Online Publishing Provisions, which took effect in March 2016. According to the Online Publishing Provisions, all online publishing services provided within the territory of China are subject to the Online Publishing Provisions, and an online publishing services permit shall be obtained in order to provide online publishing services. Pursuant to the Online Publishing Provisions, "online publishing services" refer to providing online publications to the public through information networks; and "online publications" refer to digital works with publishing features such as having been edited, produced or processed and are made available to the public through information networks, including: (i) written works, pictures, maps, games, cartoons, audio-visual reading materials and other original digital works containing useful knowledge or ideas in the field of literature, art, science or other fields; (ii) digital works of which the content is identical to that of any published book, newspaper, periodical, audio-visual product, electronic publication or the like; (iii) network literature databases or other digital works, derived from any of the aforesaid works by selection, arrangement, collection or other means; and (iv) other types of digital works as may be determined by the SAPPRFT.

Regulations Relating to Foreign Currency Exchange and Dividend Distribution

Foreign currency exchange

The core regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations, as amended in August 2008, or the FEA Regulations. Certain organizations in the PRC, including foreign invested enterprises, may purchase, sell and/or remit foreign currencies at certain banks authorized to conduct foreign exchange business upon providing valid commercial documents. However, approval of the State Administration of Foreign Exchange, or SAFE, is required for capital account transactions.

On August 29, 2008, the SAFE issued Circular 142 to regulate the conversion of foreign currency into Renminbi by a foreign-invested enterprise by restricting the ways in which converted Renminbi may be used. Circular 142 requires that the registered capital of a foreign-invested enterprise converted into Renminbi from foreign currencies may only be utilized for purposes within its business scope. Meanwhile, the SAFE strengthened its oversight of the flow and the use of the registered capital of a foreign-invested enterprise settled in Renminbi converted from foreign currencies. The use of such Renminbi capital may not be changed without the SAFE's approval, and may not in any case be used as repayment of Renminbi loans if the proceeds of such loans have not been used.

In 2014, the SAFE decided to further reform the foreign exchange administration system to satisfy and facilitate the business and capital operations of foreign-invested enterprises, and issued the Circular
on the Relevant Issues Concerning the Launch of Reforming Trial of the Administration Model of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises in Certain Areas on July 4, 2014, or SAFE Circular 36. The SAFE Circular 36 suspends the application of SAFE Circular 142 in certain areas and allows a foreign-invested enterprise registered in such areas to use the Renminbi capital converted from foreign currency registered capital for equity investments within the scope of business, which will be regarded as the reinvestment of foreign-invested enterprise. On March 30, 2015, the SAFE issued the Circular on the Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which took effect on June 1, 2015, and replaced SAFE Circular 142 and SAFE Circular 36. Under SAFE Circular 19, a foreign-invested enterprise, within the scope of business, may also choose to convert its registered capital from foreign currency to Renminbi on a discretionary basis, and the Renminbi capital so converted can be used for equity investments within the PRC, which will be regarded as the reinvestment of foreign-invested enterprise.

**Dividend distribution**


According to these regulations, a wholly foreign-owned enterprise in China, or a WFOE, may pay dividends only out of its accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, a WFOE is required to allocate at least 10% of its accumulated profits each year, if any, to statutory reserve funds unless its reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends. The proportional ratio for withdrawal of rewards and welfare funds for employees shall be determined at the discretion of the WFOE. Profits of a WFOE shall not be distributed before the losses thereof before the previous accounting years have been made up. Any undistributed profit for the previous accounting years may be distributed together with the distributable profit for the current accounting year.

Pursuant to the SAFE's Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, issued and effective on July 4, 2014, and its appendices, PRC residents, including PRC institutions and individuals, must register with local branches of the SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interest in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, including but not limited to increases or decreases of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event.

In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making distributions of profit to the offshore parent and from carrying out subsequent cross-border foreign exchange activities and the special purpose vehicle may be restricted in their ability to contribute additional capital into its PRC subsidiary. And, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for foreign exchange evasion, including (i) up to 30% of the total amount of foreign exchange remitted overseas and deemed to have been evasive and (ii) in circumstances involving serious violations, a fine of no less than 30% of and up to the total amount of remitted foreign exchange deemed evasive. Furthermore, the persons-in-charge and other persons at our PRC subsidiaries who are held directly liable for the
violations may be subject to criminal sanctions. These regulations apply to our direct and indirect shareholders who are PRC residents and may apply to any offshore acquisitions and share transfer that we make in the future if our shares are issued to PRC residents. See "Risk Factors—Risks Related to Doing Business in China—PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or otherwise expose us to liability and penalties under PRC law."

**Stock Option Rules**

Pursuant to the Circular on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company issued by the SAFE in February 2012, or the SAFE Circular 7, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in China and limit these subsidiaries' ability to distribute dividends to us. The PRC agents shall, on behalf of the PRC residents who have the right to exercise the employee share options, apply to the SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with the PRC residents' exercise of the employee share options. The foreign exchange proceeds received by the PRC residents from the sale of shares under the stock incentive plans granted and dividends distributed by the overseas listed companies must be remitted into the bank accounts in the PRC opened by the PRC agents before distribution to such PRC residents. We and our PRC citizen employees who have been granted share options, or PRC option holders, will be subject to the SAFE Circular 7 when our company becomes an overseas listed company upon the completion of this offering. If we or our PRC option holders fail to comply with the SAFE Circular 7, we and our PRC option holders may be subject to fines and other legal sanctions. See "Risk Factors—Risks Related to Doing Business in China—Failure to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions."

In addition, the State Administration for Taxation has issued circulars concerning employee share options, under which our employees working in the PRC who exercise share options will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or if we fail to withhold their income taxes as required by relevant laws and regulations, we may face sanctions imposed by the PRC tax authorities or other PRC government authorities.

**Regulations Relating to Tax**

**PRC enterprise income tax**

The PRC enterprise income tax is calculated based on the taxable income determined under the applicable enterprise income tax ("EIT") Law and its implementation rules. On March 16, 2007, the National People's Congress of China enacted the New EIT Law, which became effective on January 1, 2008 and was subsequently amended on February 24, 2017. On December 6, 2007, the State Council promulgated the implementation rules to the New EIT Law, which also became effective on January 1, 2008.
Under the PRC Enterprise Income Tax Law, an enterprise established outside China with "de facto management bodies" within China is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. A circular issued by the State Taxation Administration in April 2009 and amended in 2017 regarding the standards used to classify certain Chinese invested enterprises controlled by Chinese enterprises or Chinese enterprise groups and established outside of China as "resident enterprises", or the SAT Circular 82 clarified that dividends and other income paid by such PRC "resident enterprises" will be considered PRC source income and subject to PRC withholding tax, currently at a rate of 10%, when paid to non PRC enterprise shareholders. This circular also subjects such PRC "resident enterprises" to various reporting requirements with the PRC tax authorities. Under the implementation regulations to the PRC Enterprise Income Tax Law, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

According to the SAT Circular 82, a Chinese-controlled offshore-incorporated enterprise 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 set forth in Circular 82 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) 50% or more of voting board members or senior executives habitually reside in the PRC.

We do not meet all of the conditions set forth in SAT Circular 82. Therefore, we believe that we should not be treated as a "resident enterprise" for PRC tax purposes even if the standards for "de facto management body" prescribed in the SAT Circular 82 are applied to us. For example, our minutes and files of the resolutions of our board of directors and the resolutions of our shareholders are maintained outside the PRC. However, it is possible that the PRC tax authorities may take a different view. See "Risk Factors—Risks Related to Doing Business in China—Under the PRC enterprise income tax law, we may be classified as a PRC "resident enterprise," which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment."

**PRC indirect transfer tax**

On February 3, 2015, the SAT issued the Notice on Several Issues Concerning Enterprise Income Tax for Indirect Assets Transfer by Non-PRC Resident Enterprises, as amended in 2017, or SAT Circular 7. Pursuant to SAT Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises, may be recharacterized 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. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include, inter alia, whether the main value of the equity interest of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investment in China or if its income is mainly derived from China; and 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. According to SAT Circular 7, where the payor fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within
Late payment of applicable tax will subject the transferor to default interest. SAT Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired on a public stock exchange. On October 17, 2017, the SAT issued the Circular on Issues of Tax Withholding regarding Non-PRC Resident Enterprise Income Tax, or SAT Circular 37, which further elaborates the relevant implemental rules regarding the calculation, reporting and payment obligations of the withholding tax by the non-resident enterprises. Nonetheless, there remain uncertainties as to the interpretation and application of SAT Circular 7. SAT Circular 7 may be determined by the tax authorities to be applicable to our offshore transactions or sale of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

**Value added tax**

On January 1, 2012, the State Taxation Administration officially launched a pilot VAT reform program, or Pilot Program, applicable to businesses in selected industries. Businesses in the Pilot Program would pay VAT instead of business tax. The Pilot Industries in Shanghai included industries involving the leasing of tangible movable property, transportation services, research and development and technical services, information technology services, cultural and creative services, logistics and ancillary services, certification and consulting services. The Pilot Program initially applied only to transportation industry and modern service industries, Pilot Industries, in Shanghai in 2011 and expanded to eight trial regions (including Beijing and Guangdong province) and nationwide progressively from August to December 2012. The Pilot Industries in Shanghai included industries involving the leasing of tangible movable property, transportation services, research and development and technical services, information technology services, cultural and creative services, logistics and ancillary services, certification and consulting services. Revenues generated by advertisement services, a type of "cultural and creative services," are subject to the VAT rate of 6%. According to official announcements made by competent authorities in Beijing and Guangdong province, Beijing launched the same Pilot Program on September 1, 2012, and Guangdong province launched it on November 1, 2012. Revenues generated by advertisement services, a type of "cultural and creative services," are subject to the VAT rate of 6%.

On December 12, 2013, the Ministry of Finance and the SAT issued the Circular on Including the Railway Transportation and Postal Industries in the Pilot Program of Replacing Business Tax with Value-Added Tax, or the Pilot Collection Circular. The scope of certain modern services industries under the Pilot Collection Circular is expanded to cover research and development and technical services, cultural and creative services, and radio, film and television services. In addition, according to the Notice on Including the Telecommunications Industry in the Pilot Program of Levying Value-added Tax in Lieu of Business Tax, which became effective on June 1, 2014, the scope of certain modern services industries under the Pilot Collection Circular is further expanded to cover the telecommunications industry. On March 23, 2016, the MOF and the SAT issued the Circular on Comprehensively Promoting the Pilot Program of the Collection of Value added Tax in Lieu of Business Tax. Effective from May 1, 2016, the PRC tax authorities collect VAT in lieu of Business Tax in all regions and industries. All of our entities were subject to VAT at the rate of 6% for services provided and 16% for goods sold as of December 31, 2018.

On March 20, 2019, the SAT announced that the VAT rate of 16% for sale of goods be reduced to 13%, effective from April 1, 2019.

**Withholding Tax on Dividend**

A PRC resident enterprise which distributes dividends to its non-PRC shareholders should withhold PRC income tax at a rate of 10% according to PRC law. However, pursuant to the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance...
of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, if the beneficial owner of the dividends is a Hong Kong resident enterprise, which directly holds at least 25% of the equity interest of the aforesaid enterprise (i.e., the dividend distributor), the tax levied shall be 5% of the distributed dividends. Meanwhile, the Circular of the State Taxation Administration on the Interpretation and the Determination of the "Beneficial Owners" in the Tax Treaties has stipulated some factors that are unfavorable to the determination of "beneficial owner," particularly in the case of holding companies.

In addition, pursuant to the Circular of the State Taxation Administration on Relevant Issues Relating to the Implementation of Dividend Clauses in Tax Treaties, which was issued by the SAT on February 20, 2009, for a tax resident of the counterparty to the tax treaty to be entitled to such tax treatment specified in the tax treaty for with respect to the dividends paid to it by a Chinese resident company, all of the following requirements should be satisfied: (i) the tax resident who obtains dividends should be a company as provided in the tax treaty; (ii) the equity interests and the voting shares of the Chinese resident company directly owned by such tax resident reach a specified percentage; and (iii) the capital ratio of the Chinese resident company directly owned by such tax resident reaches the percentage specified in the tax treaty at any time within 12 months prior to acquiring the dividends.

Regulations Relating to Labor and Social Insurance

The principal laws that govern employment include: (i) the PRC Labor Law, promulgated by the Standing Committee of the National People's Congress on July 5, 1994, which has been effective since January 1, 1995 and most recently amended on December 29, 2018; and (ii) the PRC Labor Contract Law, promulgated by the Standing Committee of the National People's Congress on June 29, 2007 and amended on December 28, 2012.

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

In addition, an employer is obligated to sign an indefinite term labor contract with an employee if the employer continues to employ the employee after two consecutive fixed term labor contracts. The employer also have to pay compensation to the employee if the employer terminates an indefinite term labor contract. Moreover, employers in China are required to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

According to the Social Insurance Law, an employer that fails to make social insurance contributions may be ordered to pay the required contributions within a stipulated deadline and be subject to a late fee. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. According to the Regulations on Administration of Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

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Regulations Relating to M&A and Overseas Listings

On August 8, 2006, six PRC governmental agencies jointly promulgated the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, which became effective on September 8, 2006, and were amended on June 22, 2009. The M&A Rules require offshore special purpose vehicles formed to pursue overseas listing of equity interests in PRC companies and controlled directly or indirectly 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 any stock exchange overseas.

The application of the M&A Rules remains unclear. We are advised by our PRC legal counsel, Global Law Office, that based on its understanding on the current PRC laws, rules and regulations, prior approval from the CSRC is not required under the M&A Rules for the listing and trading of our ADSs on the NYSE. For detailed analysis, see "Risk Factors—Risks Related to Doing Business in China—China's M&A Rules and certain other PRC regulations establish complex procedures for certain acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China."
MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our executive officers and directors as of the date of this prospectus.

<table>
<thead>
<tr>
<th>Directors and Executive Officers</th>
<th>Age</th>
<th>Position/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shaojie Chen</td>
<td>35</td>
<td>Founder, Chief Executive Officer, Director</td>
</tr>
<tr>
<td>Wenming Zhang</td>
<td>34</td>
<td>Co-founder, Co-Chief Executive Officer, Director</td>
</tr>
<tr>
<td>Chao Cheng</td>
<td>28</td>
<td>Chief Operational Officer</td>
</tr>
<tr>
<td>Mingming Su</td>
<td>34</td>
<td>Chief Strategy Officer, Director</td>
</tr>
<tr>
<td>Hao Cao</td>
<td>39</td>
<td>Vice President, Director</td>
</tr>
<tr>
<td>Ting Yin</td>
<td>38</td>
<td>Director</td>
</tr>
<tr>
<td>Haiyang Yu</td>
<td>35</td>
<td>Director</td>
</tr>
<tr>
<td>Xi Cao</td>
<td>34</td>
<td>Independent Director*</td>
</tr>
<tr>
<td>Zhaoming Chen</td>
<td>36</td>
<td>Independent Director Appointee**</td>
</tr>
<tr>
<td>Xuehai Wang</td>
<td>44</td>
<td>Independent Director Appointee**</td>
</tr>
<tr>
<td>Zhi Yan</td>
<td>46</td>
<td>Independent Director Appointee**</td>
</tr>
</tbody>
</table>

Note:
* Mr. Xi Cao will be designated as an independent director immediately effective upon the declaration of effectiveness of our registration statement on Form F-1 by the SEC, of which this prospectus is a part.
** Each of Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan has accepted appointment as a director, which will be immediately effective upon the declaration of effectiveness of our registration statement on Form F-1 by the SEC, of which this prospectus is a part.

Shaojie Chen is our founder. Mr. Chen has served as our director and chief executive officer since May 2014. Mr. Chen was the founder of Shenzhen Zhangmenren Network Technology Co., Ltd. and served as its general manager from May 2008 to March 2010. He was also the founder of Acfun, an online video platform in China and served as its chief executive officer from March 2010 to March 2012. Mr. Chen graduated from Shandong Youth University of Political Science in July 2007 majoring in computer science. Mr. Chen also completed the chief executive officer series courses (CKGSB CEO Program) in Cheung Kong Graduate School of Business in November 2018.

Wenming Zhang is our co-founder. Mr. Zhang has served as our director and co-chief executive officer since May 2014. Mr. Zhang was the co-founder of Shenzhen Zhangmenren Network Technology Co., Ltd. and served as the deputy general manager from May 2008 to December 2010. Mr. Zhang obtained his bachelor's degree majoring in computer science and technology from Wuhan University of Technology in June 2006.

Chao Cheng has served as our chief operational officer since May 2014, responsible for our operations and content management. Mr. Cheng served as the operational specialist of Shenzhen Zhangmenren Network Technology Co., Ltd. from June 2010 to April 2011 and served as the project operational manager of Hangzhou Bianfeng Network Technology Co., Ltd. from April 2011 to June 2013. Mr. Cheng graduated from China University of Geosciences (Hankou Branch) in June 2012 majoring in computer science and has completed the courses for the EMBA program of Guanghua School of Management at Peking University in June 2018. Mr. Cheng also qualified as the Cisco Certified Internet Expert in August 2010.

Mingming Su has served as our chief strategy officer since November 2015 and our director since October 2016. Mr. Su oversees advertising, investor relations, investment and financing. Mr. Su served as the investment analyst of Shanda Computer (Shanghai) Co., Ltd. from March 2010 to March 2011, the investment manager of Hangzhou Bianfeng Network Technology Co., Ltd. from March 2011 to
August 2012 and the vice president of investment at Shenzhen Qingsong Investment Management Partnership (Limited Partnership) from August 2012 to November 2015. Mr. Su obtained his bachelor's degree majoring in library science and minoring in English from Anhui University in July 2007. Mr. Su also obtained his master of management majoring in library science from Chinese Academy of Sciences in March 2010.

Hao Cao has served as our vice president from November 2015 and as our director since October 2016. Mr. Cao is in charge of the internal control, corporate finance, and matters related to the financial management of our company. Mr. Cao served as the audit manager of Deloitte from July 2004 to January 2011, the chief financial officer of Firsttextile AG from February 2011 to June 2015. Mr. Cao obtained his bachelor of science majoring in geology from China University of Geosciences in June 2001, and his master degree majoring in finance from Fudan University in June 2004. He is also qualified as a Certified Public Accountants in China and is a CFA Charterholder.

Ting Yin has served as our director since January 2019. Ms. Yin started her career at the Boston Consulting Group from August 2002, and was principal of its Telecommunications, Media and Technologies sector, as well as organization topic leader of Greater China until January 2014 and has joined Tencent Technology (Shenzhen) Co., Ltd. in January 2014 and is currently a general manager. She has also been serving as the director of Guangzhou Twkadokawa Anime Co., Ltd. from September 2016. Ms. Yin obtained her bachelor of science degree in finance from Tsinghua University in July 2002, and master of business administration degree from Harvard University in June 2007.

Haiyang Yu has served as our director since May 2018. Mr. Yu served as the associate at China Growth Capital from April 2007 to February 2010, the associate at WI Harper Group from March 2010 to August 2011, the associate general manager at Tencent from August 2011 till now. Mr. Yu obtained his bachelor of science degree majoring in civil engineering from Tsinghua University in 2005.

Xi Cao has served as our director since November 2014. He served as the product manager of Tencent Technology (Shenzhen) Co., Ltd. from June 2008 to March 2010, the operational director of Kingsoft Software Co. Ltd. from March 2010 to August 2011, the investment director of Cowin Venture Capital Investments Limited from August 2011 to August 2013, and the partner of Sequoia Capital China since August 2013. Mr. Cao obtained his bachelor's degree of science from Peking University in June 2008.

Zhaoming Chen has served as the chief financial officer of Dada Nexus Inc., a leading on-demand logistics and O2O e-commerce platform in China, from December 2018. Prior to that, Mr. Chen was the chief financial officer of Baozun Inc. (NASDAQ:BZUN), the leading brand e-commerce service partner in China from December 2012 to November 2018. Mr. Chen also served as the financial controller at LaShou Group Inc., an online social commerce company in China from 2011 to 2012 and an audit manager at Deloitte Touche Tohmatsu Certified Public Accountants LLP from 2004 to 2011. Mr. Chen obtained his bachelor's degree in economics from Fudan University in 2004. He is also qualified as a Certified Public Accountants in China and is a CFA Charterholder.

Xuehai Wang has served as the chairman of Jissbon Sanitary Products Co., Ltd. from December 1999 to August 2009 and then from August 2017 till now. Mr. Wang has also served as the president of Humanwell Healthcare (Group) Co., Ltd. from February 2003 to August 2006 and as the chairman from August 2006 till now. Mr. Wang obtained his bachelor's degree in Geochemistry from China University of Geosciences in July 1996. He also obtained his master degree and doctorate degree in business management from Wuhan University in July 1999 and July 2003, respectively. Mr. Wang has also completed the courses for the EMBA program at Central Connecticut State University in August 2002.

Zhi Yan has served as the chairman of Zall Holding Co., Ltd. since December 2002, the co-chairman and co-chief executive officer of Zall Smart Commerce Group since June 2011, the
chairman and director of China Infrastructure & Logistics Group Ltd. since November 2011, the director of LightInTheBox Holding Co., Ltd. (NYSE: LITB) since March 2016 and the chairman and the director of Hanshang Group since March 2019. Mr. Yan has completed the courses for the EMBA program at Wuhan University in February 2008 and also completed the courses for the EMBA program in Cheung Kong Graduate School of Business in September 2013. Mr. Yan obtained his doctorate degree in Chinese History from Wuhan University in June 2018.

Board of directors

Our board of directors will consist of ten directors, including four independent directors, upon the SEC's declaration of effectiveness of our registration statement on Form F-1 to which this prospectus forms a part. A director is not required to hold any shares in our company to qualify to serve as a director. The Corporate Governance Rules of the NYSE generally require that a majority of an issuer's board of directors must consist of independent directors. However, the Corporate Governance Rules of the NYSE permit foreign private issuers like us to follow "home country practice" in certain corporate governance matters. We rely on this "home country practice" exception and do not have a majority of independent directors serving on our board of directors.

A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his or her interest at a meeting of our directors. In addition, the interested director shall not vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested in except for certain circumstances as set out in the Articles of Association. Our board of directors may exercise all of the powers of our company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service as a director.

Committees of the board of directors

We have established the following committees in our board of directors: an audit committee, a compensation committee and a nominating and corporate governance committee. The committees operate in accordance with terms of reference established by our board of directors.

Audit Committee. Our audit committee consist of Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan. Mr. Zhaoming Chen will be the chairman of our audit committee. We have determined that each of Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan satisfies the "independence" requirements of the NYSE listing manual and Rule 10A-3 under the Securities Exchange Act of 1934. 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:

• selecting the independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by the independent registered public accounting firm;

• reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;

• reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;

• discussing the annual audited financial statements with management and the independent registered public accounting firm;
reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;

• annually reviewing and reassessing the adequacy of our audit committee charter;

• meeting separately and periodically with management and the independent registered public accounting firm; and

• reporting regularly to the board.

Compensation Committee. Our compensation committee consists of Mr. Shaojie Chen, Mr. Wenming Zhang and Mr. Zhi Yan and is chaired by Mr. Shaojie Chen. We have determined that Mr. Zhi Yan satisfies the "independence" requirements of the NYSE listing manual. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our executive officers. Our officer may not be present at any committee meeting during which such officer's compensation is deliberated upon. The compensation committee is responsible for, among other things:

• reviewing and approving, or recommending to the board for its approval, the compensation for our 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 Mr. Shaojie Chen, Mr. Wenming Zhang and Mr. Xuehai Wang, and is chaired by Mr. Shaojie Chen. We have determined that Mr. Xuehai Wang satisfies the "independence" requirements of the NYSE listing manual. The nominating and corporate governance committee assists the board 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 is responsible for, among other things:

• recommending nominees to the board for election or re-election to the board, or for appointment to fill any vacancy on the board pursuant to the terms of the Third Amended and Restated Memorandum and Articles of Association, effective upon the completion of this offering;

• reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience, expertise, diversity and availability of service to us;

• developing and recommending to our board such policies and procedures with respect to nomination or appointment of members of our board and chairs and members of its committees or other corporate governance matters as may be required pursuant to any SEC or NYSE rules, or otherwise considered desirable and appropriate;

• selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the nominating and corporate governance committee itself;
developing and reviewing at least annually the corporate governance principles adopted by the board and advising the board with respect to significant developments in the law and practice of corporate governance and our compliance with such laws and practices;

- evaluating the performance and effectiveness of the board as a whole; and

- review and approve compensation for our directors.

Duties and Functions 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 owe to our company a duty to exercise the skill they actually possess and such care and diligence that a reasonable prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his 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. 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. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached. The functions and powers of our board of directors include, among others, (i) convening shareholders’ annual general meetings and reporting its work to shareholders at such meetings, (ii) declaring dividends, (iii) appointing officers and determining their terms of offices and responsibilities, and (iv) approving the transfer of shares of our company, including the registering of such shares in our share register.

Terms of Directors and Officers

Our directors are elected pursuant to the terms of our Third Amended and Restated Memorandum and Articles of Association, which will become effective immediately prior to the completion of this offering. Mr. Shaojie Chen and Mr. Wenming Zhang, and entities which hold shares of our company on behalf of and are controlled by Mr. Shaojie Chen and Mr. Wenming Zhang, have the right to appoint up to four directors. Nectarine has the right to appoint up to two directors as long as it beneficially owns no less than 33% of the shares it beneficially owns immediately prior to the completion of this offering. Our board of directors has the right to appoint up to four independent directors and may appoint additional directors, if any. Directors appointed by a specified group may only be removed by the affirmative vote of such group.

Our directors are not subject to a term of office and hold office until such time as they are removed from office pursuant to the terms of the Third Amended and Restated Memorandum and Articles of Association. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing; (iv) is prohibited by any applicable law or regulations of the NYSE from being a director; (v) without special leave of absence from the board, is absent from meetings of the board for three consecutive meetings and the board resolves that his office be vacated; or (vi) is removed from office pursuant to any other provision of our Third Amended and Restated Memorandum and Articles of Association.

Mr. Shaojie Chen and entities which hold shares of our company on behalf of and are controlled Mr. Shaojie Chen has the right to nominate the chief executive officer, as long as Mr. Shaojie and such entities beneficially own no less than 50% of the shares they beneficially own immediately prior to the completion of this offering. Our officers other than the chief executive officer are nominated by
Mr. Shaojie Chen and Mr. Wenming Zhang, and entities which hold shares of our company on behalf of and are controlled by Mr. Shaojie Chen and Mr. Wenming Zhang, and are elected by the board at such term and remuneration as the board sees fit.

Pursuant to the Series E Shareholders Agreement and our Second Amended and Restated Memorandum and Articles of Association, we have granted rights to appoint our directors to our founders and certain of our shareholders. Such board presentation rights are to be terminated upon consummation of a Qualified IPO, as such term is defined in the Series E Shareholders Agreement.

**Employment Agreements and Indemnification Agreements**

We have entered into an employment agreement with each of our executive officers. Each of our executive officers is employed for a specified time period, which will be automatically extended unless upon 30-day prior written notice by us or 60-day prior written notice by the executive officer to terminate such employment. We may terminate the executive officer's employment for cause, at any time, without advance notice or remuneration, 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.

Each executive officer has agreed not to disclose, use, transfer or sell, except in the course of employment with our company and for the purpose of carrying out his or her duties as an officer of our company, any of our confidential information or proprietary data so long as such information or proprietary data remains confidential and has not been disclosed or is not otherwise in the public domain. Each officer has agreed that we shall own all the intellectual property developed by such officer during his or her employment. 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.

We also intend to enter into indemnification agreements with each of our directors and executive officers. Under these agreements, 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 a director or officer of our company.

**Compensation of Directors and Executive Officers**

For the fiscal year ended December 31, 2018, we paid an aggregate of RMB10.6 million (US$1.5 million) in cash to our executive officers, and we did not pay any cash compensation to our non-executive directors. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors. Our PRC subsidiaries, variable interest entities and their subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund. For share incentive grants to our directors and executive officers, see "—Share Incentive Plan."

**Share Incentive Plan**

*DouYu International Holdings Limited 2019 Share Incentive Plan*

In April 2019, we adopted the 2019 Share Incentive Plan (the "2019 Share Incentive Plan"). Under the 2019 Share Incentive Plan, the maximum aggregate number of shares we may issue will not exceed 10% of the total number of shares issued and outstanding immediately after 30 days of the date of a Qualified IPO. The term of the options will not exceed ten years from the date the 2019 Share Incentive Plan was approved by the board. As of the date of this prospectus, we have not granted any options under the 2019 Share Incentive Plan.
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The following paragraphs summarize the terms of the 2019 Share Incentive Plan.

**Types of Awards.** The 2019 Share Incentive Plan permits the awards of options, restricted shares, restricted share units, share appreciation rights, rights to dividends, dividend equivalent rights and other rights or benefits under the 2019 Share Incentive Plan.

**Plan Administration.** Before the completion of this offering, the 2019 Share Incentive Plan has been administered by the board or individuals authorized by the board. After the completion of this offering, a committee formed in accordance with applicable stock exchange rules shall administer the 2019 Share Incentive Plan, unless otherwise determined by the board.

**Eligibility.** Employees, directors and officers and the consultants of our company or an affiliate are eligible to participate pursuant to the terms of the 2019 Share Incentive Plan, provided, however, that the aggregate amount of awards to be granted to any participant shall not exceed 1% of the maximum aggregate number of shares that may be issued pursuant to all awards under the 2019 Share Incentive Plan.

**Conditions of Award.** The board, individuals authorized by the board or the committee formed after this offering to administer the 2019 Share Incentive Plan, as the administrator, shall determine the participants, types of awards, numbers of shares to be covered by awards, terms and conditions of each award, and provisions with respect to the vesting schedule, settlement, exercise, repurchase, cancellation, forfeiture, restrictions, limitations or suspension of awards.

**Term of Award.** The term of each award shall be fixed by the administrator and is stated in the award agreement between recipient of an award and us. No award shall be granted under the 2019 Share Incentive Plan after ten years from the date the 2019 Share Incentive Plan was approved by the board.

**Transfer Restrictions.** Unless otherwise determined by the administrator of the 2019 Share Incentive Plan, no award and no right under any such award shall be assignable, alienable, saleable or transferable by the employee otherwise than by will or by the laws of descent and distribution, provided that if so determined by the administrator, the recipient of an award may, in the manner established by such administrator, designate a beneficiary or beneficiaries to exercise his or her rights, and to receive any property distributable, with respect to any award upon the death of the recipient. All shares or other securities issued or transferred under the 2019 Share Incentive Plan pursuant to any award or the exercise, sale, transfer and disposition thereof shall be subject to such stop transfer orders and other transfer or conversion restrictions as the administrator may deem advisable under the plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such shares or other securities are then listed, any applicable laws, and any arrangement to be entered into by our company with any depositary bank and/or the underwriters.

**DouYu International Holdings Limited Amended and Restated Restricted Share Unit Scheme**

We adopted a restricted share unit scheme in April 2018 which was amended and restated in April 2019, or the Amended and Restated 2018 RSU Scheme. The purpose of the Amended and Restated 2018 RSU Scheme is to recognize and reward suitable personnel for their contribution to our Company, to attract suitable personnel, and to provide incentives to them to remain with and further contribute to our Company. Under the Amended and Restated 2018 RSU Scheme, the maximum aggregate number of ordinary shares we are authorized to issue pursuant to all awards is 2,106,321 ordinary shares. As of the date of this prospectus, a total of 2,097,087 RSUs corresponding to 2,097,087 ordinary shares are outstanding under the Amended and Restated 2018 RSU Scheme. The RSUs are vested by equal installment for 36 months upon a Qualified IPO as such term is defined in the Series E Shareholders Agreement.
The following paragraphs summarize the terms of the Amended and Restated 2018 RSU Scheme.

**Types of Awards.** The Amended and Restated 2018 RSU Scheme permits the awards of RSUs.

**Scheme Administration.** The Amended and Restated 2018 RSU Scheme shall be administrated by the board and the trustee in accordance with the Amended and Restated 2018 RSU Scheme and the trust deed entered into by and between the company and Maples Trustee Services (Cayman) Limited on May 16, 2018. The powers and obligations of the trustee will be limited as set forth in the aforementioned trust deed. The board may by resolution delegate any or all of its powers in the administration of this Amended and Restated 2018 RSU Scheme to the administration committee or any other committee as authorized by the board for such purpose.

**Eligibility.** RSUs may be granted to any employee or any person as determined by the board to be eligible to participate in the Amended and Restated 2018 RSU Scheme.

**Notice of Grant.** Each award under the Amended and Restated 2018 RSU Scheme shall be evidenced by a letter or any such notice or document in such form as the board may from time to time determine, an offer of grant of award, which shall attach an acceptance notice. The grantee shall sign the acceptance notice and return it to the trustee or the company within the time period and in a manner prescribed in the notice of grant.

**Conditions of Award.** The board shall determine the provisions, terms, and conditions of each award including, but not limited to, eligible participant, vesting schedule, the lock-up arrangements upon vesting and other terms and conditions that the award is subject to.

**Transfer Restrictions.** Any award granted pursuant to the Amended and Restated 2018 RSU Scheme shall be personal to the grantee and shall not be assignable or transferable. No grantee shall in any way sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favor of any other person over or in relation to any RSUs or any other property held by the trustee on trust for the grantees, awards, shares underlying any awards or any interest or benefits therein.

**Voting Power and Dividend Right of the RSUs.** No grantee shall enjoy any of the rights of a shareholder by virtue of the grant of an award pursuant to the Amended and Restated 2018 RSU Scheme, unless and until such shares underlying the award are actually transferred to the grantee upon the vesting of the RSU. None of the RSUs granted under this Amended and Restated 2018 RSU Scheme carry any right to vote at general meetings of the company or have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any shares underlying an unvested RSU, unless otherwise specified by the board.

**Amendment of the Amended and Restated 2018 RSU Scheme.** The Amended and Restated 2018 RSU Scheme may be altered, amended or waived in any respect by the board, provided that, such alteration, amendment or waiver shall not affect any subsisting rights of any grantee thereunder.

**Term of the Amended and Restated 2018 RSU Scheme.** The Amended and Restated 2018 RSU Scheme shall remain valid and effective until the 10th anniversary date of the date if was adopted.

**Termination of the Amended and Restated 2018 RSU Scheme.** The Amended and Restated 2018 RSU Scheme may be terminated at any time prior to the expiry of its term by the board, provided that, such termination shall not affect any subsisting rights of any grantee thereunder.
The following table summarizes, as of the date of this prospectus, the number of RSUs that we granted to our directors and executive officers under the Amended and Restated 2018 RSU Scheme. We have not granted other equity awards to our directors or executive officers.

<table>
<thead>
<tr>
<th>Name</th>
<th>Ordinary Shares Underlying RSUs</th>
<th>Exercise Price (US$/Share)</th>
<th>Date of Grant</th>
<th>Date of Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shaojie Chen</td>
<td>1,430,315</td>
<td>—</td>
<td>April 1, 2018</td>
<td>—</td>
</tr>
<tr>
<td>Wenming Zhang</td>
<td>313,236</td>
<td>—</td>
<td>April 1, 2018</td>
<td>—</td>
</tr>
<tr>
<td>Chao Cheng</td>
<td>*</td>
<td>—</td>
<td>April 1, 2018</td>
<td>—</td>
</tr>
<tr>
<td>Mingming Su</td>
<td>*</td>
<td>—</td>
<td>April 1, 2018</td>
<td>—</td>
</tr>
<tr>
<td>Hao Cao</td>
<td>*</td>
<td>—</td>
<td>April 1, 2018</td>
<td>—</td>
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<tr>
<td>Ting Yin</td>
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<tr>
<td>Haiyang Yu</td>
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<tr>
<td>Xi Cao</td>
<td>—</td>
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<tr>
<td>Zhaoming Chen**</td>
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<tr>
<td>Xuehai Wang**</td>
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<tr>
<td>Zhi Yan**</td>
<td>—</td>
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</tbody>
</table>

Note: * Less than 1% of our total outstanding shares.

** Each of Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan has accepted appointment as a director, which will be immediately effective upon the declaration of effectiveness by the SEC of our registration statement on Form F-1, of which this prospectus is a part.

As of the date of this prospectus, other grantees under the Amended and Restated 2018 RSU Scheme as a group held 118,826 RSUs.

For discussions of our accounting policies and estimates for awards granted pursuant to the Amended and Restated 2018 RSU Scheme, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies, Judgments and Estimates—Share-based compensation."
PRINCIPAL [AND SELLING] SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares on an as-converted basis as of the date of this prospectus by:

- each of our directors and executive officers;
- each of our principal shareholders who beneficially own more than 5% of our total outstanding ordinary shares; and
- [each selling shareholder].

The calculations in the table below are based on 30,076,216 ordinary shares on an as-converted basis outstanding as of the date of this prospectus and 32,836,582 ordinary shares outstanding immediately after the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs.

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.

<table>
<thead>
<tr>
<th>Ordinary Shares Beneficially Owned Prior to This Offering</th>
<th>[Ordinary Shares Being Sold in This Offering]</th>
<th>Ordinary Shares Beneficially Owned After this Offering</th>
<th>Percentage of total ordinary shares on an as-converted basis</th>
<th>Percentage of aggregate voting power***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>%**</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Directors and Executive Officers†:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Shaojie Chen(1)</td>
<td>4,323,857</td>
<td>14.3</td>
<td>892,402</td>
<td>3.0</td>
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<tr>
<td>Wenming Zhang(2)</td>
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<tr>
<td>Chao Cheng</td>
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<tr>
<td>Mingming Su</td>
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<tr>
<td>Hao Cao</td>
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<tr>
<td>Ting Yin</td>
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<tr>
<td>Haiyang Yu</td>
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<tr>
<td>Xi Cao</td>
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<tr>
<td>Zhaoming Chen††</td>
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<tr>
<td>Xuehai Wang††</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>All Directors and Executive Officers as a Group</td>
<td>5,226,079</td>
<td>17.3</td>
<td></td>
<td></td>
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<tr>
<td>Principal [and Selling] Shareholders:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nectarine Investment Limited(3)</td>
<td>12,068,104</td>
<td>40.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warrior Ace Holding Limited(4)</td>
<td>4,244,395</td>
<td>14.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aodong Investments Limited(5)</td>
<td>2,679,672</td>
<td>8.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phoenix Fuju Limited(6)</td>
<td>1,806,049</td>
<td>6.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Douyu Employees</td>
<td>2,106,321</td>
<td>7.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Limited<br>
Investment<br>
  funds<br>  affiliated with<br>  Sequoia<br>  Capital China<br>  and other<br>  group<br>  members\(^{(8)}\)  2,940,792  9.8

Notes:

* Less than 1% of our total outstanding shares on an as-converted basis.

** For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of (i) 30,076,216, being the number of ordinary shares on an as-converted basis outstanding as of the date of this prospectus, and (ii) the number of ordinary shares underlying share
The address of our directors and executive officers except for Mr. Haiyang Yu, Mr. Xi Cao, Mr. Ting Yin, Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan is Building F4, Optical Valley Software Park, Guanshan Avenue, Donghu Development Area, Wuhan, the People's Republic of China. The business address for Mr. Yu is 29/F, Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong, the business address for Mr. Cao is Room 3606, China Central Place Tower 3, 77 Jianguo Road, Beijing 100025, China and, business address for Ms. Yin is C1-16F, Kexing Science Park, Keyuan North Road, Nanshan District, Shenzhen, the People's Republic of China, the business address of Mr. Chen is 22/F, Oriental Fisherman's Wharf, No. 1089 Yangshupu Road, Yangpu District, Shanghai, the People's Republic of China, the business address for Mr. Wang is No. 666 Gaoxin Avenue, East Lake New Technology Development Zone, Wuhan, the People's Republic of China, and the business address for Mr. Yan is Special #1, Julong Avenue, Panlong Town Economics Development Zone, Wuhan, the People's Republic of China.

Each of Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan has accepted appointment as a director, which will be immediately effective upon the declaration of effectiveness by the SEC of our registration statement on Form F-1, of which this prospectus is a part.

†† Each of Mr. Zhaoming Chen, Mr. Xuehai Wang and Mr. Zhi Yan has accepted appointment as a director, which will be immediately effective upon the declaration of effectiveness by the SEC of our registration statement on Form F-1, of which this prospectus is a part.

1 Includes (i) 4,244,395 ordinary shares; and (ii) ordinary shares underlying the RSUs we granted to Mr. Chen under our Amended and Restated 2018 RSU Scheme, of which 79,462 RSUs will vest within 60 days after the date of this prospectus. Warrior Ace is an exempted company incorporated with limited liability under the Laws of the British Virgin Islands wholly-owned by Mr. Chen. The registered address of Warrior Ace is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. Warrior Ace is beneficially owned and controlled by Mr. Chen.

2 Includes (i) 875,000 ordinary shares held by Mr. Zhang through Starry Zone Investments Limited, or Starry Zone; and (ii) ordinary shares underlying the RSUs we granted to Mr. Zhang under our Amended and Restated 2018 RSU Scheme, of which 17,402 RSUs will vest within 60 days after the date of this prospectus. Starry Zone is an exempted company incorporated with limited liability under the Laws of the British Virgin Islands wholly-owned by Mr. Zhang. The registered address of Starry Zone is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. Starry Zone is beneficially owned and controlled by Mr. Zhang.

3 Represents (i) 3,125,000 Series B-2 Preferred Shares, (ii) 1,114,376 Series C-1 Preferred Shares, and (iii) 7,828,728 Series E Preferred Shares held by Phoenix Fuju Limited, or Phoenix Fuju. Phoenix Fuju is a company incorporated and existing under the Laws of the British Virgin Islands. The registered address of Phoenix Fuju is Coverdale Trust Services Limited, 30 de Castro Street, Wickhams Cay 1, P.O. Box 4519, Road Town, Tortola, British Virgin Islands. Phoenix Fuju is beneficially owned and controlled by Mr. Zhang. All the preferred shares held by Phoenix Fuju will be automatically converted to ordinary shares on a one-on-one basis immediately prior to the completion of this offering.

4 Represents 4,244,395 ordinary shares beneficially owned by Mr. Chen, our chief executive officer and director, as set forth in note (1) above.

5 Represents 2,679,672 Series Angel Preferred Shares held by Aodong Investments Limited, or Aodong Investments. Aodong Investments is a company incorporated and existing under the Laws of the British Virgin Islands. The registered address of Aodong Investments is Craigmuir Chambers, Road Town, Tortola, VG 1110, British Virgin Islands. Aodong Investments is beneficially owned and controlled by Mr. Dongqing Cai. All the preferred shares held by Aodong Investments will be automatically converted to ordinary shares on a one-on-one basis immediately prior to the completion of this offering.

6 Represents 1,806,049 Series C-1 Preferred Shares held by Phoenix Fuju Limited, or Phoenix Fuju. Phoenix Fuju is a company incorporated and existing under the Laws of the British Virgin Islands. The registered address of Phoenix Fuju is Coverdale Trust Services Limited, 30 de Castro Street, Wickhams Cay 1, P.O. Box 4519, Road Town, Tortola, British Virgin Islands. Phoenix Fuju is beneficially owned and controlled by Mr. Vjian Wang. All the preferred shares held by Phoenix Fuju will be automatically converted to ordinary shares on a one-on-one basis immediately prior to the completion of this offering.

7 Represents 2,106,321 ordinary shares held through Douyu Employees Limited for the purpose of transferring such shares to the plan participants according to the RSUs issued or to be issued to them under our Amended and Restated 2018 RSU Scheme adopted in April 2018. Douyu Employees Limited is an exempted company incorporated in the Cayman Islands. The registered address of Douyu Employees Limited is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Douyu Employees Limited administers these ordinary shares and acts according to the Amended and Restated 2018 RSU Scheme and the trust deed entered into by and between the our company and Maples Trustee Services (Cayman) Limited on May 16, 2018. Douyu Employees Limited has waived its rights associated with these 2,106,321 ordinary shares including the voting right and dividend right.

8 Represents (i) 1,106,646 Series A Preferred Shares and 195,120 Series B-1 Preferred Shares held by SCC Growth IV 2018-D, L.P., an exempted limited partnership formed under the law of the Cayman Islands, (ii) 823,571 Series A Preferred
As of the date of this prospectus, 0.28% of our outstanding ordinary shares or outstanding preferred shares are held by record holders in the United States.

None of our shareholders has informed us that it is affiliated with a member of Financial Industry Regulatory Authority, or FINRA.

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

Transactions with Tencent

In 2016, 2017 and 2018, we provided services to Tencent's PRC affiliated entities in relation to advertisements, game distribution and promotional activities on our platform for the total amount of approximately RMB9.5 million, RMB21.7 million and RMB50.8 million in fees, respectively. As of December 31, 2018, we had an amount of approximately RMB56.8 million due from certain of Tencent's PRC affiliated entities, representing the unsettled balance of fees for the services we provided to them.

In 2016, 2017 and 2018, Tencent provided services to us through its PRC affiliated entities in relation to CDN, P2P streaming technologies, online payment and website technology support and licensed certain copyrights to us for the total amount of approximately RMB77.0 million, RMB219.2 million and RMB387.7 million in fees, respectively. As of December 31, 2018, we had an amount of approximately RMB227.9 million due to certain of Tencent's PRC affiliated entities, representing the unsettled balance of fees for the services and copyrights they provided to us.

We have entered into the Amended and Restated SCFM and other agreements with Tencent through its PRC affiliated entities. See "Business—Our Relationship with Tencent."

Contractual Arrangements with Our VIEs and Their Respective Shareholders

See "Corporate History and Structure."

Private Placements

See "Description of Share Capital—History of Securities Issuances."

Shareholders Agreement

See "Description of Share Capital—Shareholders Agreement."

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Share Incentives

See "Management—Share Incentive Plan."
DESCRIPTION OF SHARE CAPITAL

We are an exempted company incorporated under the laws of the Cayman Islands and our affairs are governed by our memorandum and articles of association, as amended and restated from time to time, and Companies Law (2018 Revision) of the Cayman Islands, which we refer to as the "Companies Law" below, and the common law of the Cayman Islands.

As of the date hereof, our share capital is divided into ordinary shares and preferred shares. In respect of all of our ordinary shares and preferred shares we have power insofar as is permitted by law, to redeem or purchase any of our shares and to increase or reduce the share capital subject to the provisions of the Companies Law and the articles of association and to issue any shares, whether such shares be of the original, redeemed or increased capital, 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 declared to be preference or otherwise shall be subject to the powers under our memorandum and articles of association.

As of the date hereof, our authorized share capital consists of US$50,000,000 divided into (i) 477,055,435 ordinary shares of par value US$0.0001 each, (ii) 2,944,395 Series Angel Preferred Shares of par value US$0.0001 each, (iii) 2,500,000 Series A Preferred Shares of par value US$0.0001 each, (iv) 440,792 Series B-1 Preferred Shares of par value US$0.0001 each, (v) 3,125,000 Series B-2 Preferred Shares of par value US$0.0001 each, (vi) 1,138,381 Series B-3 Preferred Shares of par value US$0.0001 each, (vii) 125,000 Series B-4 Preferred Shares of par value US$0.0001 each, (viii) 3,572,333 Series C-1 Preferred Shares of par value US$0.0001 each; (ix) 94,065 Series C-2 Preferred Shares of par value US$0.0001 each; (x) 1,175,871 Series D Preferred Shares of par value US$0.0001 each; and (xi) 7,828,728 Series E Preferred Shares of par value US$0.0001 each. All of our issued and outstanding ordinary shares are fully paid. Immediately prior to the completion of this offering, all of our issued and outstanding preferred shares will be designated again or converted into ordinary shares on a one-on-one basis.

We plan to adopt an amended and restated memorandum and articles of association, which will become effective and replace the current Second Amended and Restated Memorandum and Articles of Association in its entirety immediately prior to the completion of this offering. Our authorized share capital immediately prior to the completion of the offering will be US$100,000,000 divided into 500,000,000 ordinary shares of a par value of US$0.0001 each and 500,000,000 shares of a par value of US$0.0001 as our board of directors may determine in accordance with Article 8 of our Third Amended and Restated Articles of Association. We will issue ordinary shares represented by ADSs in this offering. All options, regardless of grant dates, will entitle holders to an equivalent number of ordinary shares once the vesting and exercising conditions are met.

The following are summaries of material provisions of our Third Amended and Restated Memorandum and Articles of Association and the Companies Law insofar as they relate to the material terms of our ordinary shares that we expect will become effective upon the closing of this offering.

Ordinary Shares

General. Holders of our ordinary shares will have the same rights except for voting and conversion rights. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. We may not issue share to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and transfer their ordinary shares.
Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to our post-offering amended and restated memorandum and articles of association and the Companies Law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. No dividend may be declared and paid unless our directors determine that, immediately after the payment, we will be able to pay our debts as they become due in the ordinary course of business and we have funds lawfully available for such purpose.

Voting Rights. In respect of all matters subject to a shareholders' vote, each ordinary share is entitled to one vote for each ordinary share registered in his or her name on our register of members. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder.

A quorum required for a meeting of shareholders consists of one or more shareholders holding not less than one-third of the votes attaching to the issued and outstanding shares entitled to vote at general meetings present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. Our Third Amended and Restated Memorandum and Articles of Association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our directors. We, however, will hold an annual shareholders' meeting during each fiscal year, as required by the Listing Rules at the NYSE. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting. Shareholders' annual general meetings and any other general meetings of our shareholders may be called by a majority of our board of directors or our chairman or upon a requisition of shareholders holding at the date of deposit of the requisition not less than one-third of the votes attaching to the issued and outstanding shares entitled to vote at general meetings, in which case the directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering amended and restated memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. Advance notice of at least ten (10) calendar days is required for the convening of our annual general meeting and other general meetings unless such notice is waived in accordance with our articles of association.

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 ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution also requires the affirmative vote of no less than two-thirds of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. A special resolution will be required for important matters such as making changes to our Third Amended and Restated Memorandum and Articles of Association.

Transfer of Ordinary Shares. Subject to the restrictions in our post-offering amended and restated memorandum and articles of association as set out below, 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, decline to register any transfer of any ordinary share which is not fully paid up or 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 shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the NYSE 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 one month 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, on ten calendar days’ notice being given by advertisement in such one or more newspapers or by electronic means, or after compliance with any notice required of the NYSE, be suspended and the register 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 closed for more than 30 calendar days in any year.

**Liquidation.** On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them. Any distribution of assets or capital to a holder of ordinary share will be the same in any liquidation event.

**Redemption, Repurchase and Surrender of Ordinary Shares.** We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by an ordinary resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by ordinary resolution of our shareholders, or are otherwise authorized by our post-IPO memorandum and articles of association. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company’s profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.
Variations of Rights of Shares. If at any time our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may be varied with the consent in writing of a majority the holders of the issued shares of that class or series or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of the class or series. 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.

Inspection of Books and Records. Holders of our ordinary shares have no general right under the Companies Law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Issuance of Additional Shares. Our post-offering amended and restated memorandum of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our post-offering amended and restated memorandum of association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

• the designation of the series;
• the number of shares of the series;
• the dividend rights, dividend rates, conversion rights, voting rights; and
• the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Anti-Takeover Provisions. Some provisions of our post-offering amended and restated memorandum and articles of association may discourage, delay or prevent a change of 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.

Exempted Company. We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside 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 that an exempted company:

• does not have to file an annual return of its shareholders with the Registrar of Companies of the Cayman Islands;
• is not required to open its register of members for inspection;
• does not have to hold an annual general meeting;
• may issue bearer shares or shares with no par value;
may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);

may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;

may register as a limited duration company; and

may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company, except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil.

**Register of Members**

Under the Companies Law, we must keep a register of members and there should be entered therein:

- the names and addresses of our members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;

- the date on which the name of any person was entered on the register as a member; and

- the date on which any person ceased to be a member.

Under the Companies Law, the register of members of our company is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of the Companies Law to have legal title to the shares as set against its name in the register of members. Upon completion of this offering, we will perform the procedure necessary to immediately update the register of members to record and give effect to the issuance of shares by us to the Depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

**Differences in Corporate Law**

The Companies Law is derived, to a large extent, from the older Companies Acts of England, but does not follow many recent English law statutory enactments. 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.** The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a "consolidation" means the combination of two or more constituent companies into
a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose a company is a “parent” of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

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 limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provide the dissenting shareholder complies strictly with the procedures set out in the Companies Law. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Law also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, 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.
The Companies Law also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of a dissenting minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror 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, or if a tender offer is made and accepted, a 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 to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- an action which requires a resolution with a qualified (or special) majority which 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 memorandum and articles of association provide that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's 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 director or officer 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. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that 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.

**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 acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his 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, the 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 position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his 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. The Companies Law and our post-offering amended and restated articles of association provide that our shareholders may 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.

The Companies Law provide shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering amended and restated articles of association allow our shareholders holding in aggregate not less than one-third of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering amended and restated articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.
**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. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but 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. Under our Third Amended and Restated Memorandum and Articles of Association, directors elected by a specified group of persons may only be removed by such group, and the other directors may be removed by the board, with or without cause. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing; (iv) is prohibited by any applicable laws or regulations of the NYSE from being a director; (v) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; or (vi) is removed from office pursuant to any other provisions of our Third Amended and Restated Memorandum and Articles of Association.

**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 share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the company are required to comply with fiduciary duties which they owe to the company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of the company, and are entered into 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 the Companies 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 our 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 with the written consent of the holders of not less than two-thirds of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class by the holders of two-thirds of the votes cast at such a meeting.

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. Under the Companies Law and our post-offering amended and restated memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Nonresident or Foreign Shareholders. There are no limitations imposed by our post-offering amended and restated memorandum and articles of association on the rights of nonresident 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.

History of Securities Issuances

Investments in Equity Interests of Guangzhou Douyu and Wuhan Douyu

The following is a summary of investments in equity interests of Guangzhou Douyu and Wuhan Douyu:

In October 2014, Mr. Dongqing Cai invested RMB10.0 million in Guangzhou Douyu's equity interests.

In December 2014, Beijing Sequoia entered into a capital increase agreement with Guangzhou Douyu for an investment of RMB107.0 million in Guangzhou Douyu's equity interests, which was closed in February 2016 as an investment in Wuhan Douyu's equity interests in the 2016 Wuhan Douyu Restructuring (the "Series A Pre-IPO Investment"). For details of the 2016 Wuhan Douyu Restructuring, please refer to "Corporate History and Structure—Establishments of Our PRC Subsidiaries and Consolidated Entities."

In February 2016, Linzhi Lichuang, an entity controlled by Tencent, Beijing Sequoia and certain third-party investors made investments in an aggregate amount of RMB481.5 million in Wuhan Douyu's equity interests. This does not include the Series A Pre-IPO Investment. In September 2016, Beijing Sequoia transferred its interests in Wuhan Douyu to Beijing Fengye.
In August 2016, Beijing Phoenix, Linzhi Lichuang and certain third-party investors made investments in an aggregate amount of RMB1,097.0 million in Wuhan Douyu's equity interests.

In November 2017, certain third-party investors made additional investments in an aggregate amount of RMB500.0 million in Wuhan Douyu's equity interests.

**Issuances of Shares by DouYu International Holdings Limited**

The following is a summary of our securities issuances in the past three years. Please see “Principal [and Selling] Shareholders” for details relating to our principal shareholders as the date of this prospectus.

**Issuances of Ordinary Shares**

In January 2018, we issued a total of 875,000 ordinary shares at par value of US$0.0001 per share to Starry Zone Investments Limited and 4,244,395 ordinary shares at par value of US$0.0001 per share to Warrior Ace Holding Limited.

**Issuances of Preferred Shares**

We issued the following preferred shares in consideration of the various investments made by shareholders in Guangzhou Douyu and Wuhan Douyu. For details about the prior investments in Guangzhou Douyu and Wuhan Douyu, please refer to “Investments in Equity Interests of Guangzhou Douyu and Wuhan Douyu.”

Pursuant to the Series E Preferred Share Purchase Agreement dated March 8, 2018 by and among our company, Nectarine, a wholly-owned subsidiary of Tencent, and certain other parties, we issued a total of 7,828,728 Series E Preferred Shares to Nectarine for a total consideration of US$630.7 million.

Pursuant to a Share Purchase Agreement dated May 14, 2018 by and among our company, SCC Growth IV 2018-D, L.P., SCC Growth IV 2018-F, L.P., Sequoia Capital Global Growth Fund II, L.P., Sequoia Capital Global Growth II Principals Fund, L.P. and certain other parties, we issued (i) a total of 1,106,646 Series A Preferred Shares and a total of 195,120 Series B-1 Preferred Shares to SCC Growth IV 2018-D, L.P.; (ii) a total of 823,571 Series A Preferred Shares and a total of 145,209 Series B-1 Preferred Shares to SCC Growth IV 2018-F, L.P.; (iii) a total of 562,832 Series A Preferred Shares and a total of 99,237 Series D Preferred Shares to Sequoia Capital Global Growth Fund II, L.P.; and (iv) a total of 6,951 Series A Preferred Shares and a total of 1,226 Series B-1 Preferred Shares to Sequoia Capital Global Growth II Principals Fund, L.P., for a total consideration of US$197.4 million.

In addition, in May 2018, we issued preferred shares to the following shareholders for nominal consideration to reflect their then-current ownership interests in our PRC entities prior to the completion of the Restructuring Transactions:

- 2,944,395 Series Angel Preferred Shares to Aodong Investments Limited at a nominal subscription price, which shares were originally issued as ordinary shares in January 2018 and subsequently converted to Series Angel Preferred Shares in May 2018;

- 3,125,000 Series B-2 Preferred Shares and 1,114,376 Series C-1 Preferred Shares to Nectarine, a wholly-owned subsidiary of Tencent, at a nominal subscription price;

- 1,138,381 Series B-3 Preferred Shares, 2,858 Series C-1 Preferred Shares and 117,587 Series D Preferred Shares to Youran Holdings Limited at a nominal subscription price;

- 125,000 Series B-4 Preferred Shares to ZY Entertainment Holding Limited at a nominal subscription price;
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- 1,806,049 Series C-1 Preferred Shares to Phoenix Fuju Limited at a nominal subscription price;
- 141,098 Series C-1 Preferred Shares to Gold-Finance (Hong Kong) Asset Management Limited at a nominal subscription price;
- 423,293 Series C-1 Preferred Shares to SCGC Capital Holding Company Limited at a nominal subscription price;
- 84,659 Series C-1 Preferred Shares to Hui Yuan Holdings Limited at a nominal subscription price;
- 1,048,759 Series D Preferred Shares to CMBI Private Equity Series SPC-Entertainment Fund I SP at a nominal subscription price; and
- 9,525 Series D Preferred Shares to Victor Talent Limited at a nominal subscription price.

For details about the rights of holders of our ordinary shares and preferred shares, please refer to "Description of Share Capital."

**Shareholders Agreement**

We entered into shareholders agreement on May 29, 2018 (the "Series E Shareholders Agreement") with our then existing shareholders, which consist of holders of our ordinary shares, Series Angel Preferred Shares, Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series B-4 Preferred Shares, Series C-1 Preferred Shares, Series C-2 Preferred Shares, Series D Preferred Shares and Series E Preferred Shares. The Series E Shareholders Agreement provides that, prior to our Qualified IPO, our board of directors should consist of eleven directors to be appointed by our founders and certain of our existing shareholders pursuant to their respective appointment rights under the Series E Shareholders Agreement. The Series E Shareholders Agreement will terminate upon consummation of a Qualified IPO, except for provisions with respect to the registration rights and the information and inspection rights, which will survive the consummation of a Qualified IPO. A "Qualified IPO" refers to a firm commitment underwritten public offering of ordinary shares (or depositary receipts or depositary shares thereof) in the United States on the NYSE or the Nasdaq, or on the Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange or another internationally recognized stock exchange approved by Tencent, in each case, with the valuation of the company being not less than US$3,000,000,000 and the proceeds from the offering being not less than US$300,000,000, as is provided in the Series E Shareholders Agreement.

The Series E Shareholders Agreement provides for certain special rights, including registration rights, preemptive rights, rights of first refusal, rights of co-sale, drag-along rights and redemption rights. Except for the registration rights and the information and inspection rights, all of the preferential rights, including the provisions governing the board of directors, will automatically terminate upon the completion of this offering.

**Registration Rights**

Pursuant to the Series E Shareholders Agreement, we have granted certain registration rights to holders of our Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series C-1 Preferred Shares, Series D Preferred Shares and Series E Preferred Shares as described below, which rights will survive the Qualified IPO.

**Demand registration rights**

At any time after the earlier of (i) December 31, 2022, or (ii) six months following the completion of a firm commitment underwritten public offering, holders of at least 30% of the registrable securities
then outstanding have the right to demand that we file a registration statement covering the registration of at least 10% of the registrable securities. If the underwriters of any underwritten offering determine in good faith that marketing factors require a limitation of the number of securities to be underwritten, the registrable securities shall allocate first to Tencent on a pro rata basis according to the number of registrable securities then outstanding held by it, and then to the other holders of registrable securities on a pro rata basis according to the number of registrable securities then outstanding held by each such holder requesting registration (including the initiating holders). The underwriting as described above shall be restricted so that in any offerings after the initial public offering, the number of registrable securities included in any such registration is not reduced to below 30% of the aggregate number of shares of registrable securities for which inclusion has been requested.

We have the right to defer filing of a registration statement for a period of not more than 90 days after the receipt of the request of the initiating holders under certain conditions, but we cannot exercise the deferral right more than once in any 12-month period and we cannot register any other share during such 90-day period. Except for certain circumstances where we are entitled to defer a filing, upon receiving a notice of demand registration, we should promptly give written notice to all holders and make best efforts to register the shares requested to be registered. We are not obligated to effect more than three demand registrations that have been declared and ordered effective.

**Piggyback Registration Rights.**

If we propose to file a registration statement for a public offering of our securities, we must offer holders of our registrable securities an opportunity to include in the registration the number of registrable securities of the same class or series as those proposed to be registered. If the managing underwriters of any underwritten offering determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, the registrable securities shall allocate first to us, second, to Tencent on a pro rata basis based on the total number of shares of registrable securities then held by it, third, to the other requesting holders on a pro rata basis based on the total number of shares of registrable securities then held by each such holder, and fourth, to holders of other securities of the company. The underwriting as described above shall be restricted so that in any offerings after the initial public offering, the number of registrable securities included in any such registration is not reduced below 30% of the aggregate number of shares of registrable securities for which inclusion has been requested.

**Form F-3 registration rights**

Any holders of registrable securities may request us to file a registration statements on Form F-3. We should promptly give written notice to all other holders of our registrable securities, and make best efforts to effect the registration of the securities on Form F-3 within 20 days after we delivered such written notice. We are not obligated to effect any such registration in certain situations including when the size of the offering is less than US$100,000,000 or when our board in good faith determines that the registration would be materially detrimental to us and our shareholders.

**Expenses of Registration**

We will bear all registration expenses, other than the selling expenses or other amounts payable to underwriters or brokers in connection with any demand, piggyback or Form F-3 registration.

**Information and Inspection Rights**

Pursuant to the Series E Shareholders Agreement, we shall deliver (i) the combined and consolidated financial statements and (ii) any other documents or information sent to all other shareholders and any report publicly filed with any relevant securities exchange, regulatory authority or governmental agency to the holders of our preferred shares. In addition, each holder of our preferred shares are entitled to inspect and review facilities, properties, records, books and accounts of our company. Specifically, we should cooperate with Tencent and its advisors in connection with Tencent's audit of our company's accounts.
DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

JP Morgan Chase Bank, N.A. ("JPMorgan"), as depositary, will issue the ADSs which you will be entitled to receive in this offering. Each ADS will represent an ownership interest in a designated number of shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary, yourself as an ADR holder and all other ADR holders, and all beneficial owners of an interest in the ADSs evidenced by ADRs from time to time.

The depositary's office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

[The ADS to share ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated by the form of ADR).] In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you.

A beneficial owner is any person or entity having a beneficial ownership interest ADSs. A beneficial owner need not be the holder of the ADR evidencing such ADS. If a beneficial owner of ADSs is not an ADR holder, it must rely on the holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under the deposit agreement. A beneficial owner shall only be able to exercise any right or receive any benefit under the deposit agreement solely through the holder of the ADR(s) evidencing the ADSs owned by such beneficial owner. The arrangements between a beneficial owner of ADSs and the holder of the corresponding ADRs may affect the beneficial owner's ability to exercise any rights it may have.

An ADR holder shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADRs registered in such ADR holder's name for all purposes under the deposit agreement and ADRs. The depositary's only notification obligations under the deposit agreement and the ADRs is to registered ADR holders. Notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs.

Unless certificated ADRs are specifically requested, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder or beneficial owner, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Island law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all holders and beneficial owners from time to time of ADRs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the
registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf.

The deposit agreement and the ADSs are governed by New York law. Under the deposit agreement, by holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each irrevocably agree that any legal suit, action or proceeding against or involving ADR holders or beneficial owners brought by us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may be instituted in a state or federal court in New York, New York, irrevocably waive any objection which you may have to the laying of venue of any such proceeding, and irrevocably submit to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. By holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each also irrevocably agree that any legal suit, action or proceeding against or involving the depositary brought by ADR holders or beneficial owners, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the registration statement of which this prospectus forms a part. You may also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at http://www.sec.gov.

**Share Dividends and Other Distributions**

*How will I receive dividends and other distributions on the shares underlying my ADSs?*

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- **Cash.** The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a
reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.

• **Shares.** In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.

• **Rights to receive additional shares.** In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:

  (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or

  (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.

• **Other Distributions.** In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

*The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.*

*There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the depositary in accordance with its then current policies, which are currently set forth in the "Depository Receipt Sale and Purchase of Security" section of https://www.adr.com/Investors/FindOutAboutDRs, the location and contents of which the depositary shall be solely responsible for.*
Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the underwriters named herein to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account and to the order of the depositary, in each case for the benefit of ADR holders. ADR holders and beneficial owners thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities".

Deposited securities are not intended to, and shall not, constitute proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in deposited securities is intended to be, and shall at all times during the term of the deposit agreement continue to be, vested in the beneficial owners of the ADSs representing such deposited securities. Notwithstanding anything else contained herein, in the deposit agreement, in the form of ADR and/or in any outstanding ADSs, the depositary, the custodian and their respective nominees are intended to be, and shall at all times during the term of the deposit agreement continue to be, the record holder(s) only of the deposited securities represented by the ADSs for the benefit of the ADR holders. The depositary, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the deposited securities held on behalf of the ADR holders.

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

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The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;

- the payment of fees, taxes and similar charges; or

- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities,

- to give instructions for the exercise of voting rights at a meeting of holders of shares, or

- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR,

- to receive any notice or to act in respect of other matters,

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. Subject to the next sentence, as soon as practicable after receiving notice from us of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares, the depositary shall fix the ADS record date in accordance with the provisions of the deposit agreement in respect of such meeting or solicitation of consent or proxy. The depositary shall, if we request in writing in a timely manner (the depositary having no obligation to take any further action if our request shall not have been received by the depositary at least 30 days prior to the date of such vote or meeting) and at our expense and provided that no legal prohibitions exist, distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the depositary and describing how you may instruct or, subject to the next sentence, will be deemed to instruct, the depositary to exercise the voting rights for the shares which underlie your ADSs, including instructions for giving a discretionary proxy to a person designated by us. To the extent we have provided the depositary with at least 35 days' notice of a proposed meeting and the notice will be received by all holders and beneficial owners of interests in ADSs no less than 10 days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, if voting instructions are not timely received by the depositary from any holder, such holder shall be deemed, and in the deposit agreement the depositary is instructed to deem such holder, to have instructed the depositary to give a discretionary proxy to a person designated by us to vote the shares represented by their ADSs as desired, provided that no such instruction shall be deemed given and no discretionary proxy shall be given [(a) if we inform the depositary in writing (and we agree to provide the depositary with such information promptly in writing) that (i) we do not wish such proxy to be given, (ii) substantial opposition exists with respect to any agenda item for which the proxy would be given or (iii) the agenda item(s), if approved, would materially or adversely affect the rights of holders of shares and

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(b) unless, with respect to such meeting, the depositary obtained an opinion of counsel, in form and substance satisfactory to the depositary, confirming that (a) the granting of such discretionary proxy does not subject the depositary to any reporting obligations in the Cayman Islands, (b) the granting of such proxy will not result in a violation of the laws, rules, regulations or permits of the Cayman Islands and (c) the voting arrangement and deemed instruction as contemplated under the deposit agreement will be given effect under the laws, rules and regulations of the Cayman Islands and (d) the granting of such discretionary proxy will not under any circumstances result in the shares represented by the ADSs being treated as assets of the depositary under the laws, rules or regulations of the Cayman Islands.

Holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. [Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed or deemed to have been instructed to grant a discretionary proxy pursuant to the terms of the deposit agreement, or for the effect of any vote.] Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (i.e., by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

[We have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions received by the depositary from holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs. There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.]

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.
Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, $5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall also be incurred by the ADR holders, the beneficial owners, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of U.S.$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of U.S.$0.05 or less per ADS held for any cash distribution made, or for any elective cash/stock dividend offered, pursuant to the deposit agreement;
- an aggregate fee of U.S.$0.05 or less per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of ADR holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary’s or its custodian’s compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the $0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those ADR holders entitled thereto;
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares, ADRs or deposited securities;
transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities;

in connection with the conversion of foreign currency into U.S. dollars, JPMorgan shall deduct out of such foreign currency the fees, expenses and other charges charged by it and/or its agent (which may be a division, branch or affiliate) so appointed in connection with such conversion; and

fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

JPMorgan and/or its agent may act as principal for such conversion of foreign currency. For further details see https://www adr.com.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary.

The right of the depositary to receive payment of fees, charges and expenses survives the termination of the deposit agreement, and shall extend for those fees, charges and expenses incurred prior to the effectiveness of any resignation or removal of the depositary.

The fees and charges described above may be amended from time to time by agreement between us and the depositary.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

ADR holders or beneficial owners must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon[, including, without limitation, any Chinese Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise], such tax or other governmental charge shall be paid by the ADR holder thereof to the depositary and by holding or owning, or having held or owned, an ADR or any ADSs evidenced thereby, the ADR holder and all beneficial owners thereof, and all prior ADR holders and beneficial owners thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary and its agents in respect of such tax or other governmental charge. Notwithstanding the depositary's right to seek payment from current and former beneficial owners, by holding or owning, or having held or owned, an ADR, the ADR holder thereof (and prior ADR holder
thereof) acknowledges and agrees that the depositary has no obligation to seek payment of amounts owing from any current or former beneficial owner. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

As an ADR holder or beneficial owner, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days’ notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders or beneficial owners. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders and beneficial owners a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder and any beneficial owner are deemed to agree to such amendment and to be bound by the deposit agreement as so amended. No amendment, however, will impair your right to surrender
your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements which (i) are reasonably necessary (as agreed by us and the depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act of 1933 or (b) the ADSs or shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the deposit agreement in such circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the deposit agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (i.e., upon retrieval from the SEC’s, the depositary’s or our website or upon request from the depositary).

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered ADR holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 60th day after our notice of removal was first provided to the depositary.

After the date so fixed for termination, (a) all direct registration ADRs shall cease to be eligible for the direct registration system and shall be considered ADRs issued on the ADR register maintained by the depositary and (b) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a registered holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a registered holder of ADRs, the depositary shall (a) instruct its custodian to deliver all shares to us along with a general stock power that refers to the names set forth on the ADR register maintained by the depositary and (b) provide us with a copy of the ADR register maintained by the depositary. Upon receipt of such shares and the ADR register maintained by the depositary, we have agreed to use our best efforts to issue to each registered ADR holder a Share certificate representing the Shares represented by the ADSs reflected on the ADR register maintained by the depositary in such registered ADR holder’s name and to deliver such Share certificate to the registered ADR holder at the address set forth on the ADR register maintained by the depositary. After providing such instruction to the custodian and delivering a copy of the ADR register to us, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs and shall cease to have any obligations under the deposit agreement and/or the ADRs.
Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;

- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and

- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and our respective agents, provided, however, that no disclaimer of liability under the Securities Act of 1933 is intended by any of the limitations of liabilities provisions of the deposit agreement. The deposit agreement provides that each of us, the depositary and our respective agents will:

- incur or assume no liability if any present or future law, rule, regulation, fiat, order or decree of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, nationalization, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depositary's or our respective agents' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);

- incur or assume no liability by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the deposit agreement it is provided shall or may be done or performed or any exercise or failure to exercise discretion under the
deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;

• incur or assume no liability if it performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;

• in the case of the depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs;

• in the case of us and our agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs, which in our or our agents’ opinion, as the case may be, may involve it in expense or liability, unless indemnity satisfactory to us or our agent, as the case may be against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be requested;

• not be liable for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information and/or, in the case of the depositary, us; or

• may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities, the ADSs or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities, the ADSs or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any registered ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the depositary or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services.
The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or beneficial owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The depositary is under no obligation to provide the ADR holders and beneficial owners, or any of them, with any information about our tax status. Neither we nor the depositary shall incur any liability for any tax or tax consequences that may be incurred by registered ADR holders or beneficial owners on account of their ownership or disposition of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, 

[for the manner in which any voting instructions are given, including instructions to give a discretionary proxy to a person designated by us,] for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed to grant a discretionary proxy, or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary. Neither the depositary nor any of its agents shall be liable for any indirect, special, punitive or consequential damages (including, without limitation, legal fees and expenses) or lost profits, in each case of any form incurred by any person or entity (including, without limitation holders or beneficial owners of ADRs and ADSs), whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

No provision of the deposit agreement or the ADRs is intended to constitute a waiver or limitation of any rights which an ADR holder or any beneficial owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADRs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of, or interest in, deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you as ADR holders or beneficial owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof.
Books of Depositary

The depositary or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depositary’s direct registration system. Registered holders of ADRs may inspect such records at the depositary’s office at all reasonable times, but solely for the purpose of communicating with other ADR holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed at any time or from time to time, when deemed expedient by the depositary or, in the case of the issuance book portion of the ADR Register, when reasonably requested by the Company solely in order to enable the Company to comply with applicable law.

The depositary will maintain facilities for the delivery and receipt of ADRs.

Appointment

In the deposit agreement, each registered holder of ADRs and each beneficial owner, upon acceptance of any ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

• be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs,

• appoint the depositary its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depositary in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof; and

• acknowledge and agree that (i) nothing in the deposit agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the depositary, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about us, ADR holders, beneficial owners and/or their respective affiliates, (iii) the depositary and its divisions, branches and affiliates may at any time have multiple banking relationships with us, ADR holders, beneficial owners and/or the affiliates of any of them, (iv) the depositary and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to us, ADR holders, beneficial owners and/or their respective affiliates may have interests, (v) nothing contained in the deposit agreement or any ADR(s) shall (A) preclude the depositary or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the depositary or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the depositary shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depositary and (vii) notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs. For all purposes under the deposit agreement and the ADRs, the ADR holders thereof shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by such ADRs.
Governing Law

The deposit agreement, the ADSs and the ADRs are governed by and construed in accordance with the internal laws of the State of New York. In the deposit agreement, we have submitted to the non-exclusive jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Any action based on the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby may also be instituted by the depositary against us in any competent court in the Cayman Islands, Hong Kong, the People's Republic of China, the United States and/or any other court of competent jurisdiction.

Under the deposit agreement, by holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each irrevocably agree that any legal suit, action or proceeding against or involving ADR holders or beneficial owners brought by us or the depositary, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may be instituted in a state or federal court in New York, New York, irrevocably waive any objection which you may have to the laying of venue of any such proceeding, and irrevocably submit to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. By holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each also irrevocably agree that any legal suit, action or proceeding against or involving the depositary brought by ADR holders or beneficial owners, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York.

Notwithstanding the foregoing, (i) the depositary may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination, against any other party or parties to the deposit agreement (including, without limitation, against ADR holders and beneficial owners of interests in ADSs), by having the matter referred to and finally resolved by an arbitration conducted under the terms described below, and (ii) the depositary may in its sole discretion require, by written notice to the relevant party or parties, that any dispute, suit, action, controversy, claim or proceeding against the depositary by any party or parties to the deposit agreement (including, without limitation, by ADR holders and beneficial owners of interests in ADSs) shall be referred to and finally settled by an arbitration conducted under the terms described below. Any such arbitration shall be conducted in the English language either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL). Notwithstanding the foregoing, such provisions do not prevent an ADS holder from pursuing claims under the United States federal securities laws in federal courts.

Jury Trial Waiver

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADSs and ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or us directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory), including any claim under the U.S. federal securities laws.

If we or the depositary were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance
with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial of the deposit agreement is not intended to be deemed a waiver by any holder or beneficial owner of ADSs of the Company's or the depositary's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.
SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have ADSs outstanding, representing ordinary shares, or approximately \% of our outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of our ADSs in the public market could adversely affect prevailing market prices of our ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs, and while our ADSs have been approved for listing on the NYSE, 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 the ADSs.

Lockup Agreements

We, our directors and executive officers, our existing shareholders and RSU holders have agreed, subject to some exceptions, not to transfer or dispose of, directly or indirectly, any of our ordinary shares, in the form of ADSs or otherwise, or any securities convertible into or exchangeable or exercisable for our ordinary shares, in the form of ADSs or otherwise, for a period of 180 days after the date of this prospectus. After the expiration of the 180-day period, the ordinary shares or ADSs held by our directors, executive officers and our existing shareholders may be sold subject to the restrictions under Rule 144 under the Securities Act or by means of registered public offerings.

Rule 144

All of our ordinary shares outstanding prior to this offering are "restricted shares" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements. Under Rule 144 as currently in effect, a person who has beneficially owned our restricted shares for at least six months is generally entitled to sell the restricted securities without registration under the Securities Act beginning 90 days after the date of this prospectus, subject to certain additional restrictions.

Our affiliates may sell within any three-month period a number of restricted shares 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 will equal approximately ordinary shares immediately after this offering, assuming the underwriters do not exercise their option to purchase additional ADSs; or

• the average weekly trading volume of our ordinary shares in the form of ADSs or otherwise on the NYSE during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Affiliates who sell restricted securities under Rule 144 may not solicit orders or arrange for the solicitation of orders, and they are also subject to notice requirements and the availability of current public information about us.

Persons who are not our affiliates are only subject to one of these additional restrictions, the requirement of the availability of current public information about us, and this additional restriction does not apply if they have beneficially owned our restricted shares for more than one year.

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 or option plan or other written agreement relating to compensation is eligible to resell such ordinary shares 90 days after we became a reporting company under the Exchange Act in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144.

Registration Rights

Upon completion of this offering, certain holders of our ordinary shares or their transferees will be entitled to request that we register their shares under the Securities Act, following the expiration of the lockup agreements described above. See "Description of Share Capital—Shareholders Agreement—Registration Rights."
TAXATION

The following discussion of Cayman Islands, PRC and United States federal income tax consequences of an investment in the ADSs or ordinary shares is based upon laws, regulations and relevant interpretations thereof as of the date of this prospectus, all of which are subject to change. This discussion does not deal with all possible tax consequences relating to an investment in the ADSs or ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel. To the extent that the discussion relates to matters of PRC tax law, it represents the opinion of Global Law Office, our PRC legal counsel.

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 or holders of our ADSs or ordinary shares 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. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs or ordinary shares 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 ADSs or ordinary shares, nor will gains derived from the disposal of the ADSs or ordinary shares be subject to Cayman Islands income or corporation tax.

People’s Republic of China Taxation

Under the PRC EIT Law, which became effective on January 1, 2008 and amended on February 24, 2017, an enterprise established outside the PRC with “de facto management bodies” within the PRC is considered a “resident enterprise” for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation rules to the PRC EIT Law, a “de facto management body” is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

SAT Circular 82 issued by the SAT in April 2009 specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises only if all of the following conditions are met: (a) the senior management and core management departments in charge of its daily operations function have their presence mainly in the PRC; (b) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (c) its major assets, accounting books, company seals, and minutes and files of its board and shareholders’ meetings are located or kept in the PRC; and (d) not less than half of the enterprise’s directors or senior management with voting rights habitually reside in the PRC. Although SAT Circular 82 and SAT Bulletin 45 apply only to offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise group and not those controlled by PRC individuals or foreigners, Global Law Office, our legal counsel as to PRC law, has advised us that the determination criteria set forth therein may reflect SAT’s general position on how the term “de facto management body” could be applied in determining the tax resident status of offshore enterprises, regardless of whether they are controlled by PRC enterprises, individuals or foreigners. Further to SAT Circular 82, the SAT issued the SAT Bulletin 45, which took effect in September 2011, to provide more guidance on the implementation of SAT Circular 82. SAT Bulletin 45 provides for procedures and administration details of regarding the determination on residence status and administration on post-determination matters. Our company 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. As such, we do not believe that our company meets all of the conditions above or is a PRC resident enterprise for PRC tax purposes even if the standards for "de facto management body" prescribed in SAT Circular 82 are applicable to us. For the same reasons, we believe our other entities outside 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 us. If the PRC tax authorities determine that our Cayman Islands holding company is a PRC resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. For example, a 10% withholding tax would be imposed on dividends we pay to our non-PRC enterprise shareholders (including our ADS holders). In addition, nonresident 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 ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including our ADS holders) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). These rates may be reduced by an applicable tax treaty, but 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. See "Risk Factors—Risks Related to Doing Business in China—Under the PRC enterprise income tax law, we may be classified as a PRC "resident enterprise," which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your investment."

Material U.S. Federal Income Tax Considerations

U.S. Federal Income Taxation

In the opinion of Davis Polk & Wardwell LLP, the following are the material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of the ADSs or ordinary shares, but this discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to acquire the ADSs or ordinary shares.

This discussion applies only to a U.S. Holder that acquires the ADSs in this offering and holds the ADSs or ordinary shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). It does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including the alternative minimum tax, the Medicare contribution tax on net investment income and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding ADSs or ordinary shares as part of a straddle, integrated or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes and their partners;
- tax-exempt entities, including "individual retirement accounts" or "Roth IRAs";
- insurance companies;
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- certain U.S. expatriates;
- persons that own or are deemed to own ADSs or ordinary shares representing 10% or more of our voting power or value; or
- persons holding ADSs or ordinary shares in connection with a trade or business outside the United States.

If a partnership (or other entity that is classified as a partnership for U.S. federal income tax purposes) owns ADSs or ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning ADSs or ordinary shares and their partners should consult their tax advisers as to their particular U.S. federal income tax consequences of owning and disposing of ADSs or ordinary shares.

This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the United States and the PRC, or the Treaty, all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

As used herein, a "U.S. Holder" is a beneficial owner of the ADSs or ordinary shares that is, for federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, a U.S. Holder that owns ADSs will be treated as the owner of the underlying ordinary shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying ordinary shares represented by those ADSs.

This discussion does not address any U.S. federal taxes (such as estate or gift taxes) other than income taxes, nor does it address any state, local or non-U.S. considerations. U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ADSs or ordinary shares in their particular circumstances.

Except as described below under "—Passive Foreign Investment Company Rules," this discussion assumes that we are not, and will not be, a passive foreign investment company (a "PFIC") for any taxable year.

**Taxation of Distributions**

Distributions paid on the ADSs or ordinary shares, other than certain pro rata distributions of ADSs or ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at a favorable rate. Non-corporate U.S. Holders should consult their tax advisers regarding the availability of this favorable rate in their particular circumstances.
Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's, or in the case of ADSs, the depositary's, receipt. The amount of any dividend income paid in foreign currency will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the amount received. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends will be treated as foreign-source income and will constitute passive category income or in certain cases, general category income, for foreign tax credit purposes. As described in "—People's Republic of China Taxation," dividends paid by us may be subject to PRC withholding tax. For U.S. federal income tax purposes, the amount of the dividend income will include any amounts withheld in respect of PRC withholding tax. Subject to applicable limitations, which vary depending upon the U.S. Holder's circumstances, PRC taxes withheld from dividend payments (at a rate not exceeding the applicable rate provided in the Treaty in the case of a U.S. Holder that is eligible for Treaty benefits) generally will be creditable against a U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and U.S. Holders should consult their tax advisers regarding the creditability of foreign taxes in their particular circumstances. In lieu of claiming a credit, a U.S. Holder may elect to deduct such PRC taxes in computing its taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the relevant taxable year.

Sale or Other Taxable Disposition of ADSs or Ordinary Shares

A U.S. Holder will generally recognize capital gain or loss on a sale or other taxable disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized on the sale or disposition and the U.S. Holder's tax basis in the ADSs or ordinary shares disposed of, in each case as determined in U.S. dollars. The gain or loss will be long-term capital gain or loss if, at the time of the sale or disposition, the U.S. Holder has owned the ADSs or ordinary shares for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders are subject to tax rates that are lower than those applicable to ordinary income. The deductibility of capital losses is subject to limitations.

As described in "—People's Republic of China Taxation," gains on the sale of ADSs or ordinary shares may be subject to PRC taxes. A U.S. Holder is entitled to use foreign tax credits to offset only the portion of its U.S. federal income tax liability that is attributable to foreign-source income. Because under the Code capital gains of U.S. persons are generally treated as U.S.-source income, this limitation may preclude a U.S. Holder from claiming a credit for all or a portion of any PRC taxes imposed on any such gains. However, U.S. Holders that are eligible for the benefits of the Treaty may be able to elect to treat the gain as PRC-source and therefore claim foreign tax credits in respect of PRC taxes on such disposition gains. U.S. Holders should consult their tax advisers regarding their eligibility for the benefits of the Treaty and the creditability of any PRC tax on disposition gains in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation.
Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is a passive asset for these purposes. Goodwill is generally characterized as a nonpassive or passive asset based on the nature of the income produced in the activity to which the goodwill relates.

Based on the expected composition of our income and assets and the value of our assets, including goodwill, which is based on the expected price of the ADSs in this offering, we do not expect to be a PFIC for our current taxable year. However it is not entirely clear how the contractual arrangements between us, our VIEs and the shareholders of our VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if our VIEs are not treated as owned by us for these purposes. In addition, the extent to which our goodwill should be characterized as a nonpassive asset is not entirely clear. The determination of our PFIC status for our current or any future taxable year cannot be made until after the end of each such year. Furthermore, we will hold a substantial amount of cash following this offering and our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of the ADSs, which could be volatile). Accordingly, there can be no assurance that we will not be a PFIC for our current taxable year or any future taxable year.

If we were a PFIC for any taxable year and any of our subsidiaries, VIEs or other companies in which we own or are treated as owning equity interests were also a PFIC (any such entity, a "Lower-tier PFIC"), U.S. Holders would be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and would be subject to U.S. federal income tax according to the rules described in the subsequent paragraphs on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier PFICs, in each case as if the U.S. Holders held such shares directly, even though the U.S. Holders did not receive the proceeds of those distributions or dispositions.

In general, if we were a PFIC for any taxable year during which a U.S. Holder held ADSs or ordinary shares, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of its ADSs or ordinary shares would be allocated ratably over that U.S. Holder's holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by a U.S. Holder in any year on its ADSs or ordinary shares exceed 125% of the average of the annual distributions on the ADSs or ordinary shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, such distributions would be subject to taxation in the same manner.

If we are a PFIC for any taxable year during which a U.S. Holder owns ADSs or ordinary shares, we will generally continue to be treated as a PFIC with respect to the U.S. Holder for all succeeding years during which the U.S. Holder owns the ADSs or ordinary shares, even if we cease to meet the threshold requirements for PFIC status. If we are a PFIC for any taxable year but cease to be PFIC for subsequent years, U.S. Holders should consult their tax advisers regarding the advisability of making a "deemed sale" election that would allow them to eliminate the continuing PFIC status under certain circumstances.

Alternatively, if we were a PFIC and if the ADSs were "regularly traded" on a "qualified exchange," a U.S. Holder could make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described above. The ADSs would be treated as "regularly traded" for any calendar year in which more than a de minimis quantity of the ADSs were traded on a qualified exchange on at least 15 days during each calendar quarter. NYSE, where the ADSs are expected to be listed, is a qualified exchange for this purpose. If a U.S. Holder made the mark-to-market election, the U.S. Holder generally would recognize as ordinary income any excess of
the fair market value of the ADSs at the end of each taxable year over their adjusted tax basis, and would recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder made the election, the U.S. Holder's tax basis in the ADSs will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of ADSs in a year in which we were a PFIC would be treated as ordinary income and any loss would be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election, with any excess treated as capital loss). If a U.S. Holder made the mark-to-market election, distributions paid on ADSs would be treated as discussed under "—Taxation of Distributions" above (but subject to the discussion in the immediately subsequent paragraph).

If we were a PFIC (or with respect to a particular U.S. Holder were treated as a PFIC) for a taxable year in which we paid a dividend or for the prior taxable year, the favorable tax rate described above with respect to dividends paid to certain non-corporate U.S. Holders would not apply.

If we were a PFIC for any taxable year during which a U.S. Holder owned any ADSs or Ordinary shares, the U.S. Holder would generally be required to file annual reports with the Internal Revenue Service. U.S. Holders should consult their tax advisers regarding the determination of whether we are a PFIC for any taxable year and the potential application of the PFIC rules to their ownership of ADSs or ordinary shares.

**Information Reporting and Backup Withholding**

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other "exempt recipient" and (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. 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 credit against the U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the Internal Revenue Service.
UNDERWRITING

We[, the selling shareholders] and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Under the terms and subject to the conditions contained in the underwriting agreement, each underwriter has severally agreed to purchase the number of ADSs indicated in the following table. Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated are acting as joint bookrunners of this offering and as the representatives of the underwriters.

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<th>Underwriters</th>
<th>Number of ADSs</th>
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<tr>
<td>Morgan Stanley &amp; Co. LLC</td>
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<tr>
<td>J.P. Morgan Securities LLC</td>
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<tr>
<td>Merrill Lynch, Pierce, Fenner &amp; Smith Incorporated</td>
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<td>Total</td>
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The underwriters are offering the ADSs subject to their acceptance of the ADSs from us [and the selling shareholders] 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, severally and not jointly, to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken, other than the ADSs covered by the underwriters' option to purchase additional ADSs described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The underwriters initially propose to offer part of the ADSs directly to the public at the public offering price listed on the cover page of this prospectus and part of the ADSs to certain dealers at a price that represents a concession not in excess of US$ per ADS from 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 underwriters.

Certain 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.

The address of Morgan Stanley & Co. LLC is 1585 Broadway, New York, NY 10036, United States of America. The address of J.P. Morgan Securities LLC is 383 Madison Avenue, New York, NY 10179, United States of America. The address of Merrill Lynch, Pierce, Fenner & Smith Incorporated is One Bryant Park, New York, NY 10036, United States of America.

Option to Purchase Additional ADSs

We [and certain selling shareholders] have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs from us [and additional ADSs from certain selling shareholders] at the public offering price listed on the cover page of this prospectus, less underwriters discounts and commissions. To the extent the option is exercised, each underwriter will become severally obligated, subject to certain conditions, to purchase additional ADSs approximately proportionate to each underwriter's initial amount reflected in the table above.

Commissions and Expenses

Total underwriting discounts and commissions to be paid to the underwriters represent % of the total amount of the offering. The following table shows the per ADS and total underwriting
discounts and commissions to be paid to the underwriters by us [and the selling shareholders]. Such amounts are shown assuming both no exercise and full exercise of the underwriters’ option to purchase additional ADSs.

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<th>Total</th>
<th>Per ADS</th>
<th>No exercise</th>
<th>Full exercise</th>
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The estimated offering expenses payable by us [and the selling shareholders], exclusive of the underwriting discounts and commissions, are approximately US$ million, which includes legal, accounting, and printing costs and various other fees associated with the registration of our [and the selling shareholders’] ordinary shares and ADSs. [We [and the selling shareholders] have agreed to reimburse the underwriters for certain of their expenses in an amount up to US$ .]

Lock-Up Agreements

We, our directors, executive officers, existing shareholders and RSU holders have agreed with the underwriters to certain lock-up restrictions in respect of our ordinary shares, ADSs or securities that are substantially similar to our ordinary shares or ADSs during the period ending 180 days after the date of this prospectus, subject to certain exceptions. Immediately after the completion of this offering, a total of ordinary shares (representing approximately % of our ordinary shares then issued and outstanding) will be subject to the lock-up agreements or other restrictions on transfer. See “Shares Eligible for Future Sales.”

The representatives, in their sole discretion, may release our ordinary shares and ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.

New York Stock Exchange Listing

We will apply for listing the ADSs on the New York Stock Exchange under the symbol "DOYU."

Stabilization, Short Positions and Penalty Bids

In connection with the offering, the underwriters may purchase and sell ADSs in the open market. These transactions may include short sales in accordance with Regulation M under the Exchange Act, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters’ option to purchase additional ADSs in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. 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 the offering. Stabilizing transactions consist of various bids for, or purchases of, ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives
have repurchased ADSs sold by, or for the account of, such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the ADSs, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the ADSs. As a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they are required to be conducted in accordance with applicable laws and regulations, and they may be discontinued at any time. These transactions may be effected on the New York Stock Exchange, the over-the-counter market or otherwise.

Electronic Distribution

A prospectus in electronic format will be made available on the websites maintained by one or more of the underwriters or one or more securities dealers. One or more of the underwriters may distribute prospectuses electronically. The underwriters may agree to allocate a number of ADSs for sale to their online brokerage account holders. ADSs to be sold pursuant to an Internet distribution will be allocated on the same basis as other allocations. In addition, ADSs may be sold by the underwriters to securities dealers who resell ADSs to online brokerage account holders.

Discretionary Sales

The underwriters do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

Indemnification

We [and the selling shareholders] have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include the sales and trading of securities, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, financing, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates may have, from time to time, performed, and may in the future perform, a variety of such activities and services for us and for persons or entities with relationships with us for which they received or will receive customary fees, commissions and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, directors, officers and employees may at any time purchase, sell or hold a broad array of investments, and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to the assets, securities and/or instruments of us (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments. In addition, the underwriters and their respective affiliates may at any time hold, or recommend to clients that they should acquire, long and short positions in such assets, securities and instruments.
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Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares or ADSs. The initial public offering price was determined by negotiations between us[, the selling shareholders] and the representatives of the underwriters. Among the factors considered in determining the initial public offering price of the ADSs, in addition to prevailing market conditions, were our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

[Selling Restrictions]

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of the ADSs, or the possession, circulation or distribution of this prospectus or any other material relating to us or the ADSs in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither this prospectus nor any other material or advertisements in connection with the ADSs may be distributed or published, in or from any country or jurisdiction except in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia. This prospectus:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Corporations Act.

The ADSs may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the ADSs may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any ADSs may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the ADSs, you represent and warrant to us [and the selling shareholders] that you are an Exempt Investor.

As any offer of ADSs under this prospectus will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the ADSs you undertake to us [and the selling shareholders] that you will not, for a period of 12 months from the date of issue of the ADSs, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.
Bermuda. The ADSs may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation

British Virgin Islands. The ADSs are not being, and may not be, offered to the public or to any person in the British Virgin Islands for purchase or subscription by us, our shareholders, or on our, or our shareholders' behalf. The ADSs may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a BVI Company), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This prospectus has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the ADSs for the purposes of the Securities and Investment Business Act, 2010, or SIBA, or the Public Issuers Code of the British Virgin Islands.

The ADSs may be offered to persons located in the British Virgin Islands who are "qualified investors" for the purposes of SIBA. Qualified investors include (i) certain entities which are regulated by the Financial Services Commission in the British Virgin Islands, including banks, insurance companies, licensees under SIBA and public, professional and private mutual funds; (ii) a company, any securities of which are listed on a recognized exchange; and (iii) persons defined as "professional investors" under SIBA, which is any person (a) whose ordinary business involves, whether for that person's own account or the account of others, the acquisition or disposal of property of the same kind as our property, or a substantial part of our property; or (b) who has signed a declaration that he, whether individually or jointly with his spouse, has a net worth in excess of US$1,000,000 and that he consents to being treated as a professional investor.

Canada

Resale Restrictions

The distribution of the ADSs in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we [and the selling shareholders] prepare and file a prospectus with the securities regulatory authorities in each province where trades of the ADSs are made. Any resale of the ADSs in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers

By purchasing ADSs in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us[; the selling shareholders] and the dealer from whom the purchase confirmation is received that:

• the purchaser is entitled under applicable provincial securities laws to purchase the ADSs without the benefit of a prospectus qualified under those securities laws as it is an "accredited investor" as defined under National Instrument 45-106—Prospectus Exemptions;

• the purchaser is a "permitted client" as defined in National Instrument 31-103—Registration Requirements, Exemptions and Ongoing Registrant Obligations;

• where required by law, the purchaser is purchasing as principal and not as agent; and
Conflicts of Interest

Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105—Underwriting Conflicts from having to provide certain conflict of interest disclosure in this prospectus.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) such as this prospectus 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 of these securities in Canada 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.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein [and the selling shareholders] may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of ADSs should consult their own legal and tax advisors with respect to the tax consequences of an investment in the ADSs in their particular circumstances and about the eligibility of the ADSs for investment by the purchaser under relevant Canadian legislation.

Cayman Islands. This prospectus does not constitute a public offer of the ADSs or ordinary shares, whether by way of sale or subscription, in the Cayman Islands. ADSs or ordinary shares have not been offered or sold, and will not be offered or sold, directly or indirectly, in the Cayman Islands.

Dubai International Financial Centre ("DIFC"). This prospectus relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this prospectus. The securities to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

In relation to its use in the DIFC, 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 securities may not be offered or sold directly or indirectly to the public in the DIFC.
**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), with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the Relevant Implementation Date), an offer of the ADSs to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the ADSs which has been approved by the competent authority in that 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, with effect from and including the Relevant Implementation Date, an offer of ADSs may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- 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); or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of the ADSs to the public" in relation to any ADS 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 the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression Prospectus Directive means Directive 2003/71/EC (and any amendments thereto, 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.

**Hong Kong.** The ADSs may not be offered or sold 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 Ordinance (Cap.32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules promulgated thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies 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 promulgated thereunder.

**Japan.** ADSs will not be offered or sold directly or indirectly in Japan or to, or for the benefit of any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except in each case pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws, rules and regulations of Japan. For purposes of this paragraph, "Japanese person" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

**Korea.** The ADSs have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the
"FSCMA"), and the ADSs have been and will be offered in Korea as a private placement under the FSCMA. None of the ADSs may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering 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 FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "FETL"). Furthermore, the purchaser of the ADSs shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the ADSs. By the purchase of the ADSs, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the ADSs pursuant to the applicable laws and regulations of Korea.

**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 ADSs has been or will be registered with the Securities Commission of Malaysia ("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 ADSs may not be circulated or distributed, nor may the ADSs 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 Licence; (iii) a person who acquires the ADSs, as principal, if the offer is on terms that the ADSs 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 twelve 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 twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in 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 ADSs is made by a holder of a Capital Markets Services Licence 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.

**People's Republic of China.** This prospectus may not be circulated or distributed in the PRC and the 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 or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the ADSs or any beneficial interest.
therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this prospectus are required by the issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

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 or any other offering material relating to our ADSs has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, or the SFA. 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 the 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 SFA, (ii) to a relevant person pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in 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,

the securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (however described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
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(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

Notification under Section 309B(1)(c) of the SFA

The company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the ADSs are (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Africa. Due to restrictions under the securities laws of South Africa, the ADSs are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

1. the offer, transfer, sale, renunciation or delivery is to:

   (a) persons whose ordinary business is to deal in securities, as principal or agent;

   (b) the South African Public Investment Corporation;

   (c) persons or entities regulated by the Reserve Bank of South Africa;

   (d) authorised financial service providers under South African law;

   (e) financial institutions recognised as such under South African law;

   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

   (g) any combination of the person in (a) to (f); or

2. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act")) in South Africa is being made in connection with the issue of the ADSs. Accordingly, this document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the ADSs in South Africa constitutes an offer of the ADSs in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "SA Relevant Persons"). Any investment or investment activity to which this document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

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 (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 with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the ADSs in Taiwan.

United Arab Emirates. The ADSs have not been offered or sold, and will not be offered or sold, directly or indirectly, in the United Arab Emirates, except: (1) in compliance with all applicable laws and regulations of the United Arab Emirates; and (2) through persons or corporate entities authorized and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the United Arab Emirates. The information contained in this prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise and is not intended to be a public offer and is addressed only to persons who are sophisticated investors.

United Kingdom. This prospectus is only being distributed to and is only directed at: (1) persons who are outside the United Kingdom; (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (3) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons falling within (1)-(3) together being referred to as "relevant persons"). The ADSs are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the ADSs will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.]
EXPENSES RELATING 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 NYSE listing fee, all amounts are estimates.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>SEC Registration Fee</td>
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<tr>
<td>NYSE Listing Fee</td>
<td>US$</td>
</tr>
<tr>
<td>FINRA Filing Fee</td>
<td>US$</td>
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<tr>
<td>Printing and Engraving Expenses</td>
<td>US$</td>
</tr>
<tr>
<td>Legal Fees and Expenses</td>
<td>US$</td>
</tr>
<tr>
<td>Accounting Fees and Expenses</td>
<td>US$</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>US$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>US$</td>
</tr>
</tbody>
</table>
LEGAL MATTERS

We are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters of U.S. federal securities and New York state law. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP. The validity of the ordinary shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Maples and Calder (Hong Kong) LLP. Legal matters as to PRC law will be passed upon for us by Global Law Office and for the underwriters by CM Law Firm and Han Kun Law Offices. Davis Polk & Wardwell LLP may rely upon Maples and Calder (Hong Kong) LLP with respect to matters governed by Cayman Islands law and Global Law Office with respect to matters governed by PRC law. Latham & Watkins LLP may rely upon CM Law Firm and Han Kun Law Offices with respect to matters governed by PRC law.
EXPERTS

The combined and consolidated financial statements and related financial statement schedule 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 financial statement schedule and includes an explanatory paragraph referring to the translation of Renminbi amounts to United States dollar amounts for the convenience of readers in the United States of America). Such combined and consolidated financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The offices of Deloitte Touche Tohmatsu Certified Public Accountants LLP is located at 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 underlying 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 to which this prospectus is 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 inspected over the Internet at the SEC’s website at www.sec.gov 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 these documents, upon payment of a duplicating fee, by writing to the SEC.

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<th>Page</th>
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<td><strong>DOUYU INTERNATIONAL HOLDINGS LIMITED</strong></td>
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<td><strong>INDEX TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Combined and Consolidated Financial Statements for the Years Ended December 31, 2016, 2017 and 2018</strong></td>
<td></td>
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<td>Report of Independent Registered Public Accounting Firm</td>
<td>F-2</td>
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<td>Combined and Consolidated Balance Sheets as of December 31, 2016, 2017 and 2018</td>
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<tr>
<td>Combined and Consolidated Statements of Comprehensive Loss for the years ended December 31, 2016, 2017 and 2018</td>
<td>F-4</td>
</tr>
<tr>
<td>Combined and Consolidated Statements of Changes in Shareholders' Deficit for the years ended December 31, 2016, 2017 and 2018</td>
<td>F-5</td>
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<tr>
<td>Combined and Consolidated Statements of Cash Flows for the years ended December 31, 2016, 2017 and 2018</td>
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<tr>
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<td>Schedule I—Additional information of the parent company</td>
<td>F-47</td>
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<tr>
<td>F-1</td>
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</tbody>
</table>
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of DouYu International Holdings Limited

Opinion on the Financial Statements

We have audited the accompanying combined and consolidated balance sheets of DouYu International Holdings Limited (the "Company") and its subsidiaries and variable interest entities (the "Group") as of December 31, 2016, 2017 and 2018, the related combined and consolidated statements of comprehensive loss, changes in shareholders' deficit, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes and the financial statement schedule included in Schedule I (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2016, 2017 and 2018, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, 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 financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the 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 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 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 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 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

April 4, 2019

We have served as the Group's auditor since 2015.
# COMBINED AND CONSOLIDATED BALANCE SHEETS

## DOUYU INTERNATIONAL HOLDINGS LIMITED

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>RMB</th>
<th>RMB</th>
<th>RMB</th>
<th>RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>516,823,810</td>
<td>520,601,552</td>
<td>5,562,204,889</td>
<td>808,989,148</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>43,971,042</td>
<td>135,778,457</td>
<td>129,464,732</td>
<td>18,829,864</td>
</tr>
<tr>
<td>Prepayments</td>
<td>39,147,605</td>
<td>84,890,832</td>
<td>135,755,353</td>
<td>19,744,797</td>
</tr>
<tr>
<td>Amounts due from related parties</td>
<td>8,857,221</td>
<td>13,536,360</td>
<td>64,070,214</td>
<td>9,318,626</td>
</tr>
<tr>
<td>Other current assets</td>
<td>67,116,183</td>
<td>89,046,361</td>
<td>225,513,856</td>
<td>32,799,630</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>675,915,861</td>
<td>862,853,562</td>
<td>6,117,009,044</td>
<td>889,682,065</td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td>49,292,323</td>
<td>50,270,125</td>
<td>50,427,610</td>
<td>7,334,392</td>
</tr>
<tr>
<td><strong>Intangible assets, net</strong></td>
<td>11,324,271</td>
<td>16,653,672</td>
<td>131,013,892</td>
<td>19,055,180</td>
</tr>
<tr>
<td>Investments</td>
<td>29,246,021</td>
<td>96,129,014</td>
<td>134,252,190</td>
<td>19,526,170</td>
</tr>
<tr>
<td>Goodwill</td>
<td>—</td>
<td>—</td>
<td>13,567,679</td>
<td>1,973,337</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>13,137,789</td>
<td>5,707,803</td>
<td>48,581,307</td>
<td>7,065,858</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>778,916,265</td>
<td>1,031,614,176</td>
<td>6,494,851,722</td>
<td>944,637,002</td>
</tr>
</tbody>
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### LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED SHARES AND SHAREHOLDERS’ DEFICIT

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<tr>
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<th>RMB</th>
<th>RMB</th>
<th>RMB</th>
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<tbody>
<tr>
<td><strong>Current liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable (including RMB335,976,134, RMB452,067,470 and RMB256,071,492 from the consolidated VIEs, without recourse to the Company as of December 31, 2016, 2017 and 2018, respectively)</td>
<td>335,976,134</td>
<td>452,067,470</td>
<td>800,370,211</td>
<td>116,409,019</td>
</tr>
<tr>
<td>Advances from customers (including RMB5,518,705, RMB5,488,122 and RMB8,411,446 from the consolidated VIEs, without recourse to the Company as of December 31, 2016, 2017 and 2018, respectively)</td>
<td>5,518,705</td>
<td>5,488,122</td>
<td>9,708,051</td>
<td>1,411,977</td>
</tr>
<tr>
<td>Deferred revenue (including RMB15,048,939, RMB45,921,961 and RMB112,071,796 from the consolidated VIEs without recourse to the Company as of December 31, 2016, 2017 and 2018, respectively)</td>
<td>15,048,939</td>
<td>45,921,961</td>
<td>112,071,796</td>
<td>16,300,167</td>
</tr>
<tr>
<td>Accounts payable (including RMB120,659,642, RMB208,181,902 and RMB112,071,796 from the consolidated VIEs, without recourse to the Company as of December 31, 2016, 2017 and 2018, respectively)</td>
<td>120,659,642</td>
<td>208,181,902</td>
<td>313,454,992</td>
<td>45,590,138</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities (including RMB46,696,878, RMB160,262,060 and RMB1,547,837 from the consolidated VIEs without recourse to the Company as of December 31, 2016, 2017 and 2018, respectively)</td>
<td>46,696,878</td>
<td>160,262,060</td>
<td>1,628,307,520</td>
<td>236,827,506</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>523,900,298</td>
<td>871,921,515</td>
<td>2,863,912,570</td>
<td>416,538,807</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>523,900,298</td>
<td>871,921,515</td>
<td>2,863,912,570</td>
<td>416,538,807</td>
</tr>
</tbody>
</table>

### Commitments and contingencies (Note 21)

**Convertible redeemable preferred shares (total redemption value of RMB2,156,095,778, RMB2,846,049,639 and RMB7,262,965,150 as of December 31, 2016, 2017 and 2018, respectively)**

<table>
<thead>
<tr>
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<th>RMB</th>
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<th>RMB</th>
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</thead>
<tbody>
<tr>
<td><strong>TOTAL LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED SHARES AND SHAREHOLDERS’ DEFICIT</strong></td>
<td>778,916,265</td>
<td>1,031,614,176</td>
<td>6,494,851,722</td>
<td>944,637,002</td>
</tr>
</tbody>
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The accompanying notes are an integral part of these combined and consolidated financial statements.
## DOUYU INTERNATIONAL HOLDINGS LIMITED

### COMBINED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2018 (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(including related-party revenues of RMB9,494,019, RMB21,726,545 and RMB75,946,677 for the years ended December 31, 2016, 2017 and 2018, respectively)</td>
<td>786,841,976</td>
<td>1,885,717,001</td>
<td>3,654,383,126</td>
<td>531,507,981</td>
</tr>
<tr>
<td><strong>Cost of revenues</strong></td>
<td>(1,155,081,738)</td>
<td>(1,890,368,777)</td>
<td>(3,503,356,228)</td>
<td>(509,542,030)</td>
</tr>
<tr>
<td><strong>Gross profit (loss)</strong></td>
<td>(368,239,762)</td>
<td>(4,651,776)</td>
<td>151,026,898</td>
<td>21,965,951</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and marketing expenses</td>
<td>(223,479,681)</td>
<td>(310,282,787)</td>
<td>(538,898,272)</td>
<td>(78,379,503)</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>(95,011,126)</td>
<td>(100,641,525)</td>
<td>(196,824,280)</td>
<td>(28,626,904)</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>(93,454,164)</td>
<td>(212,114,009)</td>
<td>(329,334,413)</td>
<td>(47,899,704)</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>3,796,425</td>
<td>9,302,582</td>
<td>54,910,077</td>
<td>7,986,339</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>(408,148,546)</td>
<td>(613,735,739)</td>
<td>(1,010,146,888)</td>
<td>(146,919,772)</td>
</tr>
<tr>
<td><strong>Loss from operations</strong></td>
<td>(776,387,779)</td>
<td>(611,768,937)</td>
<td>(869,069,143)</td>
<td>(126,400,865)</td>
</tr>
<tr>
<td>Other income (expenses), net</td>
<td>49,480</td>
<td>(259,810)</td>
<td>(75,613,235)</td>
<td>(10,997,489)</td>
</tr>
<tr>
<td>Foreign exchange loss, net</td>
<td>—</td>
<td>—</td>
<td>(20,176,164)</td>
<td>(2,934,501)</td>
</tr>
<tr>
<td>Interest income</td>
<td>3,889,188</td>
<td>6,878,388</td>
<td>85,840,246</td>
<td>12,484,946</td>
</tr>
<tr>
<td>Interest expenses</td>
<td>(8,904,370)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Fair value change of warrant liabilities</td>
<td>716,231</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Loss before income taxes</strong></td>
<td>(780,637,779)</td>
<td>(611,768,937)</td>
<td>(869,069,143)</td>
<td>(126,400,865)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Share of loss in equity method investments</td>
<td>(2,253,979)</td>
<td>(1,129,007)</td>
<td>(7,210,685)</td>
<td>(1,048,751)</td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(876,279,928)</td>
<td>(127,449,616)</td>
</tr>
<tr>
<td>Deemed dividend</td>
<td>(284,943,058)</td>
<td>—</td>
<td>(6,661,667)</td>
<td>(968,899)</td>
</tr>
<tr>
<td><strong>Net loss attributable to ordinary shareholders of the Company</strong></td>
<td>(1,067,834,816)</td>
<td>(612,897,944)</td>
<td>(882,941,495)</td>
<td>(128,418,515)</td>
</tr>
<tr>
<td><strong>Net loss per ordinary share attributable to ordinary shareholders</strong></td>
<td>(123.94)</td>
<td>(74.85)</td>
<td>(108.80)</td>
<td>(15.82)</td>
</tr>
</tbody>
</table>

**Weighted average shares used in calculating net loss per ordinary share**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic and Diluted</td>
<td>8,615,914</td>
<td>8,188,790</td>
<td>8,115,160</td>
<td>8,115,160</td>
</tr>
</tbody>
</table>

**Unaudited pro forma net loss per ordinary share attributable to ordinary shareholders (Note 17)**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic and Diluted</td>
<td>(31.27)</td>
<td>(4.55)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Basic and Diluted</td>
<td>28,021,265</td>
<td>28,021,265</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td><strong>Net loss</strong></td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(876,279,828)</td>
<td>(127,449,616)</td>
</tr>
<tr>
<td>Other comprehensive loss, net</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of tax of nil:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation</td>
<td>—</td>
<td>—</td>
<td>325,593,213</td>
<td>47,355,569</td>
</tr>
<tr>
<td>adjustments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Comprehensive loss</strong></td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(550,686,615)</td>
<td>(80,094,047)</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these combined and consolidated financial statements.

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**DOUYU INTERNATIONAL HOLDINGS LIMITED**

**COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ DEFICIT**

<table>
<thead>
<tr>
<th></th>
<th>Ordinary Shares</th>
<th>Additional Paid-in capital</th>
<th>Accumulated Deficit</th>
<th>Accumulated Other Comprehensive Income</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
</tr>
<tr>
<td><strong>Balance at</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2015</td>
<td>—</td>
<td>—</td>
<td>41,025,401</td>
<td>(709,614,641)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(668,589,240)</td>
</tr>
<tr>
<td><strong>Distribution to</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>shareholders of Guangzhou Douyu in connection with 2016 Restructuring (Note 1)</td>
<td>—</td>
<td>—</td>
<td>(13,452,685)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Deemed dividend upon issuance of Series B Preferred Equity (Note 15)</strong></td>
<td>—</td>
<td>—</td>
<td>(27,572,716)</td>
<td>(45,163,881)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Repurchase of equity interest of Wuhan Douyu upon issuance of Series B Preferred Equity (Note 15)</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(77,396,500)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Deemed dividend from repurchase of equity interest of Wuhan Douyu upon issuance of Series C Preferred Equity (Note 15)</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(85,378,540)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Repurchase of equity interest of Wuhan Douyu upon issuance of Series C Preferred Equity (Note 15)</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(72,020,079)</td>
<td>—</td>
</tr>
<tr>
<td><strong>Deemed dividend from repurchase of equity interest of Wuhan Douyu upon issuance of Series C Preferred Equity (Note 15)</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(126,827,921)</td>
<td>—</td>
</tr>
</tbody>
</table>
The accompanying notes are an integral part of these combined consolidated financial statements.

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- Supplemental disclosure on non-cash investing and financing activities:
  - Deferred offering costs payable
  - Conversion of loan and interest to convertible redeemable preferred equity
  - Exercise of warrant for issuance convertible redeemable preferred equity

- Additional information:
  - The accompanying notes are an integral part of these combined and consolidated financial statements.

## DOUYU INTERNATIONAL HOLDINGS LIMITED

### COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
<th>US$ (Note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>(782,891,756)</td>
<td>(612,897,944)</td>
<td>(876,279,828)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash used in operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation of property and equipment</td>
<td>6,819,543</td>
<td>23,167,001</td>
<td>26,996,910</td>
</tr>
<tr>
<td>Gain from the disposal of intangible assets</td>
<td>—</td>
<td>—</td>
<td>(3,525,314)</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>244,138</td>
<td>2,875,712</td>
<td>18,548,448</td>
</tr>
<tr>
<td>Loss on the disposal of property and equipment</td>
<td>12,742</td>
<td>49,787</td>
<td>117,573</td>
</tr>
<tr>
<td>Provision for allowance for doubtful accounts</td>
<td>1,690,103</td>
<td>3,482,332</td>
<td>1,121,009</td>
</tr>
<tr>
<td>Share of loss in equity method investments</td>
<td>2,253,979</td>
<td>1,129,007</td>
<td>7,210,685</td>
</tr>
<tr>
<td>Impairment loss of investments</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Loss on disposal of investment</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Share-based compensation</td>
<td>24,925,727</td>
<td>17,574,638</td>
<td>35,404,887</td>
</tr>
<tr>
<td>Fair value change of warrant liabilities</td>
<td>(716,231)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Interest expense of convertible loans</td>
<td>2,396,469</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Foreign exchange loss</td>
<td>—</td>
<td>—</td>
<td>75,613,235</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(20,361,250)</td>
<td>(95,289,748)</td>
<td>5,192,716</td>
</tr>
<tr>
<td>Prepayments</td>
<td>(37,976,807)</td>
<td>(45,743,227)</td>
<td>(50,864,521)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(33,789,765)</td>
<td>(17,751,035)</td>
<td>(133,691,495)</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>(2,607,971)</td>
<td>(570,012)</td>
<td>(8,468,841)</td>
</tr>
<tr>
<td>Amounts due from related parties</td>
<td>(8,857,221)</td>
<td>(4,679,139)</td>
<td>(50,533,854)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>3,312,717</td>
<td>127,136,065</td>
<td>348,302,741</td>
</tr>
<tr>
<td>Advances from customers</td>
<td>5,030,070</td>
<td>(30,583)</td>
<td>4,219,929</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>72,309,638</td>
<td>76,070,533</td>
<td>105,273,090</td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>42,157,462</td>
<td>113,565,182</td>
<td>72,956,231</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>11,953,573</td>
<td>30,873,022</td>
<td>66,149,835</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities:</strong></td>
<td>(714,114,842)</td>
<td>(381,036,409)</td>
<td>(337,586,406)</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities:** | | | | |
| Proceeds on disposal of property and equipment | 56,752                 | 47,621                 | 26,477       | 3,851         |
| Purchases of property and equipment | (44,642,533)           | (23,837,212)           | (32,826,275) | (4,774,384)   |
| Purchases of intangible assets | (2,199,833)           | (8,205,114)           | (83,163,444) | (12,995,621) |
| Purchases of short-term investments | (870,000,000)         | (1,700,000,000)       | (27,700,000) | (402,879,791) |
| Proceeds from disposal of short-term investments | 870,000,000         | 1,700,000,000         | 27,700,000   | 402,879,791   |
| Proceeds from disposal of intangible assets | —                     | —                      | 1,484,377    | 215,894       |
| Payment for business acquisition, net of cash acquired. | —                     | —                      | (57,971,520) | (8,431,608)   |
| Payment for investments | (39,500,000)          | (60,012,000)          | (92,500,000) | (13,453,567) |
| **Cash used in investing activities:** | (86,265,614)         | (92,006,705)          | (264,950,305) | (16,535,435) |

| **Cash flows from financing activities** | | | | |
| Deferred offering costs | —                     | —                      | (6,876,834)  | (1,000,194)   |
| Proceeds on issuance of ordinary shares | —                     | —                      | 5,207        | 757           |
| Repayment of loans | (271,875,000)         | —                      | —            | —             |
| Loans from Beijing Sequoia and Nanxian | 46,000,000            | —                      | —            | —             |
| Distribution to the shareholders of Guangzhou Douyu in connection with 2016 Restructuring | (4,459,672)           | —                      | —            | —             |
| Capital contribution from convertible redeemable preferred shareholders | 1,528,504,000         | 500,000,000           | 4,026,518,012 | 585,632,756 |
| Cash received from a preferred shareholder in connection with 2018 Restructuring | —                     | —                      | 1,260,439,815 | 183,323,368 |
| Repurchase of Series C-2 Preferred Equity | —                     | —                      | (39,995,000) | (5,817,031)   |
| Advance from related party | —                     | —                      | (39,995,000) | (5,817,031)   |
| **Cash provided by financing activities:** | 1,298,169,328        | 500,000,000           | 5,280,086,200 | 767,956,687 |
| Effect of foreign exchange rate changes on cash and cash equivalents | 1,468,436             | (4,179,144)           | 345,053,928  | 50,186,012    |
| Net increase in cash and cash equivalents | 499,237,308           | 22,777,742            | 5,022,603,337 | 730,507,357 |
| Cash and cash equivalent at the beginning of the year | 17,586,502            | 516,823,810           | 539,601,552  | 78,481,791    |
| Cash and cash equivalent at the end of the year | 516,823,810           | 539,601,552           | 5,562,204,808 | 808,989,148   |

### Supplemental disclosure of cash flow information:

- Interest expenses paid | 7,257,901            | —                      | 323,650      | 47,073        |
- Income tax paid | —                     | —                      | —            | —             |

### Supplemental disclosure on non-cash investing and financing activities:

- Deferred offering costs payable | —                     | —                      | 6,353,017    | 924,008       |
- Conversion of loan and interest to convertible redeemable preferred equity | 56,187,500           | —                      | —            | —             |
- Exercise of warrant for issuance convertible redeemable preferred equity | 3,333,333            | —                      | —            | —             |

The accompanying notes are an integral part of these combined and consolidated financial statements.
Notes to the Combined and Consolidated Financial Statements

1. Organization and principal activities

DouYu International Holdings Limited (the "Company" or "DouYu International") was incorporated under the laws of Cayman Islands on January 5, 2018. The Company, its subsidiaries and its variable interest entities (collectively referred to as the "Group") operate platform on PC and mobile apps, through which users can enjoy immersive and interactive gaming and entertainment live streaming.

History of the Group

The Group's history began with the commencement of operations of Guangzhou Douyu Internet Technology Co., Ltd. ("Guangzhou Douyu"), a limited liability company established in Guangdong Province, the People Republic of China (the "PRC") on April 3, 2014, which was owned by two founders, Mr. Shaojie Chen and Mr. Wenming Zhang (the "Founders") and an outside investor (collectively referred to as the "Original Shareholders").

2016 Restructuring

In 2015, the Original Shareholders initiated a restructuring plan to move Guangzhou Douyu's business from Guangdong province to Hubei province in order to expand its business. The restructuring was accomplished through a series of transactions ("2016 Restructuring") as follows:

On May 8, 2015, Wuhan Douyu Internet Technology Co., Ltd. ("Wuhan Douyu") was established as a limited liability company under the laws of the PRC with a registered capital of RMB10 million. On February 3, 2016, Wuhan Douyu and Guangzhou Douyu executed an assets and business transfer agreement. Pursuant to the agreement, Guangzhou Douyu transferred all of its assets, liabilities and business, excluding cash and cash equivalents of RMB2.6 million and deductible tax assets of RMB9.0 million to Wuhan Douyu for a cash consideration of RMB1.9 million.

Upon the completion of the 2016 Restructuring, Wuhan Douyu succeeded all of the operations of Guangzhou Douyu. As Guangzhou Douyu and Wuhan Douyu were all under common control of the Mr. Shaojie Chen, the 2016 Restructuring was accounted for in a manner similar to a pooling of interest with assets and liabilities recognized at their historical amount in the Group's combined and consolidated financial statements. The cash consideration paid of RMB1.9 million and cash and deductible tax assets retained by Guangzhou Douyu of RMB11.6 million, were recorded as a distribution to shareholders of Guangzhou Douyu in the combined and consolidated statements of changes in shareholders' deficit.

2018 Restructuring

In 2018, the Original Shareholders and all of the investors undertook an equity restructuring in order to redomicile its business from PRC to the Cayman Islands (the "2018 Restructuring"), which was executed in the following steps:

1. On January 5, 2018, the Company was incorporated in the Cayman Islands to be the holding company of the Group. The Ordinary Shareholders subscribed to 8,188,790 ordinary shares of the Company at par value of US$0.0001 per share.

2. Upon obtaining all necessary approvals from the PRC government, on May 14, 2018, the investors subscribed for convertible redeemable preferred shares at no consideration, all in the same proportions, on an as converted basis, as the percentage of equity interest they held in
Notes to the Combined and Consolidated Financial Statements (Continued)

1. Organization and principal activities (Continued)

Wuhan Douyu. Upon the issuance of preferred shares and ordinary shares issued in step 1, the equity structure of the Company is identical to that of Wuhan Douyu.

3. On May 18, 2018, the Company, through its wholly owned subsidiary in PRC, entered into a series of contractual arrangement, with Wuhan Douyu and its respective shareholders. See Note 2.2 below for a description of the VIE arrangements pursuant to which the Company and its subsidiary were established as a primary beneficiary of the Wuhan Douyu.

As of December 31, 2018, the Company's principal subsidiaries, VIEs are as follows:

<table>
<thead>
<tr>
<th>Wholly owned subsidiaries</th>
<th>Date of incorporation/establishment</th>
<th>Place of incorporation/establishment</th>
<th>Percentage of direct/indirect ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wuhan Douyu Education Consulting Co., Ltd.</td>
<td>November 9, 2016</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Yuwan Culture Media Co., Ltd.</td>
<td>June 28, 2016</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Yuxing Tianxia Culture Media Co., Ltd.</td>
<td>June 24, 2016</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Yuyin Raoliang Culture Co., Ltd.</td>
<td>June 23, 2016</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Yu Leyou Internet Technology Co., Ltd.</td>
<td>November 9, 2016</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd.</td>
<td>January 5, 2017</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Douyu Yule Internet Technology Co., Ltd.</td>
<td>April 2, 2018</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VIEs</th>
<th>Date of incorporation/establishment</th>
<th>Place of incorporation/establishment</th>
<th>Percentage of direct/indirect ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wuhan Ouyue Online TV Co., Ltd. (&quot;Wuhan Ouyue&quot;)</td>
<td>February 3, 2016</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
<tr>
<td>Wuhan Douyu Network Technology Co., Ltd.</td>
<td>May 8, 2015</td>
<td>Wuhan</td>
<td>100%</td>
</tr>
</tbody>
</table>

2. Summary of significant accounting policies

2.1 Basis of Presentation

The combined and consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

2.2 Basis of Consolidation

The financial statements presented herein represent (1) prior to 2018 Restructuring, the Combine Financial Statements of Wuhan Douyu, it subsidiaries and variable interest entity; (2) subsequent to 2018 Restructuring, the combined and consolidated financial statements of the Company, it subsidiaries and variable interest entities. All inter-company transactions and balances have been eliminated.

The Company, through its wholly-owned foreign invested subsidiary, WFOE in the PRC, entered into a series of contractual arrangements ("VIE agreements") with Wuhan Douyu and Wuhan Ouyue (collectively known as "the VIEs") and their respective shareholders that enable the Company to (1) have power to direct the activities that most significantly affects the economic performance of the VIEs, and (2) receive the economic benefits of the VIEs that could be significant to the VIEs.

Applicable PRC laws and regulations currently limit foreign ownership of companies that provide internet valued-added businesses. The Company is deemed a foreign legal person under PRC laws and accordingly subsidiaries owned by the Company are not eligible to engage in provisions of internet content or online services. The Group therefore operates its business, primarily through the VIEs and the subsidiaries of the VIEs.
2. Summary of significant accounting policies (Continued)

Agreements that provide the Group effective control over the VIEs include:

Shareholders' Voting Rights Proxy Agreement

Pursuant to the voting rights proxy agreements signed between each of the shareholders of the VIEs and WFOE, each shareholder irrevocably appointed WFOE as its attorney-in-fact to exercise on each shareholder's behalf and all rights that each shareholder has in respect of its equity interest in the VIEs (including but not limited to executing the exclusive right to the voting rights and the right to appoint directors and executive officers of the VIEs). The shareholders cannot revoke the authorization and entrustment as long as the shareholders remain a shareholder of the VIEs. The power of attorney will remain in force.

Executive Call Option Agreement

Pursuant to the exclusive call option agreement entered into between each of the shareholders of the VIEs and WFOE, the shareholders irrevocably granted WFOE a call option to request the shareholders to transfer or sell any part or all of its equity interests in the VIEs, to WFOE, or their designees. The purchase price of the equity interests in the VIEs shall be equal to the minimum price required by PRC law. Without WFOE's prior written consent, the VIEs and its shareholders shall not amend its articles of association, increase or decrease the registered capital, sell or otherwise dispose of its assets or beneficial interest, issue any additional equity or right to receive equity, provide any loans, distribute dividends in any form, etc. The term is for ten years and may be extended for another ten years at the option of WFOE.

Equity Pledge Agreements

Each shareholder of the VIEs has also entered into an equity pledge agreement with WFOE, pursuant to which each shareholder pledged his/her interest in WFOE to guarantee the performance of obligations of WFOE and its shareholders under the exclusive business cooperation agreement, exclusive call option agreement, and shareholders' voting rights proxy agreement. If the VIEs or any of the shareholder breaches its contractual obligations, WFOE will be entitled to certain rights and interests regarding the pledged equity interests including the right to dispose the pledged equity interests. None of the shareholders shall, without the prior written consent of WFOE, assign or transfer to any third party, create or cause any security interest and any liability in whatsoever form to be created on, all or any part of the equity interests it holds in the VIEs. This agreement is not terminated until all of the agreements under the shareholders' voting rights proxy agreement, exclusive call option agreement and the exclusive business cooperation agreement are fully performed.

Agreement that transfer economic benefits of the VIEs to the Group include:

Exclusive Business Cooperation Agreement

Pursuant to the exclusive business cooperation agreement entered into by WFOE and the VIEs, WFOE provides exclusive technical support and consulting services in return for fees based on 100% of the VIE's total consolidated profit, which is adjustable at the sole discretion of WFOE. Without WFOE's consent, the VIEs cannot procure services from any third party or enter into similar service arrangements with any other third party, except for those from WFOE. The term of this agreement is ten years. Unless agreed by both parties in writing, this agreement shall be automatically renewed for another ten years upon its expiration.

F-9
2. Summary of significant accounting policies (Continued)

Shareholders Voting Right Proxy Agreements provide the Group effective control over the VIEs and its subsidiaries, while the Equity Pledge Agreements secure the obligations of the shareholders of the VIEs under the relevant agreements. Because the Company, through the WFOE, has (i) the power to direct the activities of the VIEs that most significantly affect the entity's economic performance and (ii) the right to receive substantially all of the benefits from the VIEs, the Company is deemed the primary beneficiary of the VIEs. Accordingly, the Company has consolidated the VIEs' financial results of operations, assets and liabilities in the Group's combined and consolidated financial statements. The aforementioned agreements are effective agreements between a parent and consolidated subsidiaries, neither of which is accounted for in the combined and consolidated financial statements or are ultimately eliminated upon consolidation (i.e. service fees under the Exclusive Business Cooperation Agreement).

The Group believes that the contractual arrangements with the VIEs 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 or refuse to grant or renew the Group's business and operating licenses;
- restrict or prohibit related party transactions between the wholly owned subsidiary of the Group and the VIE;
- impose fines, confiscate income or other requirements which the Group may find difficult or impossible to comply with;
- require the Group to alter, discontinue or restrict its operations;
- restrict or prohibit the Group's ability to finance its operations, and;
- take other regulatory or enforcement actions against the Group that could be harmful to the Group's business.

The imposition of any of these restrictions or actions could result in a material adverse effect on the Group's ability to conduct its business. In such case, the Group may not be able to operate or control the VIEs, which may result in deconsolidation of the VIEs in the Group's combined and consolidated financial statements. In the opinion of management, the likelihood for the Group to lose such ability is remote based on current facts and circumstances. The Group's operations depend on the VIEs to honor their contractual arrangements with the Group. These contractual arrangements are governed by PRC law and disputes arising out of these agreements are expected to be decided by arbitration in the PRC. The management believes that each of the contractual arrangements constitutes valid and legally binding obligations of each party to such contractual arrangements under PRC laws. However, the interpretation and implementation of the laws and regulations in the PRC and their application to an effect on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIEs or the nominee shareholders of the VIEs fail to perform their obligations under those arrangements.

F-10
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

The following financial statement amounts and balances of the VIEs were included in the accompanying combined and consolidated financial statements after elimination of intercompany transactions and balances:

The VIEs contributed 100%, 100% and 94% of the Group's consolidated revenue for the years ended December 31, 2016, 2017 and 2018, respectively. As of December 31, 2018, the VIEs accounted for an aggregate of 30% of the consolidated total assets, and 71% of the consolidated total liabilities.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2016</th>
<th>As of December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>516,823,810</td>
<td>539,601,552</td>
<td>1,549,689,255</td>
<td></td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>43,971,042</td>
<td>135,778,457</td>
<td>68,238,203</td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>39,147,605</td>
<td>84,890,832</td>
<td>18,440,371</td>
<td></td>
</tr>
<tr>
<td>Amounts due from related parties</td>
<td>8,857,221</td>
<td>13,536,360</td>
<td>53,815,484</td>
<td></td>
</tr>
<tr>
<td>Other current assets</td>
<td>67,116,183</td>
<td>89,046,361</td>
<td>93,062,950</td>
<td></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>49,292,323</td>
<td>50,270,125</td>
<td>29,297,602</td>
<td></td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>11,324,271</td>
<td>16,653,672</td>
<td>15,645,467</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>29,246,021</td>
<td>96,129,014</td>
<td>128,018,556</td>
<td></td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>13,137,789</td>
<td>5,707,803</td>
<td>6,858,141</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>778,916,265</td>
<td>1,031,614,176</td>
<td>1,963,066,029</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>2016</th>
<th>As of December 31,</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>335,976,134</td>
<td>452,067,470</td>
<td>256,071,492</td>
<td></td>
</tr>
<tr>
<td>Advances from customers</td>
<td>5,518,705</td>
<td>5,488,122</td>
<td>8,411,446</td>
<td></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>15,048,939</td>
<td>45,921,961</td>
<td>112,071,796</td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>120,659,642</td>
<td>208,181,902</td>
<td>103,101,896</td>
<td></td>
</tr>
<tr>
<td>Amounts due to related parties</td>
<td>46,696,878</td>
<td>160,262,060</td>
<td>1,547,837,321</td>
<td></td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>523,900,298</td>
<td>871,921,515</td>
<td>2,027,493,951</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net cash provided by (used in) operating activities</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in investing activities</td>
<td>86,285,614</td>
<td>(92,006,705)</td>
<td>(80,279,043)</td>
</tr>
<tr>
<td>Net cash provided by financing activities</td>
<td>1,298,169,328</td>
<td>500,000,000</td>
<td>—</td>
</tr>
</tbody>
</table>

The VIEs contributed 100%, 100% and 94% of the Group's consolidated revenue for the years ended December 31, 2016, 2017 and 2018, respectively. As of December 31, 2018, the VIEs accounted for an aggregate of 30% of the consolidated total assets, and 71% of the consolidated total liabilities.

F-11
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

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 VIEs. However, if the VIEs were ever to need financial support, the Group may provide financial support to its VIEs through loans to the shareholders of the VIEs or entrustment loans to the VIEs.

The Group believes that there are no assets held in the VIEs that can be used only to settle obligations of the VIEs. As the VIEs are incorporated as limited liability companies under the PRC Company Law, creditors of the VIEs do not have recourse to the general credit of the Company for any of the liabilities of the VIEs. Relevant PRC laws and regulations restrict the VIEs from transferring a portion of their net assets, equivalent to the balance of its statutory reserve and its registered capital, to the Company in the form of loans and advances or cash dividends.

2.3 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 and the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ materially from such estimates. Significant accounting estimates reflected in the Group's combined and consolidated financial statements include the determination of estimated selling prices of multiple element revenue contracts for revenue recognition, valuation of ordinary share, share-based compensation, and realization of deferred tax assets.

2.4 Fair value measurements

Fair value reflects 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 considers assumptions that market participants would use when pricing the assets or liabilities.

The Group applies a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. This guidance specifies a hierarchy of valuation techniques, which is based on whether the inputs into the valuation technique are observable or unobservable. The hierarchy is as follows:

Level 1—Valuation techniques in which all significant inputs are unadjusted quoted prices from active markets for assets or liabilities that are identical to the assets or liabilities being measured.

Level 2—Valuation techniques in which significant inputs include quoted prices from active markets for assets or liabilities that are similar to the assets or liabilities being measured and/or quoted prices for assets or liabilities that are identical or similar to the assets or liabilities being measured from markets that are not active. Also, model-derived valuations in which all significant inputs and significant value drivers are observable in active markets are Level 2 valuation techniques.

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Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

Level 3—Valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are valuation technique inputs that reflect the Group's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The fair value guidance describes three main approaches to measure the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

The Group did not have any financial instruments that were required to be measured at fair value on a recurring basis as of December 31, 2016, 2017 and 2018.

2.5 Foreign currency translation

The functional currency of the Company is in US dollars ("US$"). The functional currency of the Group's subsidiaries and VIEs in the PRC is Renminbi ("RMB").

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than the functional currency are measured and recorded in the functional currency at the exchange rate prevailing on the transaction date. Translation gains and losses are recognized in the combined and consolidated statements of comprehensive loss.

The Group's reporting currency is Renminbi ("RMB"). For entities within the Group that have a functional currency other than the reporting currency, assets and liabilities are translated from each entity's functional currency to the reporting currency at the exchange rates in effect on the balance sheet date. Equity amounts are translated at historical exchange rates. Revenues, expenses, gains and losses are translated using the average rates for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a component of other comprehensive income in the statements of comprehensive income (loss) and the combined and consolidated statements of change in shareholders' deficit.

2.6 Convenience Translation into United States Dollars

Translations of balances in the combined and consolidated balance sheets, combined and consolidated statements of comprehensive losses and combined and consolidated statements of cash flows from RMB into United States dollars are solely for the convenience of the reader and were calculated at the rate of US$1.00 = RMB 6.8755, on December 28, 2018, as set forth in H.10 statistical release of the Federal Reserve Board. 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 December 28, 2018, or at any other rate.

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Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

2.7 Cash and cash equivalents

Cash and cash equivalents primarily consist of cash on hand and cash in bank which are highly liquid. As of December 31, 2016, 2017 and 2018, all cash and cash equivalents are unrestricted as to withdrawal and use.

2.8 Accounts receivable and allowance for doubtful accounts

Accounts receivable are stated at the historical carrying amount net of allowance for doubtful accounts. The Group uses specific identification in providing for bad debts when facts and circumstances indicate that collection is doubtful and a loss is probable and estimable. If the financial conditions of its customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The Group maintains an allowance for doubtful accounts which reflects its best estimate of amounts that potentially will not be collected. The Group determines the allowance for doubtful accounts taking into consideration various factors including but not limited to historical collection experience and credit-worthiness of the debtors as well as the age of the individual receivables balance. Additionally, the Group makes specific bad debt provisions based on any specific knowledge the Group has acquired that might indicate that an account is uncollectible. The facts and circumstances of each account may require the Group to use substantial judgment in assessing its collectability. Uncollectible accounts receivable over two years are 100% written off.

2.9 Property and equipment, net

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the following estimated useful lives:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and transmission equipment</td>
<td>3 years</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Over the shorter of the lease term or expected useful lives</td>
</tr>
<tr>
<td>Furniture and office equipment</td>
<td>5 years</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

2.10 Intangible assets, net

Intangible assets are recorded at the cost to acquire these assets less accumulated amortization. Amortization of finite-lived intangible assets is computed using the straight-line method over their estimated useful lives. License for Online Transmission of Audio/Video Programs is determined to have
2. Summary of significant accounting policies (Continued)

an infinite useful life and is not subject to amortization, as such license is renewable every three years and can be renewed indefinitely.

<table>
<thead>
<tr>
<th></th>
<th>Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand name</td>
<td>10 years</td>
</tr>
<tr>
<td>Platform</td>
<td>5 years</td>
</tr>
<tr>
<td>Agency contract rights</td>
<td>Over the shorter of contract period or expected useful lives</td>
</tr>
<tr>
<td>Software</td>
<td>3 years</td>
</tr>
<tr>
<td>Other</td>
<td>1 - 10 years</td>
</tr>
<tr>
<td>License for Online Transmission of Audio/Video Programs</td>
<td>Infinite life</td>
</tr>
</tbody>
</table>

2.11 Goodwill

Goodwill is recognized for the excess of the purchase price over the fair value of tangible and identifiable intangible net assets of business acquired. Several factors give rise to goodwill in our acquisitions, such as the expected benefit from the existing workforce and client service capability of the acquired businesses. Goodwill is reviewed at least annually for impairment. In evaluation of goodwill impairment, the Group perform a qualitative assessment to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment is not conclusive, the Group proceed to a two-step process to test goodwill for impairment, including comparing the fair value the reporting unit to its carrying value (including attributable goodwill). Fair value for the reporting units is determined using an income or market approach incorporating market participant considerations and management's assumptions on revenue growth rates, operating margins, discount rates and expected capital expenditures. Fair value determinations mainly include both internal and third-party valuations. Unless circumstances otherwise dictate, the Group performs the impairment testing on annual basis as of December 31.

2.12 Impairment of long-lived assets and intangible assets

The Group evaluates its long-lived assets 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.

The Group evaluates intangible asset that is not subject to amortization for impairment annual and more frequently if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group conducts quantitative impairment test for indefinite-lived intangible asset and compares of the fair value of the asset with its carrying amount. The Group recognizes impairment loss on the amount by which the carrying value exceeds the fair value of the asset. After an impairment loss is recognized, the Group uses adjusted carrying amount of the long-lived assets and intangible asset as its new accounting basis.

2.13 Long-term investments

Investments held by the Group comprised of equity investments in privately-held entities. The Group accounts for its equity investments over which it has significant influence but does not own a majority equity interest or otherwise control using the equity method. The Group adjusts the carrying
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

amount of the investments and recognizes investment income or loss for share of the earnings or loss of the investee after the date of investment. For equity investments over which the Group does not have significant influence or control, the cost method of accounting is used. Under the cost method, the Group carries the investments at cost and recognizes income to the extent of dividend received from the distribution of the equity investee's post-acquisition profits.

The Group assesses its equity investments for impairment by considering factors including, but not limited to, current economic and market conditions, operating performance of the entities, including current earnings trends and undiscounted cash flows, and other entity-specific information. The fair value determination, particularly for investments in privately-held entities, requires judgment to determine appropriate estimates and assumptions. Changes in these estimates and assumptions could affect the calculation of the fair value of the investments and determination of whether any identified impairment is other-than-temporary. If the decline in the fair value is deemed to be other-than-temporary, the carrying value of the equity investment is written down to fair value. The Group recorded impairment loss of nil, nil and RMB15,166,140 in other expense, net for the years ended December 31, 2016, 2017 and 2018, respectively.

2.14 Convertible notes and detachable warrants

The Group issued convertible notes with detachable warrants in 2015. The Group has evaluated whether the conversion feature of the notes is considered an embedded derivative instrument subject to bifurcation in accordance with ASC 815, Accounting for Derivative Instruments and Hedging Activities. Based on the Group's evaluation, the conversion feature is not considered an embedded derivative instrument subject to bifurcation as conversion option does not provide the holder of the notes with means to net settle the contracts. Convertible notes, for which the embedded conversion feature does not qualify for derivative treatment, are evaluated to determine if the effective rate of conversion per the terms of the convertible note agreement is below fair value. The Group has determined that there was no beneficial conversion feature attributable to the convertible note, as the effective conversion price is not below fair value of the equity interest to be converted on the commitment dates. The Group will reevaluate whether beneficial conversion feature is required to be recorded upon modification to the effective conversion price of the equity interest, if any.

The Group has evaluated the detachable warrants in accordance with ASC 815, Accounting for Derivative Instruments and Hedging Activities has had determined the detachable warrants meet the definition of a derivative and need to be measured under the fair value. The Group classifies warrants in its combined and consolidated balance sheet as a liability which is revalued at each balance sheet date subsequent to the initial issuance.

2.15 Revenue recognition

The Group recognizes revenue when a persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectability is reasonably assured. Revenue are recorded, net of sales related taxes and surcharge. The Group principally derives its revenue from live streaming, advertisement and other services.

Live streaming

The Group is principally engaged in operating its own live streaming platforms, which enable streamers and users to interact with each other during live streaming. The users have the option to
2. Summary of significant accounting policies (Continued)

purchase virtual currency, which is non-refundable and can only be used to redeem for virtual items to be used in the live streaming sessions on the Group's platforms. Unredeemed virtual currency is recorded as deferred revenue. Virtual currencies used to purchase virtual items are recognized as revenue according to the prescribed revenue recognition policies of virtual items addressed below unless otherwise stated.

Virtual items are categorized as consumable and time-based items. Consumable items consist of virtual gifts presented from the users to the streamers to show their support, and are consumed immediately upon redemption. For consumable virtual item, the Group recognizes live streaming revenue when the consumable virtual item is used. Time-based items consist of monthly premium subscription services. Live streaming revenue for the time-based items is recognized ratably over a fixed period on a straight line basis. The Group does not have further obligations to the user after the virtual items are consumed immediately or after the stated period of time for time-based items.

Virtual items may be sold individually or bundled into one arrangement. When the Group's users purchase multiple virtual items bundled within the same arrangement, the Group evaluates such arrangements under ASC 605-25 Multiple-Element Arrangements. The Group allocates arrangement consideration in multiple-deliverable revenue arrangements at the inception of an arrangement to all service revenues based on the relative selling price in accordance with the selling price hierarchy, which includes: (i) vendor-specific objective evidence ("VSOE") if available; (ii) third-party evidence ("TPE") if VSOE is not available; and (iii) best estimate of selling price ("BESP") if neither VSOE nor TPE is available.

Advertisement

The Group generates advertisement revenues from rendering of various forms of advertisement services and provision of promotion campaigns on the live streaming platforms by way of advertisement display or integrated promotion activities in shows and programs on the live streaming platforms. Advertisements on the Group's platforms are generally charged on the basis of duration whereby revenue is recognized ratably over the contract period of display. The Group provides sales incentives in the forms of discounts and rebates to advertisers or advertisement agencies based on purchase volume. Revenue is recognized based on the price charged to the advertisers or agencies, net of sales incentives provided to the advertisers or agencies. Sales incentives are estimated and recorded at the time of revenue recognition based on the contracted rebate rates and estimated sales volume based on historical experience. For the years ended December 31, 2016, 2017 and 2018, the rebates recorded by the Group were RMB13,021,656, RMB35,337,970 and RMB44,389,826, respectively.

Other revenue

Other revenue mainly consists of game distribution revenue. Online games developed by third party game developers are displayed through the Group's platforms to attract users to download and play the games. The Group earns revenues from game developers in accordance with the pre-determined arrangements based on the in game purchase amounts for the games downloaded or played through the Group's platforms. Game distribution revenue is recognized at a point in time when the purchase in game is made. Other revenue also includes ticket revenue for certain events held by the Group.
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

2.16 Cost of revenues

Amounts recorded as cost of revenue relate to direct expenses incurred in order to generate revenue. Such costs are recorded as incurred. Cost of revenues consists primarily of (i) revenue sharing fees paid to live streamers and talent agencies determined based on a percentage of revenue from sale of virtual items, (ii) content costs, (iii) bandwidth, (iv) salaries and welfare, (v) server costs, depreciation and amortization expense for servers and other equipment, and intangibles directly related to operating the platform, and (vi) payment handling costs.

2.17 Research and development expenses

Research and development expenses primarily consist of (1) salaries and benefits expenses incurred for research and development personnel, and (2) rental, general expenses and depreciation expenses associated with the research and development activities. Expenditures incurred during the research phase are expensed as incurred and no research and development expenses were capitalized as of December 31, 2016, 2017 and 2018.

2.18 Sales and marketing expenses

Sales and marketing expenses consist primarily of (i) advertising and market promotion expenses and (ii) salaries and welfare for sales and marketing personnel. The advertising and market promotion expenses amounted to RMB84,940,702, RMB98,732,746 and RMB129,013,488 for the years ended December 31, 2016, 2017 and 2018, respectively.

2.19 General and administrative expenses

General and administrative expenses consist primarily of (i) consulting fees, and (ii) share based compensation, salaries and welfare for general and administrative personnel.

2.20 Income taxes

Current income taxes are provided for in accordance with the laws of the relevant tax authorities.

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 consider all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation. Deferred tax assets are then reduced by a valuation allowance through a charge to income tax expense when, in the opinion of management, it is more likely than not that a portion of or all of the deferred tax assets will not be realized.

The Group accounts for uncertainty in income taxes recognized in the combined and consolidated financial statements by applying a two-step process to determine the amount of the benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained (defined as a likelihood of more than fifty percent of being sustained).
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

sustained upon an audit, based on the technical merits of the tax position), the tax position is then assessed to determine the amount of benefits to recognize in the combined and consolidated financial statements. The amount of the benefits that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. Interest and penalties on income taxes will be classified as a component of the provisions for income taxes. The Group did not recognize any income tax due to uncertain tax position or incur any interest and penalties related to potential underpaid income tax expenses for the years ended December 31, 2016, 2017 and 2018.

2.21 Segment information

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. Before October 2018, the Group operates and manages it business in PRC China as a single segment. In October 2018, the Group acquired a business which operates a live stream platform in Southeast Asia ("Nonolive") (see Note 3) and identified it as a new operating segment. The Group has determined that Nonolive does not meet the quantitative thresholds for a reportable segment under ASC 280-10-50 in the year ended December 31, 2018, therefore, does not result in a reportable segment.

2.22 Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases are recognized on a straight-line basis over the lease term. Certain of the operating lease agreements contain rent holidays. Rent holidays are considered in determining the straight-line rent expense to be recorded over the lease term.

2.23 Government subsidies

Government subsidies are primarily referred to the amounts received from various levels of local governments from time to time which are granted for general corporate purposes and to support its ongoing operations in the region. The grants are determined at the discretion of the relevant government authority and there are no restrictions on their use. The government subsidies are recorded as other operating income in the period the cash is received.

2.24 Net income (loss) per share

Basic income (loss) per share are computed by dividing net income (loss) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The Company's convertible redeemable preferred shares are participating securities as the preferred shares participate in undistributed earnings on an as-if-converted basis. Accordingly, the Company uses the two-class method whereby undistributed net income is allocated on a pro rata basis to each participating share to the extent that each class may share in income for the period.
2. Summary of significant accounting policies (Continued)

Basic income (loss) per share is computed by dividing net income (loss) attributable to the holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. Diluted income (loss) per share is calculated by dividing net income (loss) attributable to the holders of ordinary shares as adjusted for the effect of dilutive ordinary share equivalents, if any, by the weighted average number of ordinary shares and dilutive ordinary share equivalents outstanding during the period. Ordinary share equivalents of restricted share units are calculated using the treasury stock method. However, ordinary share equivalents are not included in the denominator of the diluted earnings per share calculation when inclusion of such shares would be anti-dilutive, in a period in which the Group realizes a net loss.

2.25 Certain risks and concentrations

The revenues and expenses of the Group's entities in the PRC are generally denominated in RMB and their assets and liabilities are denominated in RMB. The RMB is not freely convertible into foreign currencies. Remittances of foreign currencies into the PRC or remittances of RMB out of the PRC as well as exchange between RMB and foreign currencies require approval by foreign exchange administrative authorities and certain supporting documentation. The State Administration for Foreign Exchange, under the authority of the People's Bank of China, controls the conversion of RMB into other currencies. No customer individually represents greater than 10% of the total net revenues.

2.26 Unaudited Pro forma loss per share

Pro forma basic and diluted loss per share is computed by dividing net loss attributable to the Group's ordinary shareholders, by the weighted average number of ordinary shares outstanding for the year ended December 31, 2018 plus the number of ordinary shares resulting from the assumed conversion of the outstanding preferred shares into ordinary shares using the conversion ratio of one for one upon completion of a qualified initial public offering.

2.27 Recent accounting pronouncements

Under the Jumpstart Our Business Startups Act of 2012, as amended ("the JOBS Act"), the Company meets the definition of an emerging growth company, or EGC, and has elected the extended transition period for complying with new or revised accounting standards, which delays the adoption of these accounting standards until they would apply to private companies.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In March 2016, the FASB issued an amendment (ASU 2016-08) to the new revenue recognition guidance clarifying how to determine if an entity is a principal or agent in a transaction. In April (ASU 2016-10), May (ASU 2016-12), and December (ASU 2016-20) of 2016, the FASB further amended the guidance to include performance obligation identification, licensing implementation, collectability assessment and other presentation and transition clarifications. The amendment will be effective for annual reporting periods beginning after December 15, 2018 including interim periods within annual reporting periods beginning after December 15, 2019. Early adoption is permitted only for annual and interim periods beginning after December 15, 2016.
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

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). As an emerging growth company ("EGC"), the Group has elected to adopt the new revenue standard as of the effective date applicable to nonissuer and will implement the new revenue standards effective January 1, 2019, using the modified retrospective method for the annual reporting period for the year ended December 31, 2019. The Group has completed its assessment and currently does not expect the adoption of this guidance will have significant effects on the Group’s revenue recognition practices, financial positions, results of operations or cash flows. The new standard will require the Group to provide more robust disclosures than required by previous guidance, including disclosures related to disaggregation of revenue into appropriate categories, performance obligations, and the judgments made in revenue recognition determinations.

In January 2016, the Financial Accounting Standard Board ("FASB") issued ASU 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities". This guidance revises the accounting related to the classification and measurement of investments in equity securities as well as the presentation for certain fair value changes in financial liabilities measured at fair value, and amends certain disclosure requirements. The guidance requires that all equity investments, except those accounted for under the equity method of accounting or those resulting in the consolidation of the investee, be accounted for at fair value with all fair value changes recognized in income. For financial liabilities measured using the fair value option, the guidance requires that any change in fair value caused by a change in instrument specific credit risk be presented separately in other comprehensive income until the liability is settled or reaches maturity. In February 2018, the FASB issued ASU 2018-03, "Technical Corrections and Improvements to Financial Instruments—Overall (Subtopic 825-10)" in which improvements were made to clarify ASU 2016-01. These aforementioned guidance is effective for annual reporting periods in fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted for certain provisions. A reporting entity would generally record a cumulative effect adjustment to beginning retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Group does not expect the adoption of ASU 2016-01 to have a significant impact on the combined and consolidated financial statements.

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. 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 (ASU 2018-11), the FASB further amended the guidance to provide another transition method in addition to the existing transition method by allowing entities to initially apply the new leases standard at the adoption date and recognize an accumulative-effective adjustment to the opening balance of retained earnings in the period of adoption. For non-public business entities, these aforementioned guidance is effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years beginning after December 15, 2020. Early application of the guidance is permitted. As of December 31, 2018, the Group has RMB75,761,349 of future minimum operating lease commitments that are not currently recognized on its combined and consolidated balance sheets (Note 21). Therefore, the Group would
Notes to the Combined and Consolidated Financial Statements (Continued)

2. Summary of significant accounting policies (Continued)

expect changes to its combined and consolidated balance sheets for the recognition of these and any additional leases entered into in the future upon adoption.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This ASU is intended to improve financial reporting by requiring timelier recording of credit losses on loans and other financial instruments held by financial institutions and other organizations. This ASU requires the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This ASU requires enhanced disclosures to help investors and other financial statement users better understand significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of the Group's portfolio. These disclosures include qualitative and quantitative requirements that provide additional information about the amounts recorded in the financial statements. For non-public business entities, the guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Group is in the process of evaluating the impact of adoption of this guidance on its combined and consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Payments. The primary purpose of the ASU is to reduce the diversity in practice that has resulted from the lack of consistent principles on this topic. For non-public business entities, the guidance in the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted for all entities. Entities must apply the guidance retrospectively to all periods presented but may apply it prospectively from the earliest date practicable if retrospective application would be impracticable. The Group does not expect the adoption of this guidance will have a significant impact on its combined and consolidated financial statements.

3. Business Acquisition

In order to further develop its overseas presence in the interactive gaming and entertainment live streaming markets, in October 2018, the Group, through a newly formed subsidiary, Gogo Glocal Holding Limited ("Gogo Glocal"), acquired all of the operating assets of Nonolive, a live stream platform operates in Southeast Asia, for a net cash consideration of RMB57,971,520, which was net of RMB10 million cash acquired upon disposal of previously held equity interest (see note 8). The assets acquired mainly include brand name, platform and related technology and assumption of its assembled workforces. The Group accounted for this acquisition as business combination.

The Group has completed the valuation of the assets acquired with the assistance of a third party valuation firm and determined the consideration, fair value of the Group's existing investment in
3. Business Acquisition (Continued)

Nonolive at the time of acquisition, fair value of assets acquired and goodwill resulted for this acquisition are follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash consideration</td>
<td>57,971,520</td>
</tr>
<tr>
<td>Fair value of the Group's cost method investment</td>
<td>6,495,982</td>
</tr>
<tr>
<td>Less: fair value of assets acquired</td>
<td></td>
</tr>
<tr>
<td>—Platform</td>
<td>10,000,000</td>
</tr>
<tr>
<td>—Brand Name</td>
<td>40,800,000</td>
</tr>
<tr>
<td>Goodwill</td>
<td>13,667,502</td>
</tr>
</tbody>
</table>

The Group held 4.8% equity interest in the acquired business that was accounted for under the cost method (see Note 8). In accordance with ASC 805, Business Combination, the Group's equity interest previously held was re-measured at the fair value with a disposal loss of RMB3,504,018 recognized in other income (expense), net in combined and consolidated statements of comprehensive loss for the year ended December 31, 2018.

The identifiable assets acquired, liabilities assumed and any noncontrolling interest in the acquiree are required to be recognized and measured at fair value as of the acquisition date. An intangible asset is identified if it meets either the separability criterion or the contractual-legal criteria in accordance with ASC 805, Business Combination. The Group has recognized platform and brand name as identifiable intangible asset. The other intangible assets acquired in the acquisition, including assembled workforce, and client service capability, which did not meet the separation criteria or the contractual-legal criteria, therefore, are not identifiable and not recognized apart from goodwill. The goodwill was assigned to Nonolive operating segment as result of the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes. Revenues and net loss in the amount of RMB5,885,855 and RMB48,164,404, respectively, attributable to Gogo Glocal acquired in October 2018 were included in the combined and consolidated statements of comprehensive income since the acquisition date.

The following table summarizes unaudited pro forma results of operations for the years ended December 31, 2017 and 2018 assuming that acquisitions occurred as of January 1, 2017. The pro forma results have been prepared for comparative purpose only based on management's best estimate and do not purport to be indicative of the results of operations which actually would have resulted had the acquisitions occurred as of the beginning of period:

<table>
<thead>
<tr>
<th>Description</th>
<th>Years ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 Unaudited RMB</td>
</tr>
<tr>
<td>Pro forma revenue</td>
<td>1,911,340,047</td>
</tr>
<tr>
<td>Pro forma loss from operations</td>
<td>(696,280,827)</td>
</tr>
<tr>
<td>Pro forma net loss</td>
<td>(697,409,834)</td>
</tr>
<tr>
<td>Pro forma net loss per share, basic and diluted</td>
<td>(85.17)</td>
</tr>
</tbody>
</table>
Notes to the Combined and Consolidated Financial Statements (Continued)

4. Accounts receivable, net

Accounts receivable, net consisted of the followings:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Accounts receivable, gross</td>
<td>45,661,145</td>
</tr>
<tr>
<td>Less: allowance for doubtful receivables</td>
<td>(1,690,103)</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>43,971,042</td>
</tr>
</tbody>
</table>

The following customers accounted for 10% or more of accounts receivable, net:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company D</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company A</td>
<td>8,262,654</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As of December 31,

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1</td>
<td>—</td>
<td>1,690,103</td>
<td>5,172,435</td>
</tr>
<tr>
<td>Provisions for doubtful accounts</td>
<td>1,690,103</td>
<td>3,482,332</td>
<td>1,121,009</td>
</tr>
<tr>
<td>Write offs</td>
<td>—</td>
<td>—</td>
<td>(386,075)</td>
</tr>
<tr>
<td>Balance as of December 31</td>
<td>1,690,103</td>
<td>5,172,435</td>
<td>5,907,369</td>
</tr>
</tbody>
</table>

The following customers accounted for 10% or more of accounts receivable, net:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company D</td>
<td>*</td>
<td>*</td>
<td>21,112,127</td>
</tr>
<tr>
<td>Company B</td>
<td>*</td>
<td>22,615,245</td>
<td>17%</td>
</tr>
<tr>
<td>Company C</td>
<td>*</td>
<td>20,162,943</td>
<td>15%</td>
</tr>
<tr>
<td>Company A</td>
<td>8,262,654</td>
<td></td>
<td>19%</td>
</tr>
</tbody>
</table>

* Amounts accounted for less than 10% of accounts receivable for each respective year.

5. Other current assets

Other current assets consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>—</td>
</tr>
<tr>
<td>Value-added tax recoverable</td>
<td>48,631,319</td>
</tr>
<tr>
<td>Funds receivable from third party payment service provider(1)</td>
<td>11,511,940</td>
</tr>
<tr>
<td>Other receivables</td>
<td>4,162,176</td>
</tr>
<tr>
<td>Content rights</td>
<td>2,065,380</td>
</tr>
<tr>
<td>Other</td>
<td>745,368</td>
</tr>
<tr>
<td>Total</td>
<td>67,116,183</td>
</tr>
</tbody>
</table>

(1) The Group opened accounts with external online payment service providers to collect funding from users.
6. Property and equipment, net

Property and equipment, net consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td><strong>Gross carrying amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Computer and transmission equipment</td>
<td>44,198,827</td>
<td>64,092,134</td>
<td>86,612,440</td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>11,421,285</td>
<td>13,877,466</td>
<td>16,820,394</td>
<td></td>
</tr>
<tr>
<td>Furniture and office equipment</td>
<td>2,716,870</td>
<td>3,478,009</td>
<td>4,914,900</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>410,200</td>
<td>410,200</td>
<td>410,200</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>58,747,182</td>
<td>81,857,809</td>
<td>108,757,934</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(9,454,859)</td>
<td>(31,587,684)</td>
<td>(58,330,324)</td>
<td></td>
</tr>
<tr>
<td><strong>Property and equipment, net</strong></td>
<td>49,292,323</td>
<td>50,270,125</td>
<td>50,427,610</td>
<td></td>
</tr>
</tbody>
</table>

Depreciation expense was RMB6,819,543, RMB23,167,001 and RMB26,996,910 for the years ended December 31, 2016, 2017 and 2018, respectively.

7. Intangible assets, net

Intangible assets, net consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td><strong>Gross carrying amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand name</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>40,602,217</td>
</tr>
<tr>
<td>Agency contract rights(1)</td>
<td>—</td>
<td>4,968,400</td>
<td>82,044,138</td>
<td></td>
</tr>
<tr>
<td>License for Online Transmission of Audio/Video Programs(2)</td>
<td>7,988,748</td>
<td>7,988,748</td>
<td>7,988,748</td>
<td></td>
</tr>
<tr>
<td>Platform</td>
<td>—</td>
<td>—</td>
<td>9,944,894</td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>1,208,869</td>
<td>4,269,155</td>
<td>6,764,753</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2,389,077</td>
<td>2,565,504</td>
<td>5,288,901</td>
<td></td>
</tr>
<tr>
<td><strong>Total of gross carrying amount</strong></td>
<td>11,586,694</td>
<td>19,791,807</td>
<td>152,633,651</td>
<td></td>
</tr>
<tr>
<td>Less: accumulated amortization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand name</td>
<td>—</td>
<td>—</td>
<td>(576,754)</td>
<td></td>
</tr>
<tr>
<td>Agency contract rights(1)</td>
<td>—</td>
<td>(2,313,210)</td>
<td>(17,691,672)</td>
<td></td>
</tr>
<tr>
<td>Platform</td>
<td>—</td>
<td>—</td>
<td>(838,019)</td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>(55,085)</td>
<td>(553,259)</td>
<td>(1,490,443)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(207,338)</td>
<td>(271,666)</td>
<td>(1,022,871)</td>
<td></td>
</tr>
<tr>
<td><strong>Total of accumulated amortization</strong></td>
<td>(262,423)</td>
<td>(3,138,135)</td>
<td>(21,619,759)</td>
<td></td>
</tr>
<tr>
<td><strong>Intangible assets, net</strong></td>
<td>11,324,271</td>
<td>16,653,672</td>
<td>131,013,892</td>
<td></td>
</tr>
</tbody>
</table>

(1) The agency contract right acquired in 2018 is RMB77,877,624 with weighted average amortization period of 3 years.

(2) In February 2016, Wuhan Douyu obtained effective control of Wuhan Ouyue, a PRC legal entity from Mr. Shaojie Chen, the Group's CEO through a series of contractual arrangements. Wuhan Ouyue has no business and holds one asset, License for Online Transmission of Audio/Video Programs. The transaction was deemed as an asset acquisition under ASC 805 and the License for Online Transmission of Audio/Video Programs was recognized.
Notes to the Combined and Consolidated Financial Statements (Continued)

7. Intangible assets, net (Continued)

based on the consideration paid, which approximate the market value of the asset acquired. The license permits the Group in the provision of online streaming of video on its platforms. The license is renewable every 3 years and may be renewed indefinitely. The Group has renewed this license in March 2018 subsequent to its acquisition and intends to renew the license indefinitely.

Amortization expenses were RMB244,138, RMB2,875,712 and RMB18,548,448 for the years ended December 31, 2016, 2017 and 2018 respectively. The Group expects to record amortization expenses in the future 5 years as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Future amortization expenses RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>36,878,893</td>
</tr>
<tr>
<td>2020</td>
<td>34,401,616</td>
</tr>
<tr>
<td>2021</td>
<td>19,702,428</td>
</tr>
<tr>
<td>2022</td>
<td>6,264,134</td>
</tr>
<tr>
<td>2023</td>
<td>5,358,309</td>
</tr>
</tbody>
</table>

The weighted average amortization periods of intangible assets as of December 31, 2016, 2017 and 2018 are as below:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Brand name</td>
<td>—</td>
</tr>
<tr>
<td>Agency contract rights</td>
<td>—</td>
</tr>
<tr>
<td>Platform</td>
<td>—</td>
</tr>
<tr>
<td>Software</td>
<td>3 years</td>
</tr>
<tr>
<td>Other</td>
<td>8.9 years</td>
</tr>
</tbody>
</table>

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8. Investments

Investments accounted for under equity method:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2017</th>
<th>As of December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hangzhou Aijidi Culture Creation Co., Ltd. (&quot;Aijidi&quot;)</td>
<td>5,701,336</td>
<td>4,565,769</td>
<td>4,543,520</td>
</tr>
<tr>
<td>Shanghai Bluefin Culture Media Co., Ltd. (&quot;Bluefin&quot;)</td>
<td>1,737,955</td>
<td>1,832,851</td>
<td>—</td>
</tr>
<tr>
<td>Beijing Wanyan Culture Media Co., Ltd. (&quot;Wanyan&quot;)</td>
<td>7,878,917</td>
<td>7,993,266</td>
<td>5,471,438</td>
</tr>
<tr>
<td>Wuhan Akeyule Culture Media Co., Ltd. (&quot;Akeyule&quot;)</td>
<td>948,549</td>
<td>939,180</td>
<td>939,494</td>
</tr>
<tr>
<td>Beijing Bazhuayu Culture Media Co., Ltd. (&quot;Bazhuayu&quot;)</td>
<td>2,979,264</td>
<td>4,637,543</td>
<td>—</td>
</tr>
<tr>
<td>Wuhan Guaji Culture Media Co., Ltd. (&quot;Guaji&quot;)</td>
<td>—</td>
<td>2,309,091</td>
<td>2,840,655</td>
</tr>
<tr>
<td>Wuhan Jiutu Culture Media Co., Ltd. (&quot;Jiutu&quot;)</td>
<td>—</td>
<td>484,946</td>
<td>500,692</td>
</tr>
<tr>
<td>Changsha Wanghou Culture Media Co., Ltd. (&quot;Wanghou&quot;)</td>
<td>—</td>
<td>854,368</td>
<td>1,792,211</td>
</tr>
<tr>
<td>Nanjing Dash Information Technology Co., Ltd. (&quot;Dash&quot;)</td>
<td>—</td>
<td>7,000,000</td>
<td>—</td>
</tr>
<tr>
<td>Chongqing Yuwan Network Media Co., Ltd. (&quot;Chongqing Yuwan&quot;)</td>
<td>—</td>
<td>—</td>
<td>13,865,155</td>
</tr>
<tr>
<td>Hunan Yuyou Starfire Culture Media Co., Ltd. (&quot;Yuyou Starfire&quot;)</td>
<td>—</td>
<td>—</td>
<td>14,968,298</td>
</tr>
<tr>
<td>Yule Xinghui (Tianjin) Culture Development Co., Ltd. (&quot;Yule Xinghui&quot;)</td>
<td>—</td>
<td>—</td>
<td>8,669,526</td>
</tr>
<tr>
<td>Laiyufeng Yule Huage Media Co., Ltd. (&quot;Huage&quot;)</td>
<td>—</td>
<td>—</td>
<td>1,146,986</td>
</tr>
<tr>
<td>Jiangyou Huayu Chuanshuo Culture Communication Co., Ltd. (&quot;Huayu Chuanshuo&quot;)</td>
<td>—</td>
<td>—</td>
<td>748,367</td>
</tr>
<tr>
<td>Lichuan Haokun Culture Media Co., Ltd. (&quot;Haokun&quot;)</td>
<td>—</td>
<td>—</td>
<td>918,919</td>
</tr>
<tr>
<td>Tianjin Fengyue Culture Media Co., Ltd. (&quot;Fengyue&quot;)</td>
<td>—</td>
<td>—</td>
<td>944,622</td>
</tr>
<tr>
<td>Wenzhou Chenyi Culture Communication Co., Ltd. (&quot;Chenyi&quot;)</td>
<td>—</td>
<td>—</td>
<td>1,798,305</td>
</tr>
<tr>
<td>Wuxi Yule Culture Media Co., Ltd. (&quot;Wuxi Yule&quot;)</td>
<td>—</td>
<td>—</td>
<td>586,312</td>
</tr>
<tr>
<td>Shanghai Gaoqu Culture Media Co., Ltd. (&quot;Gaoqu&quot;)</td>
<td>—</td>
<td>—</td>
<td>10,286,579</td>
</tr>
<tr>
<td>Hainan Tukai Culture Media Co., Ltd(&quot;Tukai&quot;)</td>
<td>—</td>
<td>—</td>
<td>2,485,478</td>
</tr>
<tr>
<td>Wuhan Feixiang Culture Media Co., Ltd. (&quot;Feixiang&quot;)</td>
<td>—</td>
<td>—</td>
<td>998,141</td>
</tr>
<tr>
<td>Linyi Miduo Culture Media Co., Ltd. (&quot;Miduo&quot;)</td>
<td>—</td>
<td>—</td>
<td>703,589</td>
</tr>
<tr>
<td>Wuhan Cass Mutual Entertainment Media Co., Ltd. (&quot;Cass&quot;)</td>
<td>—</td>
<td>—</td>
<td>1,785,654</td>
</tr>
<tr>
<td>Tianjin Yese Mutual Entertainment Medid Co., Ltd. (&quot;Yese&quot;)</td>
<td>—</td>
<td>—</td>
<td>746,249</td>
</tr>
<tr>
<td>Total</td>
<td>19,246,021</td>
<td>30,617,014</td>
<td>76,740,190</td>
</tr>
</tbody>
</table>

(1) In 2016, the Group acquired 10% of the share capital of Aijidi for a consideration of RMB7,500,000.
(2) In 2016, the Group formed Akeyule with unrelated third party investors and contributed RMB1,000,000 for a 49% equity interest.
(3) In 2017, the Group formed Guaji and Jiutu with unrelated third party investors and contributed RMB2,000,000 and RMB500,000, respectively, for a 32% and 10% equity interest in respective companies.
(4) In 2017, Wuhan Douyu agreed to invest RMB2,000,000 in an unrelated company, Wanghou for a 15% equity interest. Wuhan Douyu invested RMB1,000,000 in 2017 and paid the remaining investment of RMB1,000,000 in 2018.
(5) In 2018, the Group formed these companies with third parties with an aggregate cash contribution of RMB68,500,000.
Notes to the Combined and Consolidated Financial Statements (Continued)

8. Investments (Continued)

(6) In 2016, the Group formed Bluefin with unrelated third party investors and contributed RMB2,000,000 for a 10% equity interest. The Group recorded a full impairment loss of RMB1,832,851 for the year ended December 31, 2018 as Bluefin has ceased operations in 2018.

(7) In 2016, the Group invested in Wanyan RMB8,000,000 for a 20% equity interest. The Group has determined the investment is impaired and recorded an impairment loss of RMB1,879,859 for the year ended December 31, 2018.

(8) In 2017, the Group invested in Bazhuayu RMB5,000,000 for a 10% equity interest. The Group recorded a full impairment loss of RMB4,637,543 for the year ended December 31, 2018. Bazhuayu is planning to cease operations due to disagreement among shareholders.

(9) In 2017, Wuhan Douyu formed Dash with third party with RMB7,000,000 cash contribution for 35% equity interest. The Group recorded a full impairment loss of RMB6,815,887 for the year ended December 31, 2018 due to the investee's inability to develop and maintain a viable business model.

The Group can exercise significant influence through board representation and as such accounted for the investments using equity method of accounting.

Investments accounted for under cost method:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>As of December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td></td>
<td>RMB</td>
</tr>
<tr>
<td>Wuhan Shark Broadcast Co., Ltd (“Wuhan Shark”)</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Shenzhen Guojiangshidai Technology Co., Ltd (“Guojiangshidai”)</td>
<td>—</td>
</tr>
<tr>
<td>Shanghai Houhan Information Technology Co., Ltd (“Houhan”)</td>
<td>—</td>
</tr>
<tr>
<td>Guangzhou Shixun Information Technology Co., Ltd (“Shixun”)</td>
<td>—</td>
</tr>
<tr>
<td>Hubei Huiying Erqi Culture Industry Investment LP (“Hubei Huiying”)</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

(1) In October 2018, the Group disposed the investment in Shixun in connection with the acquisition as discussed in Note 3.

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9. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued payroll and welfare</td>
<td>59,214,751</td>
<td>105,747,840</td>
<td>153,930,730</td>
</tr>
<tr>
<td>Marketing cost</td>
<td>39,349,303</td>
<td>53,666,689</td>
<td>96,754,190</td>
</tr>
<tr>
<td>Deposits</td>
<td>1,600,000</td>
<td>15,959,571</td>
<td>24,913,728</td>
</tr>
<tr>
<td>Other tax payable</td>
<td>12,128,532</td>
<td>13,506,824</td>
<td>23,032,710</td>
</tr>
<tr>
<td>Total</td>
<td>120,659,642</td>
<td>208,181,902</td>
<td>313,454,992</td>
</tr>
</tbody>
</table>

10. Convertible loan and short term borrowing

In April 2015, Guangzhou Douyu entered into an agreement with Beijing Sequoia Xinyuan Equity Investment Center (L.P.) ("Beijing Sequoia") for a convertible loan and a detachable warrant for a gross proceed of RMB50 million. Pursuant to this agreement, the principle of the convertible loan is RMB50 million and the annual interest rate is 15%. The original term of the loan was six months and was subsequently extended to one year. In April, 2016, Beijing Sequoia converted the outstanding loan principal and the unpaid interest in the total amount of RMB56,187,500 into 2.71% of Wuhan Douyu's equity interest with preference rights (see Note 15). In connection with the issuance of the convertible loan to Beijing Sequoia, Guangzhou Douyu issued a detachable warrant to purchase up to an aggregate USD20 million convertible redeemable preferred equity based on a pre-money value of USD270 million ("Warrant I"). Warrant I expired at the Douyu's issuance of Series B convertible redeemable preferred equity in 2016.

The Group uses the binomial option-pricing model to value Warrant I and has determined the fair value at the date of issuance amounted to RMB5,024,450. The fair value gain of the warrant liability was RMB853,470 and nil for years ended December 31, 2016 and 2017, respectively. The estimated volatility referring to the volatility of other comparable companies based on the historical annualized daily share prices, and at each subsequent reporting period. The risk-free interest rate is based on China Government bond yield issues with a maturity similar to the expected remaining life of the warrants at the valuation date. The expected life of the warrants is based on management best estimate.

In July 2015, Guangzhou Douyu entered into an interest-free loan agreement with Wuhan Zhongying Network Technology Co., Ltd., an entity controlled by Mr. Shaojie Chen. The loan principal is RMB15,875,000 and subject to maturity on March 1, 2016. The loan was repaid in 2016.

In August 2015, Guangzhou Douyu entered into an interest-free loan agreement with Nanshan Blue Moon Asset Management (Tianjin) LLP ("Nanshan") with principal of RMB150,000,000. The loan is subject to repayment on demand and an annual interest rate of 15%. The loan was repaid in 2016.

In September 2015, Guangzhou Douyu entered into an agreement for a loan of RMB30,000,000 with a third party investor, Shanghai Qincheng Investment Center LLP ("Shanghai Qincheng"). The loan matured in November 2015 and subsequently extended to August 2016. The annual interest rate of the loan is 15%. The loan was repaid in August 2016. In conjunction with the loan, Guangzhou Douyu
10. Convertible loan and short term borrowing (Continued)

issued a detachable warrant to purchase RMB30 million equity interest of Guangzhou Douyu ("Warrant II") with a 10% discount in the subscription price. The warrant was exercised by Shanghai Qincheng to purchase the preferred equity interest of Wuhan Douyu in 2016 (see Note 15).

The Group uses the discounted cash flow model to value Warrant II and has determined the fair value at the date of issuance amounted to RMB3,156,724. The fair value loss of the warrant liabilities were RMB137,239 and nil for years ended December 31, 2016 and 2017, respectively. The expected life of the warrants is based on the management's best estimate. The discount rate is risk-free rate based on the China government bond yield with a maturity commensurate with the expected time to maturity.

In November 2015, the Group entered into an agreement with Nanshan for a loan of RMB30,000,000 with an annual interest of 15%. The loan was subject to repayment on demand and was repaid in 2016.

In January 2016, Wuhan Douyu entered into a six-month loan agreement with Beijing Sequoia of RMB30,000,000 with an annual interest of 12%, and a 90-day loan agreement with Nanshan of RMB16,000,000 of with an annual interest 10%. These loans were repaid in 2016.

11. Cost of revenues

Cost of revenues consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31,</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>Bandwidth costs</td>
<td>RMB 334,847,247</td>
<td>RMB 433,600,999</td>
<td>RMB 555,863,781</td>
<td></td>
</tr>
<tr>
<td>Revenue sharing fees and content costs</td>
<td>RMB 782,443,170</td>
<td>RMB 1,373,133,060</td>
<td>RMB 2,790,038,662</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>RMB 37,791,321</td>
<td>RMB 83,634,718</td>
<td>RMB 157,453,785</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>RMB 1,155,081,738</td>
<td>RMB 1,890,368,777</td>
<td>RMB 3,503,356,228</td>
<td></td>
</tr>
</tbody>
</table>

12. Other operating income, net

Other operating income, net, consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Government subsidies</td>
<td>RMB 2,622,899</td>
<td>RMB 8,820,295</td>
<td>RMB 27,430,993</td>
</tr>
<tr>
<td>Gains (losses) on litigation settlements</td>
<td>(299)</td>
<td>RMB 6,688,996</td>
<td>RMB 23,064,943</td>
</tr>
<tr>
<td>Gains (losses) on disposal of property and equipment, and intangible assets</td>
<td>(12,742)</td>
<td>(49,787)</td>
<td>RMB 3,407,741</td>
</tr>
<tr>
<td>Foreign exchange gains (losses)</td>
<td>RMB 1,186,567</td>
<td>(RMB 6,156,922)</td>
<td>RMB 1,006,400</td>
</tr>
<tr>
<td>Total</td>
<td>RMB 3,796,425</td>
<td>RMB 9,302,582</td>
<td>RMB 54,910,077</td>
</tr>
</tbody>
</table>
13. Income taxes

_Cayman Islands_

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

_Hong Kong_

Entities incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5%. Operations in Hong Kong have incurred net accumulated operating losses for income tax purpose and no income tax provisions are recorded for the period presented.

_China_

The Company's subsidiaries and consolidated VIEs established in the PRC are subject to an income tax rate of 25%, according to the PRC Enterprise Income Tax ("EIT") Law. The subsidiaries and the VIEs of the Group and Predecessor Operations in the PRC are subject to a uniform income tax rate of 25% for years presented. Wuhan Douyu obtained High and New Technology Enterprise ("HNTE") status from 2016 to 2018. It enjoyed a favorable statutory tax rate of 15% from 2017 to 2018. According to a policy promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 150% of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year ("Super Deduction").

Uncertainties exist with respect to how the current income tax law in the PRC applies to the Group's overall operations, and more specifically, with regard to tax residency status. The EIT Law includes a provision specifying that legal entities organized outside of the PRC will be considered residents for Chinese Income Tax purposes if the place of effective management or control is within the PRC. The implementation rules to the EIT Law provide that non-resident legal entities will be considered PRC residents if substantial and overall management and control over the manufacturing and business operations, personnel, accounting and properties, occurs within the PRC. Despite the present uncertainties resulting from the limited PRC tax guidance on the issue, the Group does not believe that the legal entities organized outside of the PRC within the Group should be treated as residents for EIT law purposes. If the PRC tax authorities subsequently determine that the Company and its subsidiaries registered outside the PRC should be deemed resident enterprises, the Company and its subsidiaries registered outside the PRC will be subject to the PRC income taxes, at a statutory income tax rate of 25%. The Group is not subject to any other uncertain tax position.

According to PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of taxes is due to computational errors made by the taxpayer or withholding agent. The statute of limitations will be extended five years under special circumstances, which are not clearly defined (but an underpayment of tax liability exceeding RMB0.1 million is specifically listed as a special circumstance). In the case of a related party transaction, the statute of limitations is ten years. There is no statute of limitations in the case of tax evasion.
Notes to the Combined and Consolidated Financial Statements (Continued)

13. Income taxes (Continued)

The Group did not incur any current or deferred component of income tax expenses for the years ended December 31, 2016, 2017 and 2018. The reconciliation of total tax expenses computed by applying the respective statutory income tax rate to pre-tax income is as follows:

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC income tax rate</td>
<td>25.00%</td>
<td>25.00%</td>
<td>25.00%</td>
</tr>
<tr>
<td>Expenses not deductible for tax purposes</td>
<td>(0.25)%</td>
<td>(0.74)%</td>
<td>(2.45)%</td>
</tr>
<tr>
<td>Super deduction on research and development expenses</td>
<td>1.31%</td>
<td>3.66%</td>
<td>6.14%</td>
</tr>
<tr>
<td>Effect of change in income tax rate</td>
<td>(9.15)%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Effect of tax holiday</td>
<td>(9.99)%</td>
<td>(8.31)%</td>
<td>(0.27)%</td>
</tr>
<tr>
<td>Effect of tax rate in different tax jurisdiction</td>
<td>—</td>
<td>—</td>
<td>0.71%</td>
</tr>
<tr>
<td>Disposal of previously recognized tax loss</td>
<td>(13.70)%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Recognition of tax basis difference upon 2016 Restructuring</td>
<td>14.05%</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Change in valuation allowance</td>
<td>(7.27)%</td>
<td>(19.61)%</td>
<td>(29.13)%</td>
</tr>
<tr>
<td>Total</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

The aggregate amount and per share effect of the tax holiday are as follows:

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>The aggregate dollar effect</td>
<td>77,985,714</td>
<td>50,837,998</td>
<td>2,346,487</td>
</tr>
<tr>
<td>Per share effect—basic and diluted</td>
<td>9.05</td>
<td>6.21</td>
<td>0.29</td>
</tr>
</tbody>
</table>

Deferred tax assets are as follows:

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferred tax assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax loss carried forward</td>
<td>121,605,310</td>
<td>236,534,472</td>
<td>447,008,731</td>
</tr>
<tr>
<td>Deductible temporary differences</td>
<td>51,524,564</td>
<td>62,870,672</td>
<td>111,856,999</td>
</tr>
<tr>
<td>Tax basis difference upon 2016 Restructuring</td>
<td>59,927,628</td>
<td>53,330,071</td>
<td>46,732,514</td>
</tr>
<tr>
<td>Allowance for doubtful receivables</td>
<td>253,515</td>
<td>775,865</td>
<td>1,110,718</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td>233,311,017</td>
<td>353,511,080</td>
<td>606,708,962</td>
</tr>
<tr>
<td>Less: valuation allowance</td>
<td>(233,311,017)</td>
<td>(353,511,080)</td>
<td>(606,708,962)</td>
</tr>
<tr>
<td>Net deferred tax assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
13. Income taxes (Continued)

The movement of deferred tax valuation allowance is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the year</td>
<td>176,443,519</td>
<td>233,311,017</td>
<td>353,511,080</td>
</tr>
<tr>
<td>additions</td>
<td>164,131,193</td>
<td>120,200,063</td>
<td>253,197,882</td>
</tr>
<tr>
<td>Write offs in connection with 2016</td>
<td>(107,263,695)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Restructuring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at end of the year</td>
<td>233,311,017</td>
<td>353,511,080</td>
<td>606,708,962</td>
</tr>
</tbody>
</table>

The Group operates through its subsidiaries, VIEs and subsidiaries of the VIEs. As of December 31, 2016, 2017 and 2018, the Group had tax operating loss carry forwards of RMB796,410,543, RMB1,528,937,584 and RMB2,463,119,437, respectively from its subsidiaries, VIEs and subsidiaries of the VIEs registered in the PRC, which can be carried forward to offset taxable income. The net operating loss will expire in years 2020 to 2022 if not utilized.

The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will be more likely than not realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses and forecasts of future profitability. These assumptions require significant judgment and the forecasts of future taxable income are consistent with the plans and estimates the Group is using to manage the underlying businesses. Valuation allowances are 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 carry forward periods provided for in the tax law. The Group has provided a full valuation allowance for the deferred tax assets as of December 31, 2016, 2017 and 2018, as management is not able to conclude that the future realization of those net operating loss carry forwards and other deferred tax assets are more likely than not.

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.

14. Ordinary shares

In accordance with the Company’s memorandum and articles of association, total authorized shares for ordinary shares are 479,999,830 shares with par value of US$0.0001.

Upon the incorporation of the Company on January 5, 2018, the Original Shareholders of the Group subscribed to 8,188,790 ordinary shares of the Company at par value of US$0.0001. In May 2018, the Company converted 2,944,395 ordinary shares held by the Original Shareholder to 2,944,395 shares of Angel Preferred Shares with no change to the rights and obligations associated with these shares. As the terms of the Angel Preferred Shares are identical to those for the Ordinary Shares, the Company believe it is appropriate to continue to treat the Angel Preferred Shares as ordinary shares issued and outstanding in the combined and consolidated financial statements as well as for the purpose of EPS calculations.
Notes to the Combined and Consolidated Financial Statements (Continued)

14. Ordinary shares (Continued)

In May 2018, the Company repurchased 125,000 shares of ordinary shares from one investor and issued 125,000 Series B-4 Preferred Share to the same shareholder for zero consideration.

As disclosed in Note 16, 2,106,321 ordinary shares of the Company were issued to Douyu Employee Benefit Trust (the "Trust") to establish a reserve pool for future issuances of equity share incentive to the Group's employees. All shareholder rights of these 2,106,321 ordinary shares including but not limited to voting rights and dividend rights are unconditionally waived until the corresponding restrict share units are vested. While the ordinary shares were legally issued to the Trust, the Trust does not have any of the rights associated with the ordinary shares, as such the Company accounted for these shares as issued but no outstanding until the waiver is released by the Company, which occur when the restricted share units vest and ordinary shares are awarded to the employees.

15. Convertible redeemable preferred shares

Series A Preferred Equity

In January 2015, Beijing Sequoia acquired 20.49% of Guangzhou Douyu's equity interest with preference rights for a total consideration of RMB106,999,090 (Series A Preferred Equity).

Series B Preferred Equity

In April 2015, Guangzhou Douyou entered into an agreement with Beijing Sequoia for a convertible loan and a detachable warrant for a total proceed of RMB 50 million (Note 10). In April 2016, Beijing Sequoia converted the outstanding loan principal and unpaid interest expense amounted RMB 56,187,500 into 2.71% of the equity interest of Wuhan Douyou with preference rights (Series B-1 Preferred Equity).

In April 2016, Wuhan Douyu issued 18.80% and 1.96% equity interest with preference rights (Series B-2 and B-3 Preferred Equity) for a cash consideration of RMB381,504,000 and RMB50,000,000, respectively, to a group of third party investors. The subscription prices of two of these investors were below fair value of Series B-2 and Series B-3 Preferred Equity. The difference between the fair value of these preferred equity and the subscription consideration paid by these Series B-2 and Series B-3 investors amounted to RMB72,736,597 was recognized as deemed dividend in the combined and consolidated statements of changes in shareholders' deficit.

In April 2016, concurrent with the issuance of Series B-2 and B-3 Preferred Equity, Wuhan Douyu repurchased 5.95% of its equity interest from the Original Shareholders at a consideration of RMB162,775,040. The fair value of equity interest repurchased was RMB77,396,500 as determined by the Group with the assistance of independent valuation firm was below the consideration paid by Wuhan Douyu. As such, the amount of RMB85,378,540 paid by Wuhan Douyu that was in excess of the fair value of the equity interest at the time of the repurchase was recognized as deemed dividend in the combined and consolidated statements of changes in shareholders' deficit.

Series C Preferred Equity

In August 2016, Wuhan Douyu issued 15.80% of the equity interest with preference rights to a group of investors with a total consideration of RMB 1,067,000,000 (Series C-1 Preferred Equity). Concurrent with the issuance of Series C-1 Preferred Equity, Wuhan Douyu repurchase and cancelled 2.94% of its equity interest from the Original Shareholders with a consideration of RMB198,848,000. The fair value of the equity interest repurchased was RMB72,020,079 as determined by the Group with the assistance of independent valuation firm was below the repurchase consideration paid by Wuhan Douyu. As such, the amount of RMB126,827,921 paid by Wuhan Douyu in excess of the fair value of the equity interest at the time of the repurchase was recognized as deemed dividend in the combined and consolidated statements of changes in shareholders' deficit.
Notes to the Combined and Consolidated Financial Statements (Continued)

15. Convertible redeemable preferred shares (Continued)

In August 2016, Shanghai Qincheng exercised the warrant (Note 10) to purchase 0.49% of the equity interest of Wuhan Douyu with a subscription price of RMB 30,000,000 (Series C-2 Preferred Equity). Series C-2 Preferred Equity was repurchased by Wuhan Douyu in January 2018 at fair value for a cash consideration of RMB39,995,000.

Series D Preferred Equity

On November 14, 2017, Wuhan Douyu issued 5.81% equity interest of Wuhan Douyu with preferred rights (Series D Preferred Equity) for a consideration of RMB500,000,000 to three new investors.

Upon the 2018 Restructuring, as described in Note 1, upon obtaining all necessary approvals from the PRC government, the Preferred Equity shareholders subscribed for convertible redeemable preferred shares (Preferred Shares) at no consideration, all in the same proportions, on an as converted basis, as the percentage of equity interest they held in Wuhan Douyu.

In conjunction with the issuance of Series E Preferred Shares, the Company modified certain terms of Series A, B, C and D Preferred Shares to extend the date of qualified IPO from December 31, 2020 to December 31, 2022, as well as change certain calculation of the redemption value. The Company does not consider these changes as an extinguishment of Series A, B, C and D as the impact of these changes was insignificant.

In January 2018, Wuhan Douyu repurchased Series C-2 Preferred Equity from its investor at fair value for a cash consideration of RMB39,995,000. The difference of RMB 6,661,667 between the consideration paid and the carrying amount of Series C-2 Preferred Equity at the date of repurchase was recorded in additional paid-in capital.

In May 2018, the Company repurchased 125,000 ordinary shares from one of the investors and issued the corresponding number of Series B-4 Preferred Shares to the same investor with no cash consideration. The difference between the fair value of ordinary shares repurchased and that of the Series B-4 Preferred Shares issued is immaterial.

The following is the rollforward of the carrying amount of the preferred equity for the year 2016, 2017 and 2018:

<table>
<thead>
<tr>
<th>Series</th>
<th>December 31, 2015</th>
<th>December 31, 2016</th>
<th>December 31, 2017</th>
<th>December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series A</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
</tr>
<tr>
<td>Issuance</td>
<td>106,999,090</td>
<td>106,999,090</td>
<td>106,999,090</td>
<td>106,999,090</td>
</tr>
<tr>
<td>Series B-1</td>
<td>—</td>
<td>56,187,500</td>
<td>56,187,500</td>
<td>56,187,500</td>
</tr>
<tr>
<td>Series B-2</td>
<td>—</td>
<td>464,343,750</td>
<td>464,343,750</td>
<td>464,343,750</td>
</tr>
<tr>
<td>Series B-3(1)</td>
<td>—</td>
<td>202,671,887</td>
<td>202,671,887</td>
<td>202,671,887</td>
</tr>
<tr>
<td>Series C-1</td>
<td>—</td>
<td>1,265,848,000</td>
<td>1,265,848,000</td>
<td>1,265,848,000</td>
</tr>
<tr>
<td>Series C-2(2)</td>
<td>—</td>
<td>33,333,333</td>
<td>33,333,333</td>
<td>33,333,333</td>
</tr>
<tr>
<td>Series D</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Series E(3)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>4,026,518,012</td>
</tr>
</tbody>
</table>

(1) In May 2018, the Company repurchased 125,000 ordinary shares from one of the investors and issued the corresponding number of Series B-4 Preferred Shares to the same investor with no cash consideration. The difference between the fair value of ordinary shares repurchased and that of the Series B-4 Preferred Shares issued is immaterial.

(2) In January 2018, Wuhan Douyu repurchased Series C-2 Preferred Equity from its investor at fair value for a cash consideration of RMB39,995,000. The difference of RMB 6,661,667 between the consideration paid and the carrying amount of Series C-2 Preferred Equity at the date of repurchase was recorded in additional paid-in capital.

(3) On May 29, 2018, the Company issued 7,828,728 shares of Series E redeemable convertible preferred shares (“Series E Preferred Shares”) at a per-share purchase price of US$80.57 for cash consideration of RMB4,026,518,012.

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Notes to the Combined and Consolidated Financial Statements (Continued)

15. Convertible redeemable preferred shares (Continued)

The Company's preferred shares as of December 31, 2016, 2017 and 2018 consist of the following:

<table>
<thead>
<tr>
<th>Series A Preferred Equity (US$0.0001 par value; 2,500,000 shares authorized, issued and outstanding with redemption value of RMB124,830,056, RMB134,816,461 and RMB145,601,778 as of December 31, 2016, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>106,999,090</td>
<td>106,999,090</td>
<td>106,999,090</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series B-1 Preferred Equity (US$0.0001 par value; 440,792 shares authorized, issued and outstanding with redemption value of RMB57,714,515, RMB62,331,676 and RMB67,318,210 as of December 31, 2016, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>56,187,500</td>
<td>56,187,500</td>
<td>56,187,500</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series B-2 Preferred Equity (US$0.0001 par value; 3,125,000 shares authorized, issued and outstanding with redemption value of RMB426,317,655, RMB458,109,655 and RMB489,901,655 as of December 31, 2016, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>464,343,750</td>
<td>464,343,750</td>
<td>464,343,750</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series B-3 Preferred Equity (US$0.0001 par value; 1,138,381 shares authorized, issued and outstanding with redemption value of RMB211,154,998, RMB228,047,397 and RMB246,291,189 as of December 31, 2016, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>202,671,887</td>
<td>202,671,887</td>
<td>202,671,887</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series B-4 Preferred Shares (US$0.0001 par value; 125,000 shares authorized, issued and outstanding with redemption value of nil, nil and nil as of December 31, 2016, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>22,254,400</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series C-1 Preferred Equity (US$0.0001 par value; 3,572,333 shares authorized, issued and outstanding with redemption value of RMB1,305,147,182, RMB1,409,558,957 and RMB1,522,323,674 as of December 31, 2016, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>1,265,848,000</td>
<td>1,265,848,000</td>
<td>1,265,848,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series C-2 Preferred Equity (US$0.0001 par value; 94,065 shares, 94,065 shares and nil authorized, issued and outstanding with redemption value of RMB30,931,372 and RMB33,405,882 and nil as of December 31, 2016, 2017 and 2018, respectively.)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>33,333,333</td>
<td>33,333,333</td>
<td>—</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series D Preferred Equity (US$0.0001 par value; 1,175,871 shares authorized, issued and outstanding with redemption value of RMB519,779,911 RMB561,361,980 as of December 31, 2017 and 2018, respectively)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>—</td>
<td>500,000,000</td>
<td>500,000,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Series E Preferred Shares (US$0.0001 par value; 7,828,728 shares authorized, issued and outstanding with redemption value of RMB423,166,664 as of December 31, 2018)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>—</td>
<td>—</td>
<td>4,026,518,012</td>
<td></td>
</tr>
</tbody>
</table>

Total | 2016 | 2017 | 2018 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td></td>
</tr>
<tr>
<td>2,129,383,560</td>
<td>2,629,383,560</td>
<td>6,644,822,639</td>
<td></td>
</tr>
</tbody>
</table>
Notes to the Combined and Consolidated Financial Statements (Continued)

15. Convertible redeemable preferred shares (Continued)

The key terms of the Preferred Shares are summarized as follows:

Dividend Rights

In the event the Company declares dividends, for holder of each series of Convertible Redeemable Preferred Shares, at the rate of eight percent of issue cost. Such dividends shall be payable only when, as, and if declared by the Board and shall be non-cumulative. The dividend should be paid in full in the sequence of Series E Convertible Redeemable Preferred Shares, Series D Convertible Redeemable Preferred Shares, Series C-1 Convertible Redeemable Preferred Shares, Series B Convertible Redeemable Preferred Shares, and Series A Convertible Redeemable Preferred Shares.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the Company (each a "Liquidation Event"), whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the Members (after satisfaction of all creditors’ claims and claims that may be preferred by Law) shall be distributed to the Members of the Company as follows:

The liquidation right should be settled in the sequence of (i) Series E Convertible Redeemable Preferred Shares, (ii) Series D Convertible Redeemable Preferred Shares, (iii) Series C-1 Convertible Redeemable Preferred Shares, (iv) Series B-1, Series B-2, Series B-3 and Series B-4 Convertible Redeemable Preferred Shares (Series B Convertible Redeemable Preferred Shares), and (v) Series A Convertible Redeemable Preferred Shares.

Each holder of the Series E, Series D, and Series C-1 Convertible Redeemable Preferred Shares shall be entitled to receive an amount equal to the sum of (x) 100% of Issue Price paid by such holder, (y) annual simple interest calculated at twelve percent (12%) per annum on the Issue Price, and (z) all accrued but unpaid dividends on such Convertible Redeemable Preferred Share.

If there are any assets or funds remaining after the aggregate Series C-1 Preference Amount has been distributed in full, each holder of the Series B Convertible Redeemable Preferred Shares shall be entitled to receive an amount equal to the sum of (x) 100% of the applicable Series B Issue Price paid by such holder, (y) annual simple interest calculated at eight percent (8%) per annum on the applicable Series B Issue Price, and (z) all accrued but unpaid dividends on such Series B Preferred Share.

If there are any assets or funds remaining after the aggregate Series B Preference Amount has been distributed in full, each holder of the Series A Convertible Redeemable Preferred Shares shall be entitled to receive an amount equal to the sum of (x) 100% of the Series A Issue Price paid by such holder, (y) ten percent (10%) of the Series A Issue Price, and (z) all accrued but unpaid dividends on such Series A Preferred Share.

If there are any assets or funds remaining after the aggregate Series A Preference Amount, Series B Preference Amount, Series C Preference Amount, Series D Preference Amount and Series E Preference Amount have been distributed or paid in full to the applicable holders of Preferred Shares, the remaining assets and funds of the Company available for distribution to the Members shall be distributed ratably among all Members in proportion to the number of Ordinary Shares (on an as-converted basis) held by them.

Total liquidation value for all preferred shares was RMB2,170,572,968, RMB2,908,168,626 and RMB7,500,606,175 as of December 31, 2016, 2017, and 2018, respectively.
Notes to the Combined and Consolidated Financial Statements (Continued)

15. Convertible redeemable preferred shares (Continued)

Conversion Rights

The holders of the Preferred Shares shall have the rights to convert of the Preferred Shares into Ordinary Shares at an initial conversion ratio of one for one.

The holders of each Convertible Redeemable Preferred Shares, at the option of the holders, has the right to convert the Convertible Redeemable Preferred Shares into ordinary shares at any time.

Each Convertible Redeemable Preferred Share shall automatically be converted, into Ordinary Shares upon the earlier of (i) the closing of a Qualified IPO, or (ii) the written notice signed by the Majority Holders.

Voting Rights

The Preferred Shareholders are entitled to vote with ordinary shareholders on an as-converted basis.

Redemption

Upon the earlier of (a) the Company has not consummated a Qualified IPO by December 31, 2022, (b) there is a material breach of the Articles of the Memorandum, (c) the creditworthiness of any Founder or any holder of Ordinary Shares (other than any Investor) is materially damaged, or there is any fraud, gross negligence or willful misconduct of any Founder or any holder of Ordinary Shares (other than any Investor), or there is any misconduct of any Founder or any Management Director, any of which results in damages to the Group Companies that cannot be cured, or (d) any event (other than force majeure) that result in the shutdown of the website (including the main website, IOS and Android apps) of the Group for more than 60 days, the holder of each series of Convertible Redeemable Preferred Shares except for the holder of Series C-2 Convertible Redeemable Preferred Shares and Series Angel Convertible Redeemable Preferred Shares has the right to require the Company to redeem all or any number of the then outstanding Convertible Redeemable Preferred Shares at a pre-determined Redemption Price.

The redemption right should be settled in the sequence of (i) Series E Convertible Redeemable Preferred Shares, (ii) Series D Convertible Redeemable Preferred Shares, (iii) Series C-1 Convertible Redeemable Preferred Shares, (iv) Series B-1, Series B-2 and Series B-3 Convertible Redeemable Preferred Shares, and (v) Series A Convertible Redeemable Preferred Shares.

The Redemption Price for Series A, Series B-1, Series B-3, Series C-1, Series D, and Series E Convertible Redeemable Preferred Shares is (A) one hundred percent (100%) of the original issue price (B) all dividends declared and unpaid, and (C) eight percent (8%) compounded annual interest of the combined above.

The Redemption Price for Series B-2 Convertible Redeemable Preferred Shares is (A) one hundred percent (100%) of the original issue price (B) all dividends declared and unpaid, and (C) eight percent (8%) simple annual interest of the combined above.

Management of the Group evaluated that redemption was not probable and therefore did not accrete the Preferred Shares to the redemption value. The redemption value as of December 31, 2016, 2017 and 2018 would be RMB2,156,095,778, RMB2,846,049,639 and RMB7,262,965,150, respectively.
Notes to the Combined and Consolidated Financial Statements (Continued)

16. Share-based compensation

I. Non-vested Douyu restricted equity

Upon closing of the issuance of Series A Preferred Equity, the Founders entered into an arrangement with the investor, whereby partial of their equity ("Founders' Equity") became subject to service and transfer restriction. Such Founders' Equity is subject to repurchase by the Company upon early termination of their requisite period of employment. The repurchase price is the minimum price permitted under PRC law. The Founders' Equity shall be vested monthly in equal installment over the period from issuance of Series A Preferred Equity to 2018. This arrangement has been accounted for as a grant of restricted share awards subject to service vesting conditions.

A summary of non-vested restricted equity activity during the years ended December 31, 2016, 2017 and 2018 is presented below:

<table>
<thead>
<tr>
<th></th>
<th>Amount of Restricted Equity in the form of Paid-in Capital of Wuhan Douyu (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding as of January 1, 2016</td>
<td>3,241,875</td>
</tr>
<tr>
<td>Vested</td>
<td>(1,345,087)</td>
</tr>
<tr>
<td>Outstanding as of December 31, 2016</td>
<td>1,896,788</td>
</tr>
<tr>
<td>Vested</td>
<td>(948,394)</td>
</tr>
<tr>
<td>Outstanding as of December 31, 2017</td>
<td>948,394</td>
</tr>
<tr>
<td>Vested</td>
<td>(948,394)</td>
</tr>
<tr>
<td>Outstanding as of December 31, 2018</td>
<td>—</td>
</tr>
</tbody>
</table>

The Group used the discounted cash flow method to determine the underlying equity value of Wuhan Douyu and adopted equity allocation model to determine the fair value of the equity as of the dates of issuance. The aggregate fair value of the restricted equity was RMB80,100,005. For the years ended December 31, 2016, 2017 and 2018, the Group recorded compensation expenses of RMB24,925,727, RMB17,574,638 and RMB17,574,638, respectively.

II. Non-vested Gogo Glocal restricted equity

In connection of the acquisition of Nonolive (see Note 3), Gogo Glocal issued 4,900,000 ordinary shares, which represents 46% of its equity, to the founders for Nonolive. These ordinary shares are subject to transfer restriction and repurchase by the Group for a consideration of US$1 upon early termination of their requisite employment service period of 15 months. These ordinary shares are vested upon the earlier of the satisfaction of certain performance target as measured by number of Daily Active Users or the requisite service period. This arrangement has been accounted as a grant of restricted share awards subject to service and performance conditions.

With the assistance of third party valuer, the Group used the discounted cash flow method to determine the underlying equity value of Gogo Glocal and adopted equity allocation model to determine the fair value of the restricted ordinary share as of the dates of issuance, which was determined to be RMB18.45 per share. The aggregate fair value of the restricted shares was RMB90,425,865.

For the years ended December 31, 2016, 2017 and 2018, the Group recorded compensation expenses of nil, nil and RMB17,830,249, respectively.

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Notes to the Combined and Consolidated Financial Statements (Continued)

16. Share-based compensation (Continued)

As of December 31, 2018, total unrecognized compensation expense was RMB72,595,616 and expected to be recognized over a period of one year.

III. Restricted share units

On April 1, 2018, the Company's board of director approved the 2018 Restricted Share Unit Scheme ("2018 Plan"). In connection with the 2018 Plan, the Company established Douyu Employee Benefit Trust (the "Trust") as a holding platform and 2,106,321 share of ordinary shares were issued to the Trust as a reserve pool for future issuance of equity share incentive to the Group's employees. All shareholder rights of these 2,106,321 ordinary shares including but not limited to voting rights and dividend rights are unconditionally waived until the corresponding restrict share units are vested. The Group referred to the interest in Trust as Restricted Share Units and each Restricted Share Unit represents one ordinary share. The Scheme shall be valid and effective for a period of 10 years.

On April 1, 2018, pursuant to a board of director resolution, 2,098,069 restricted share units corresponding to 2,098,069 ordinary shares were granted to certain employees, directors and officers for zero cash subscription. The restricted share units will begin vesting by equal instalment for 36 months upon a qualified IPO. The Group has determined the per share fair value of the restricted share unit to be RMB274.51 with the assistance of an independent valuation firm based on the fair value of the underlying ordinary shares which was determined by using the hybrid method of the probability weighted expected return method ("PWERM") and the option pricing method ("OPM") to allocate equity value to preferred and ordinary shares on a fully diluted basis.

The fair value of ordinary share is RMB274.51 per share. The Group has not recorded any compensation expenses for the years ended December 31, 2016, 2017 and 2018 relating to these restricted share units. Given the vesting of the restricted share units is contingent on a qualified IPO, the share-based compensation expenses will be recognized when Qualified IPO is probable. As of December 31, 2018, there were RMB575,940,921 unrecognized share based compensation expenses related to the restricted share.

17. Net loss per share and net loss attributable to ordinary shareholders

For the years ended December 31, 2016, 2017 and 2018, for the purpose of calculating net loss per share as a result of the 2018 Restructuring as described in Note 1, the number of shares used in the calculation reflects the outstanding shares of the Company as if the 2018 Restructuring took place at the beginning of the period presented.
Notes to the Combined and Consolidated Financial Statements (Continued)

17. Net loss per share and net loss attributable to ordinary shareholders (Continued)

Basic and diluted net loss per share for each of the year presented were calculated as follows:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
</tr>
<tr>
<td><strong>Numerator:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss attributable to DouYu Holdings Limited shareholders</td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(876,279,828)</td>
</tr>
<tr>
<td>Deemed dividend</td>
<td>(284,943,058)</td>
<td>—</td>
<td>(6,661,667)</td>
</tr>
<tr>
<td><strong>Denominator:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Weighted average ordinary shares used in computing basic and diluted loss per ordinary share</td>
<td>8,615,914</td>
<td>8,188,790</td>
<td>8,115,160</td>
</tr>
<tr>
<td><strong>Basic and diluted net loss per ordinary share</strong></td>
<td>(123.94)</td>
<td>(74.85)</td>
<td>(108.80)</td>
</tr>
</tbody>
</table>

Diluted earnings per share do not include the following instruments as their inclusion would have been anti-dilutive:

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
</tr>
<tr>
<td><strong>Convertible Redeemable Preferred Equity/Shares</strong></td>
<td>10,870,571</td>
<td>12,046,442</td>
<td>19,906,105</td>
</tr>
<tr>
<td><strong>Restricted Share Units</strong></td>
<td>—</td>
<td>—</td>
<td>2,098,069</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,870,571</td>
<td>12,046,442</td>
<td>22,004,174</td>
</tr>
</tbody>
</table>

The unaudited pro forma net loss per share for the year ended December 31, 2018 giving effect to the conversion of preferred shares into ordinary shares as of the beginning of the period using the conversion ratio of one for one upon completion of a qualified initial public offering, is as follows:

<table>
<thead>
<tr>
<th>Year ended December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB (unaudited)</td>
</tr>
<tr>
<td><strong>Numerator:</strong></td>
</tr>
<tr>
<td>Pro forma net loss attributable to ordinary shareholders for computing basic and diluted net loss per share</td>
</tr>
<tr>
<td><strong>Denominator:</strong></td>
</tr>
<tr>
<td>Pro forma weighted average ordinary shares used in computing basic and diluted loss per ordinary share</td>
</tr>
<tr>
<td>Pro forma Basic and diluted net loss per ordinary share</td>
</tr>
</tbody>
</table>
Notes to the Combined and Consolidated Financial Statements (Continued)

18. Statutory reserves and restricted net assets

As a result of the PRC laws and regulations and the requirement that distributions by PRC entities can only be paid out of distributable profits computed in accordance with PRC GAAP, the PRC entities are restricted from transferring a portion of their net assets to the Group. Amounts restricted include paid-in capital, additional paid-in capital, and the statutory reserves of the Company’s PRC subsidiaries, affiliates and VIEs. As of December 31, 2018, total restricted net assets were RMB2,638,304,627.

19. Segment Information

The Group uses the management approach to determine operation segments. The management approach considers the internal organization and reporting used by the Group’s chief operating decision maker (“CODM”) for making decisions, allocation of resources 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. Before October 2018, the Group operated and managed its business in PRC China as a single segment. In October 2018, the Group acquired a business which operates a live stream platform in Southeast Asia (“Nonolive”) (see Note 3) and identified it as a new operating segment. The Group has determined that Nonolive does not meet the quantitative thresholds for a reportable segment under ASC 280-10-50 in the year ended December 31, 2018, therefore, does not result in a reportable segment.

The following table summarizes the revenue by type of service provided by the Group:

<table>
<thead>
<tr>
<th></th>
<th>Years ended December 31,</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 (RMB)</td>
<td>2017 (RMB)</td>
<td>2018 (RMB)</td>
</tr>
<tr>
<td>Live streaming</td>
<td>611,275,987</td>
<td>1,521,784,105</td>
<td>3,147,196,247</td>
</tr>
<tr>
<td>Advertisement</td>
<td>116,601,954</td>
<td>248,846,529</td>
<td>342,169,195</td>
</tr>
<tr>
<td>Other</td>
<td>58,964,035</td>
<td>115,086,367</td>
<td>165,017,684</td>
</tr>
<tr>
<td>Total</td>
<td>786,841,976</td>
<td>1,885,717,001</td>
<td>3,654,383,126</td>
</tr>
</tbody>
</table>

100%, 100% and 99.8% of the Group’s revenue for the years ended December 31, 2016, 2017 and 2018, respectively, were generated from the PRC. As of December 31, 2016, 2017 and 2018, 100%, 100% and 100% of long-lived assets of the Group were located in the PRC.

There were no customers from whom revenue accounted for 10% or more of total revenue for the years ended December 31, 2016, 2017 and 2018, respectively.
20. Related party transactions

The table below sets forth major related parties and their relationships with the Group:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Relationship with the Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tencent Holdings Limited (“Tencent Group”)</td>
<td>Parent company of one of our preferred shareholders</td>
</tr>
<tr>
<td>Hangzhou Aijidi Culture Creation Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Shanghai Bluefin Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Beijing Wanyan Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Changsha Wanghou Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Wuhan Guaji Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Wuhan Jiutu Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Wuhan Akeyule Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Chongqing Yuwan Network Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Hunan Yuyou Starfire Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Yule Xinghui (Tianjin) Culture Development Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Laifeng Yule Huage Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Lichuan Haokun Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Wuhan Feixiang Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Linyi miduo Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Wuhan Cass Mutual Entertainment Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Beijing Bazhuayu Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Jiangyou Huayu Legend Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Tianjin Fengyue Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Wuxi Yule Culture Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
<tr>
<td>Guangzhou Douyu Network Technology Co., Ltd.</td>
<td>A Company owned by our shareholders</td>
</tr>
<tr>
<td>Beijing Sequoia Xinyuan Equity Investment Center LLP</td>
<td>One of our preferred shareholders</td>
</tr>
<tr>
<td>Tianjin Yese Mutual Entertainment Media Co., Ltd.</td>
<td>An equity investee of the Group</td>
</tr>
</tbody>
</table>

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### Notes to the Combined and Consolidated Financial Statements (Continued)

#### 20. Related party transactions (Continued)

For the years ended December 31, 2016, 2017 and 2018, significant related party transactions were as follows:

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
</tr>
</tbody>
</table>

**Live streaming revenue derived from**
- Chongqing Yuwan Network Media Co., Ltd.: RMB 10,966,038
- Wuhan Guaji Culture Media Co., Ltd.: RMB 5,773,585
- Yule Xinghui (Tianjin) Culture Development Co., Ltd.: RMB 4,716,981
- Tencent Group: RMB 3,405,827
- Hunan Yuyou Starfire Culture Media Co., Ltd.: RMB 3,301,887
- Linyi miduo Culture Media Co., Ltd.: RMB 188,679
- Tencent Group: RMB 113,208
- Wuhan Cass Mutual Entertainment Media Co., Ltd.: RMB 103,774
- Total: RMB 28,569,979

**Advertisement revenue derived from**
- Tencent Group: RMB 5,820,584
- Total: RMB 27,483,962

**Other revenue derived from**
- Tencent Group: RMB 3,673,435
- Total: RMB 19,892,736

**Bandwidth fees paid to**
- Tencent Group: RMB 47,422,812
- Total: RMB 258,981,005

**Revenue sharing fees and content fees paid to**
- Tencent Group: RMB 3,587,523
- Hangzhou Aijidi Culture Creation Co., Ltd: RMB 6,559,840
- Shanghai Bluefin Culture Media Co., Ltd: RMB 571,343
- Beijing Wanyan Culture Media Co., Ltd: RMB 242,718
- Changsha Wanghou Culture Media Co., Ltd: RMB 2,872,530
- Wuhan Guaji Culture Media Co., Ltd: RMB 12,914,806
- Wuhan Jiutu Culture Media Co., Ltd: RMB 2,486,305
- Wuhan Akeyule Culture Media Co., Ltd: RMB 257,972
- Chongqing Yuwan Network Media Co., Ltd: RMB 2,154,780
- Hunan Yuyou Starfire Culture Media Co., Ltd: RMB 2,596,004
- Yule Xinghui (Tianjin) Culture Development Co., Ltd: RMB 15,885,256
- Lichuan Haokun Culture Media Co., Ltd: RMB 1,459,331
- Linyi miduo Culture Media Co., Ltd: RMB 1,642,261
- Wuhan Cass Mutual Entertainment Media Co., Ltd: RMB 2,503,524
- Beijing Bazhuayu Culture Media Co., Ltd: RMB 550
- Jiangyou Huayu Legend Culture Media Co., Ltd: RMB 173,661
- Tianjin Fengyue Culture Media Co., Ltd: RMB 1,692,497
- Wuxi Yule Culture Media Co., Ltd: RMB 171,483
- Total: RMB 242,557,970

**Content rights purchased from**
- Tencent Group: RMB 26,000,000
- Total: RMB 116,100,000

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## 20. Related party transactions (Continued)

As of December 31, 2016, 2017 and 2018, the amounts due from/to related parties are as follows:

<table>
<thead>
<tr>
<th>Amount due from related parties</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tencent Group</td>
<td>8,527,032</td>
<td>13,536,360</td>
<td>56,840,030</td>
</tr>
<tr>
<td>Hangzhou Aijidi Culture Creation Co., Ltd.</td>
<td>330,189</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Wuhan Guaji Culture Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>516,691</td>
</tr>
<tr>
<td>Chongqing Yuwan Network Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>2,490,705</td>
</tr>
<tr>
<td>Wuhan Jiutu Culture Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>50,634</td>
</tr>
<tr>
<td>Hunan Yuyou Starfire Culture Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>900,000</td>
</tr>
<tr>
<td>Guangzhou Douyu Network Technology Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>3,272,154</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,857,221</strong></td>
<td><strong>13,536,360</strong></td>
<td><strong>64,070,214</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount due to related parties</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tencent Group</td>
<td>45,028,888</td>
<td>153,195,674</td>
<td>227,897,451</td>
</tr>
<tr>
<td>Wuhan Guaji Culture Media Co., Ltd</td>
<td>—</td>
<td>1,750,417</td>
<td>40,719</td>
</tr>
<tr>
<td>Changsha Wanghou Culture Media Co., Ltd</td>
<td>—</td>
<td>1,712,768</td>
<td>692,150</td>
</tr>
<tr>
<td>Hangzhou Aijidi Culture Creation Co., Ltd</td>
<td>1,056,464</td>
<td>1,668,848</td>
<td>1,650,878</td>
</tr>
<tr>
<td>Beijing Wanyan Culture Media Co., Ltd</td>
<td>242,718</td>
<td>1,317,982</td>
<td>349,130</td>
</tr>
<tr>
<td>Wuhan Jiutu Culture Media Co., Ltd</td>
<td>—</td>
<td>561,695</td>
<td>40</td>
</tr>
<tr>
<td>Wuhan Akeyule Culture Media Co., Ltd</td>
<td>—</td>
<td>53,001</td>
<td>9,773</td>
</tr>
<tr>
<td>Shanghai Bluefin Culture Media Co., Ltd.</td>
<td>368,808</td>
<td>1,675</td>
<td>1,675</td>
</tr>
<tr>
<td>Chongqing Yuwan Network Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>463,589</td>
</tr>
<tr>
<td>Laifeng Yule Huage Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>92,320</td>
</tr>
<tr>
<td>Yule Xinghui (Tianjin) Culture Development Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>1,728,311</td>
</tr>
<tr>
<td>Beijing Sequoia Xinyuan Equity Investment Center LLP(1)</td>
<td>—</td>
<td>—</td>
<td>1,355,094,229</td>
</tr>
<tr>
<td>Beijing Bazhuayu Culture Media Co., Ltd</td>
<td>—</td>
<td>—</td>
<td>534</td>
</tr>
<tr>
<td>Hunan Yuyou Starfire Culture Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>68,219</td>
</tr>
<tr>
<td>Wuhan Feixiang Cultural Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>21,964</td>
</tr>
<tr>
<td>Jiangyou Huayu Legend Culture Communication Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>26,401</td>
</tr>
<tr>
<td>Lichuan Haokun Cultural Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>37,252</td>
</tr>
<tr>
<td>Tianjin Fengyue Cultural Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>74,367</td>
</tr>
<tr>
<td>Wuxi Yule Culture Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>5,294</td>
</tr>
<tr>
<td>Linyi Mido Cultural Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>10,126</td>
</tr>
<tr>
<td>Wuhan Cass Mutual Entertainment Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>48,087</td>
</tr>
<tr>
<td>Tianjin Yese Mutual Entertainment Media Co., Ltd.</td>
<td>—</td>
<td>—</td>
<td>11</td>
</tr>
<tr>
<td>Shaojie Chen(2)</td>
<td>—</td>
<td>—</td>
<td>39,995,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46,696,878</strong></td>
<td><strong>160,262,060</strong></td>
<td><strong>1,628,307,520</strong></td>
</tr>
</tbody>
</table>

(1) In May 2018, as an integrated step of the 2018 Restructuring, in order to comply with certain PRC foreign currency control rules and regulations, Beijing Sequoia has to redeem its investment in Series A Preferred Equity in Wuhan Douyu for USD197,443,500 (equivalent of RMB1,358,253,325) from Wuhan Douyu and the redemption amount in full is to be reinvested to the Company as capital contribution. As of December 31, 2018, the capital contribution amount has been received by the Company but the redemption amount has not yet been paid by Wuhan Douyu. The redemption amount is
Notes to the Combined and Consolidated Financial Statements (Continued)

20. Related party transactions (Continued)

denominated in USD and to be settled in RMB. Foreign exchange loss of RMB94,654,414 was recognized in other expense for the year ended December 31, 2018. USD197,443,500 equivalent RMB was fully settled in March of 2019.

(2) The Group has received an advance payment of RMB39,995,000 from Mr. Shaojie Chen, which was subsequently settled in February 2019.

21. Commitments and contingencies

Operating lease as lessee

The Group leases certain office premises under non-cancelable leases. Rental expenses under operating leases for the years ended December 31, 2016, 2017 and 2018 were RMB14,709,155, RMB25,971,264 and RMB36,914,653, respectively.

Future minimum lease payments under non-cancelable operating leases agreements are as follows:

<table>
<thead>
<tr>
<th>Years ending</th>
<th>RMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>38,845,538</td>
</tr>
<tr>
<td>2020</td>
<td>25,175,260</td>
</tr>
<tr>
<td>2021</td>
<td>11,740,551</td>
</tr>
<tr>
<td>2022</td>
<td>—</td>
</tr>
<tr>
<td>2023 and thereafter</td>
<td>—</td>
</tr>
</tbody>
</table>

The Group's operating lease commitments have no renewal options, rent escalation clauses and restriction or contingent rents.

Contingencies

The Group is subject to periodic legal or administrative proceedings in the ordinary course of business. The Group does not have any pending legal or administrative proceeding to which the Group is a party that will have a material effect on its business or financial condition.

22. Subsequent events

The Group has evaluated subsequent events through April 4, 2019, which is the date when the combined and consolidated financial statements were issued.

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### SCHEDULE I—ADDITIONAL INFORMATION OF THE PARENT COMPANY

**DOUYU INTERNATIONAL HOLDINGS LIMITED**

**CONDENSED BALANCE SHEETS**

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2017</th>
<th>As of December 31, 2018</th>
<th>As of December 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>—</td>
<td>—</td>
<td>3,757,734,490</td>
<td>546,539,814</td>
</tr>
<tr>
<td>Prepayments</td>
<td>—</td>
<td>—</td>
<td>49,333</td>
<td>7,175</td>
</tr>
<tr>
<td>Other current assets</td>
<td>—</td>
<td>—</td>
<td>60,502,935</td>
<td>8,799,787</td>
</tr>
<tr>
<td>Amount due from subsidiaries and VIEs</td>
<td>—</td>
<td>—</td>
<td>426</td>
<td>62</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>—</td>
<td>—</td>
<td>13,229,851</td>
<td>1,924,202</td>
</tr>
<tr>
<td>Investments in subsidiaries and VIEs</td>
<td>255,015,967</td>
<td>159,692,661</td>
<td>(188,401,872)</td>
<td>(27,401,916)</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>255,015,967</td>
<td>159,692,661</td>
<td>3,643,115,163</td>
<td>529,869,124</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>—</td>
<td>—</td>
<td>11,842,346</td>
<td>1,722,398</td>
</tr>
<tr>
<td>Amount due to subsidiaries and VIEs</td>
<td>—</td>
<td>—</td>
<td>333,665</td>
<td>48,530</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>—</td>
<td>—</td>
<td>12,176,011</td>
<td>1,770,928</td>
</tr>
<tr>
<td><strong>Convertible redeemable preferred shares (total redemption value of RMB2,156,095,778, RMB2,846,049,639 and RMB7,262,965,150 as of December 31, 2016, 2017 and 2018, respectively)</strong></td>
<td>2,129,383,560</td>
<td>2,629,383,560</td>
<td>6,644,822,639</td>
<td>966,449,369</td>
</tr>
<tr>
<td><strong>Shareholders’ deficit</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary shares (US$0.0001 par value, nil share authorized, issued and outstanding as of December 31, 2016 and 2017, respectively)</td>
<td>—</td>
<td>—</td>
<td>5,148</td>
<td>749</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>24,925,727</td>
<td>42,500,365</td>
<td>48,989,244</td>
<td>7,125,190</td>
</tr>
<tr>
<td>Accumulated deficit</td>
<td>(1,899,293,320)</td>
<td>(2,512,191,264)</td>
<td>(3,388,471,092)</td>
<td>(492,832,681)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>—</td>
<td>—</td>
<td>325,593,213</td>
<td>47,355,569</td>
</tr>
<tr>
<td><strong>Total shareholders’ deficit</strong></td>
<td>(1,874,367,593)</td>
<td>(2,469,690,899)</td>
<td>(3,013,883,487)</td>
<td>(438,351,173)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED SHARES AND SHAREHOLDERS DEFICIT</strong></td>
<td>255,015,967</td>
<td>159,692,661</td>
<td>3,643,115,163</td>
<td>529,869,124</td>
</tr>
</tbody>
</table>

F-47
## SCHEDULE I—ADDITIONAL INFORMATION OF THE PARENT COMPANY

**DOUYU INTERNATIONAL HOLDINGS LIMITED**

### CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td>2018</td>
</tr>
<tr>
<td></td>
<td>RMB</td>
<td>RMB</td>
<td>RMB</td>
<td>US$</td>
</tr>
<tr>
<td>Total net revenues</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cost of revenues</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>General and administrative expenses</td>
<td>—</td>
<td>—</td>
<td>(11,697,585)</td>
<td>(1,701,343)</td>
</tr>
<tr>
<td>Other operating income, net</td>
<td>—</td>
<td>—</td>
<td>(338)</td>
<td>(49)</td>
</tr>
<tr>
<td>Interest income</td>
<td>—</td>
<td>—</td>
<td>68,216,989</td>
<td>9,921,750</td>
</tr>
<tr>
<td>Equity in deficit of subsidiaries</td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(932,798,894)</td>
<td>(135,669,974)</td>
</tr>
<tr>
<td>and VIE</td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(876,279,828)</td>
<td>(127,449,616)</td>
</tr>
<tr>
<td>Net loss</td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(550,686,615)</td>
<td>(80,094,047)</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>—</td>
<td>—</td>
<td>325,593,213</td>
<td>47,355,569</td>
</tr>
<tr>
<td>Comprehensive loss</td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(855,186,418)</td>
<td>(72,738,480)</td>
</tr>
</tbody>
</table>

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## SCHEDULE I—ADDITIONAL INFORMATION OF THE PARENT COMPANY

### DOUYU INTERNATIONAL HOLDINGS LIMITED

### CONDENSED STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
<th>Year ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016 RMB</td>
<td>2017 RMB</td>
<td>2018 RMB</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net loss</td>
<td>(782,891,758)</td>
<td>(612,897,944)</td>
<td>(876,279,828)</td>
</tr>
<tr>
<td>Adjustments to reconcile net loss to net cash provided by operating activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss from equity in earnings of subsidiaries and VIE</td>
<td>782,891,758</td>
<td>612,897,944</td>
<td>932,798,894</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other current assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amount due from subsidiaries and VIEs</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Accrued expenses and other current liabilities</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Amount due to subsidiaries and VIEs</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>CASH PROVIDED BY OPERATING ACTIVITIES</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Investment in subsidiaries</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>CASH USED IN INVESTING ACTIVITIES</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Deferred offering cost</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Proceeds on issuance of ordinary shares</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Issuance of convertible redeemable preferred shares</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Cash received from a preferred shareholder in connection with 2018 Restructuring</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>CASH PROVIDED BY FINANCING ACTIVITIES</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Effect of foreign exchange rate changes</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>NET INCREASE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT YEAR END</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Supplemental disclosure on non-cash investing and financing activities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred offering costs payable</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>
SCHEDULE I—NOTES TO CONDENSED FINANCIAL INFORMATION OF PARENT COMPANY

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 combined and 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.

2. The condensed financial information has been prepared using the same accounting policies as set out in the combined and consolidated financial statements except that the equity method has been used to account for investments in its subsidiaries and VIEs. For the parent company, the Company records its investments in subsidiaries and 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 Sheet as "Investments in subsidiaries and VIEs” and the subsidiaries and VIEs’ profit or loss as “Loss from equity in earnings of subsidiaries and VIEs” on the Condensed Statements of Comprehensive Income (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 this Schedule I, the parent company has continued to reflect its share, based on its proportionate interest, of the losses of subsidiaries and VIE 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 December 31, 2016, 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 December 31, 2018 are solely for the convenience of the readers and were calculated at the rate of US$1.00= RMB6.8755, as set forth in H.10 statistical release of the Federal Reserve Board on December 28, 2018. 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 December 28, 2018, or at any other rate.

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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. Under our post-offering memorandum and articles of association, which will become effective immediately prior to the completion of this offering, to the fullest extent permissible under Cayman Islands law every director and officer of our company shall be indemnified against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by him, other than by reason of such person's 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 director or officer 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 form of indemnification agreements to be filed as Exhibit 10.3 to this registration statement, we will 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 executive officer.

The form of underwriting agreement to be filed as Exhibit 1.1 to this registration statement will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to 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.
ITEM 7 RECENT SALES OF UNREGISTERED SECURITIES

During the past three years, we have issued the following securities (including options to acquire our ordinary shares) without registering the securities under the Securities Act. We believe that the following issuances was exempt from registration pursuant to Rule 701 promulgated under the Securities Act, or 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. None of the transactions involved an underwriter. None of the transactions involved an underwriter.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Date of Issuance</th>
<th>Number of Securities</th>
<th>Consideration in U.S. Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starry Zone Investments Limited</td>
<td>January 2018</td>
<td>875,000 ordinary shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Warrior Ace Holding Limited</td>
<td>January 2018</td>
<td>4,244,395 ordinary shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Douyu Employees Limited(1)</td>
<td>April 2018</td>
<td>2,106,321 ordinary shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Nectarine Investment Limited</td>
<td>March 2018</td>
<td>7,828,728 Series E Preferred Shares</td>
<td>US$630.7 million</td>
</tr>
<tr>
<td>SCC Growth IV 2018-D, L.P.</td>
<td>May 2018</td>
<td>1,106,646 Series A Preferred Shares</td>
<td>US$197.4 million</td>
</tr>
<tr>
<td>SCC Growth IV 2018-D, L.P.</td>
<td>May 2018</td>
<td>195,120 Series B-1 Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>SCC Growth IV 2018-F, L.P.</td>
<td>May 2018</td>
<td>823,571 Series A Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>SCC Growth IV 2018-F, L.P.</td>
<td>May 2018</td>
<td>145,209 Series B-1 Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>Sequoia Capital Global Growth Fund II, L.P</td>
<td>May 2018</td>
<td>562,832 Series A Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>Sequoia Capital Global Growth Fund II, L.P</td>
<td>May 2018</td>
<td>99,237 Series B-1 Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>Sequoia Capital Global Growth II Principals Fund, L.P</td>
<td>May 2018</td>
<td>6,951 Series A Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>Sequoia Capital Global Growth II Principals Fund, L.P</td>
<td>May 2018</td>
<td>1,226 Series B-1 Preferred Shares</td>
<td></td>
</tr>
<tr>
<td>Aodong Investments Limited(2)</td>
<td>May 2018</td>
<td>2,944,395 Series Angel Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Nectarine Investment Limited</td>
<td>May 2018</td>
<td>3,125,000 Series B-2 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Nectarine Investment Limited</td>
<td>May 2018</td>
<td>1,114,376 Series C-1 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Youran Holdings Limited</td>
<td>May 2018</td>
<td>1,138,381 Series B-3 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Youran Holdings Limited</td>
<td>May 2018</td>
<td>2,858 Series C-1 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Youran Holdings</td>
<td>May 2018</td>
<td>117,587 Series D</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Limited</td>
<td>Preferred Shares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------</td>
<td>------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>II-2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchaser</td>
<td>Date of Issuance</td>
<td>Number of Securities</td>
<td>Consideration in U.S. Dollars</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>------------------</td>
<td>----------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>ZY Entertainment Holding Limited</td>
<td>May 2018</td>
<td>125,000 Series B-4 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Phoenix Fuji Limited</td>
<td>May 2018</td>
<td>1,806,049 Series C-1 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Gold-Finance (Hong Kong) Asset Management Limited</td>
<td>May 2018</td>
<td>141,098 Series C-1 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>SCGC Capital Holding Company Limited</td>
<td>May 2018</td>
<td>423,293 Series C-1 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Hui Yuan Holdings Limited</td>
<td>May 2018</td>
<td>84,659 Series C-1 Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>CMBI Private Equity Series SPC-Entertainment Fund I SP</td>
<td>May 2018</td>
<td>1,048,759 Series D Preferred Shares</td>
<td>nominal consideration</td>
</tr>
<tr>
<td>Victor Talent Limited.</td>
<td>May 2018</td>
<td>9,525 Series D Preferred Shares</td>
<td>nominal consideration</td>
</tr>
</tbody>
</table>

**Restricted Share Units**

| Certain directors, officers and employees as a group           | April 2018       | 2,106,321 restricted share units | Past and future services provided to us |

**Notes:**

1. Represents 2,106,321 ordinary shares held through Douyu Employees Limited for the purpose of transferring such shares to the plan participants according to the RSUs issued or to be issued to them under our Amended and Restated 2018 RSU Scheme adopted in April 2018.

2. The 2,944,395 Series Angel Preferred Shares were originally issued to Aodong Investments Limited as ordinary shares in January 2018 and were converted to Series Angel Preferred Shares in May 2018.

3. In reliance on the exemption of Rule 701 under the Securities Act, all the restricted shares units were granted by our company under the Amended and Restated 2018 RSU Scheme that we adopted in April 2018. At the time of each restricted share unit grant, we were not a reporting company under section 13 or 15(d) of the Exchange Act of 1934 or an investment company registered or required to be registered under the Investment Company Act of 1940. The Amended and Restated 2018 RSU Scheme is a "compensatory benefit plan" as defined under Rule 701 that we established to grant share-based compensation awards to employees, directors and consultants to incentivize their performance and align their interests with ours.
ITEM 8  EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)  Exhibits

See Exhibit Index beginning on page II-5 of this registration statement.

(b)  Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in our consolidated financial statements or the notes thereto.

ITEM 9  UNDERTAKINGS

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters 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 under 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 under 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.
DOUYU INTERNATIONAL HOLDINGS LIMITED

EXHIBIT INDEX

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description of Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1*</td>
<td>Form of Underwriting Agreement</td>
</tr>
<tr>
<td>3.1</td>
<td>Second Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect</td>
</tr>
<tr>
<td>3.2</td>
<td>Form of Third Amended and Restated Memorandum and Articles of Association of the Registrant, as effective immediately prior to the completion of this offering</td>
</tr>
<tr>
<td>4.1*</td>
<td>Form of Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)</td>
</tr>
<tr>
<td>4.2</td>
<td>Registrant's Specimen Certificate for Ordinary shares</td>
</tr>
<tr>
<td>4.3*</td>
<td>Form of Deposit Agreement, among the Registrant, the Depositary and holders of the American Depositary Receipts</td>
</tr>
<tr>
<td>4.4</td>
<td>Shareholders Agreement dated May 29, 2018 among the Registrant, its ordinary shareholders, preferred shareholders and other parties named therein</td>
</tr>
<tr>
<td>5.1</td>
<td>Opinion of Maples and Calder (Hong Kong) LLP regarding the validity of the ordinary shares being registered</td>
</tr>
<tr>
<td>8.1</td>
<td>Opinion of Maples and Calder (Hong Kong) LLP regarding certain Cayman Islands tax matters (included in Exhibit 5.1)</td>
</tr>
<tr>
<td>8.2</td>
<td>Opinion of Global Law Office regarding certain PRC tax matters (included in Exhibit 99.2)</td>
</tr>
<tr>
<td>8.3</td>
<td>Opinion of Davis Polk &amp; Wardwell LLP regarding certain U.S. tax matters</td>
</tr>
<tr>
<td>10.1</td>
<td>DouYu International Holdings Limited Amended and Restated Restricted Share Unit Scheme</td>
</tr>
<tr>
<td>10.2</td>
<td>DouYu International Holdings Limited 2019 Share Incentive Plan</td>
</tr>
<tr>
<td>10.3</td>
<td>Form of Indemnification Agreement with the Registrant's directors</td>
</tr>
<tr>
<td>10.4</td>
<td>Form of Employment Agreement between the Registrant and an executive officer of the Registrant</td>
</tr>
<tr>
<td>10.5</td>
<td>Series E Preferred Share Purchase Agreement dated March 8, 2018 among the Registrant, Nectarine Investment Limited and other parties named therein</td>
</tr>
<tr>
<td>10.7</td>
<td>English translation of the amended and restated strategic cooperation framework memorandum between the respective PRC affiliated entities of the Registrant and Tencent, effective April 1, 2019</td>
</tr>
<tr>
<td>10.8</td>
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21.1* Significant subsidiaries of the registrant

23.1 Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP, Independent Registered Public Accounting Firm

23.2 Consent of Maples and Calder (Hong Kong) LLP (included in Exhibit 5.1)

23.3 Consent of Global Law Office (included in Exhibit 99.2)

23.4 Consent of Davis Polk & Wardwell LLP (included in Exhibit 8.3)

24.1 Powers of Attorney (included on signature page)

99.1 Code of Business Conduct and Ethics of the Registrant

99.2 Opinion of Global Law Office regarding certain PRC law matters

99.3 Consent of iResearch

99.4 Consent of Zhaoming Chen

99.5 Consent of Xuehai Wang

99.6 Consent of Zhi Yan

* To be filed by amendment.
SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, 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 Wuhan, China, on April 22, 2019.

DOUYU INTERNATIONAL HOLDINGS LIMITED

By: /s/ Shaojie Chen

Name: Shaojie Chen
Title: Chief Executive Officer, Director
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Shaojie Chen as an attorney-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
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<tbody>
<tr>
<td>/s/ Shaojie Chen</td>
<td>Chief Executive Officer, Director</td>
</tr>
<tr>
<td>/s/ Wenming Zhang</td>
<td>Co-Chief Executive Officer, Director</td>
</tr>
<tr>
<td>/s/ Chao Cheng</td>
<td>Chief Operational Officer</td>
</tr>
<tr>
<td>/s/ Mingming Su</td>
<td>Chief Strategy Officer, Director</td>
</tr>
<tr>
<td>/s/ Hao Cao</td>
<td>Vice President, Director</td>
</tr>
<tr>
<td>/s/ Ting Yin</td>
<td>Director</td>
</tr>
</tbody>
</table>

II-10
SIGNATURE OF AUTHORIZED U.S. REPRESENTATIVE

Under the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of DouYu International Holdings Limited, has signed this registration statement or amendment thereto in New York, on April 22, 2019.

Authorized U.S. Representative

By: /s/ Richard Arthur

Name: Richard Arthur
Title: Assistant Secretary on behalf of Cogency Global Inc.

II-12
THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED MEMORANDUM AND ARTICLES
OF
ASSOCIATION
OF

DOUYU INTERNATIONAL HOLDINGS LIMITED

(adopted by a special resolution passed on May 29, 2018)
THE COMPANIES LAW (AS AMENDED)
OF THE CAYMAN ISLANDS
COMPANY LIMITED BY SHARES
SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION
OF
DOUYU INTERNATIONAL HOLDINGS LIMITED
(adopted by a special resolution passed on May 29, 2018)

1. The name of the Company is DouYu International Holdings Limited.

2. The Registered Office of the Company shall be at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands or at such other place as the Directors may from time to time decide or at such other place in the Cayman Islands as the Directors may from time to time decide.

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 Company has unrestricted corporate capacity. Without limitation to the foregoing, as provided by Section 27(2) of the Companies Law (as amended), the Company has and is capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit. Without in any way limiting the unrestricted nature of its objects, the Company may accept mortgages over land or any other property irrespective of location.

5. Nothing in any of the preceding paragraphs permits the Company to carry on any of the following businesses without being duly licensed, namely:

   a. the business of a bank or trust company without being licensed in that behalf under the Banks and Trust Companies Law (Revised); or

   b. insurance business from within the Cayman Islands or the business of an insurance manager, agent, sub-agent or broker without being licensed in that behalf under the Insurance Law (Revised); or
c. the business of company management without being licensed in that behalf under the Companies Management Law (Revised).

6. The liability of each Member is limited to the amount from time to time unpaid on such Member’s Shares.

7. The authorized share capital of the Company is US$50,000,000 divided into (i) 477,055,435 Ordinary Shares of par value US$0.0001 each, (ii) 2,944,395 Series Angel Preferred Shares, (iii) 2,500,000 Series A Preferred Shares of par value US$0.0001 each, (iv) 440,792 Series B-1 Preferred Shares of par value US$0.0001 each, (v) 3,125,000 Series B-2 Preferred Shares of par value US$0.0001 each, (vi) 1,138,381 Series B-3 Preferred Shares of par value US$0.0001 each, (vii) 125,000 Series B-4 Preferred Shares of par value US$0.0001 each, (viii) 3,572,333 Series C-1 Preferred Shares of par value US$0.0001 each; (ix) 94,065 Series C-2 Preferred Shares of par value US$0.0001 each; (x) 1,175,871 Series D Preferred Shares of par value US$0.0001 each; and (xi) 7,828,728 Series E Preferred Shares of par value US$0.0001 each.

8. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 174 of the Companies Law (as amended) and, subject to the provisions of the Companies Law (as amended) and the Articles of Association of the Company, it shall have the 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.

9. Capitalised terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.
THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

DOUYU INTERNATIONAL HOLDINGS LIMITED

(adopted by a special resolution passed on May 29, 2018)

INTERPRETATION

1. 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:

“Adjusted Redemption Price” shall have the meaning set forth in Article 8.5(D) hereof.

“Affiliate” means, in relation to a person, any other person which, directly or indirectly, controls, is controlled by or is under the common control of such person. For the purposes of these Articles, “control” means, in relation to any person, having the power to direct the management or policies of such person, whether through the ownership of more than 50 per cent of the voting power of such person, through the power to appoint a majority of the members of the board of directors or similar governing body of such person, or through contractual arrangements or otherwise, and references to “controlled” or “controlling” shall be construed accordingly. In the case of an Investor, “Affiliate” shall also include (v) any general partner of either such Investor or any person which, directly or indirectly, controls, is controlled by or is under the common control of such Investor, (w) any limited partner of either such Investor or any person which, directly or indirectly, controls, is controlled by or is under the common control of such Investor, in each case where such limited partner holds, directly or indirectly, more than 50 per cent of the limited partnership interests, (x) the fund manager managing either such Investor or any person which, directly or indirectly, controls, is controlled by or is under the common control of such Investor (and general partners and limited partners (which hold, directly or indirectly, more than 50 per cent of the limited partnership interests) thereof) and other funds managed by such fund manager, (y) funds managed by any of such Investor’s Affiliates and the general partners of such funds, and (z) trusts controlled by or for the benefit of any such Person referred to in (v), (w), (x) or (y).
“Articles” means these articles of association of the Company as originally formed or as from time to time altered by Special Resolution.

“Auditor” means the Person for the time being performing the duties of auditor of the Company (if any), who shall be acceptable to Majority Series E Preferred Holders.

“Automatic Conversion” shall have the meaning set forth in Article 8.3(C) hereof.

“Board” or “Board of Directors” means the board of directors of the Company.

“Business Day” means any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by Law to be closed in the PRC, Hong Kong, the British Virgin Islands or the Cayman Islands.

“BVI Subsidiary” means DouYu Network Inc., a company incorporated under the Laws of the British Virgin Islands.

“Cai SPV” means Aodong Investments Limited, a company incorporated and existing under the Laws of the British Virgin Islands.

“Cause” means (i) Founder I’s conviction of (or plea of guilty to) a crime (x) involving fraud, moral turpitude, or any felony or (y) which has bad or will have a material detrimental effect on the Group Companies’ reputation or business; (ii) any act or omission by Founder I constituting gross negligence, wilful misconduct, fraud or breach of trust in the performance of such Person’s duties or obligations with respect to any Group Company that results, or is reasonably likely to result, in material harm to the Group Companies; or (iii) any material breach by Founder I of the terms of his employment agreement and/or with the Charter Documents of the Group Companies, and such material breach is not cured within 60 days after the written notice thereof to Founder I.
“Charter Documents” means, with respect to a particular legal entity, the articles or certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

“Company” means the above named company.

“Company Exercise Period” shall have the meaning set forth in Article 8.8(B) hereof.

“Company Unsubscribed Shares” shall have the meaning set forth in Article 8.8(B) hereof.

“Conversion Price” shall have the meaning set forth in Article 8.3(A) hereof.

“Conversion Shares” means Ordinary Shares issuable upon conversion of any Preferred Shares.

“Convertible Securities” shall have the meaning set forth in Article 8.3(c)(a)(ii) hereof.

“Co-Sale Holder” shall have the meaning set forth in Article 8.9(A) hereof.

“Co-Sale Notice” shall have the meaning set forth in Article 8.9(A) hereof.

“Deemed Issue Date” means, with respect to the Series Angel Preferred Shares, the Series Angel Issue Date; with respect to the Series A Preferred Shares, the Series A Issue Date; with respect to the Series B Preferred Shares, the Series B Issue Date; with respect to the Series C Preferred Shares, the Series C Issue Date; with respect to the Series D Preferred Shares, the Series D Issue Date; and with respect to the Series E Preferred Shares, the Series E Issue Date.
“Deemed Issue Price” means, with respect to the Series Angel Preferred Shares, the Series Angel Issue Price; with respect to the Series B Preferred Shares, the Series B Issue Price; with respect to the Series C Preferred Shares, the Series C Issue Price; with respect to the Series D Preferred Shares, the Series D Issue Price; and with respect to the Series E Preferred Shares, the Series E Issue Price.

“Deemed Liquidation Event” means any of the following events:

1. any direct or indirect consolidation, amalgamation, scheme of arrangement or merger of any of the Group Companies with or into any other Person or other reorganization in which the Members or shareholders of such Group Company immediately prior to such consolidation, amalgamation, merger, scheme of arrangement or reorganization own less than fifty percent (50%) of such Group Company voting power in the aggregate immediately after such consolidation, merger, amalgamation, scheme of arrangement or reorganization, or any transaction or series of related transactions to which such Group Company is a party or target in which in excess of fifty percent (50%) of such Group Company’s voting power is Transferred;

2. a sale, Transfer, lease or other disposition of all or substantially all of the assets of any Group Company (or any series of related transactions resulting in such sale, Transfer, lease or other disposition of all or substantially all of the assets of such Group Company); or

3. the exclusive licensing of all or substantially all of any Group Company’s Intellectual Property to a third party.

“Defaulting Holder” shall have the meaning set forth in Article 8.15(D) hereof.

“Director” means a director serving on the Board for the time being of the Company and shall include an alternate Director appointed in accordance with these Articles.

“Domestic Company I” means Wuhan Douyu Internet Technology Co., Ltd. (武汉斗鱼网络技术有限公司), a company organized under the Laws of the PRC.

“Domestic Company II” means Wuhan Ouyue Online TV Co., Ltd. (武汉乐游在线电视有限公司), a company organized under the Laws of the PRC.

“Drag-Along Holder” shall have the meaning set forth in Article 8.15(A) hereof.

“Drag-Along Notice” shall have the meaning set forth in Article 8.15(A) hereof.

“Drag-Along Sale” shall have the meaning set forth in Article 8.15(A)(1) hereof.

“Drag-Along Sale Event” shall have the meaning set forth in Article 8.15(B) hereof.

“Drag Default Shares” shall have the meaning set forth in Article 8.15(D) hereof.

“Dragged Holder” shall have the meaning set forth in Article 12(A) hereof.

“Electing Participating Prior Preferred Holder” shall have the meaning set forth in Article 8.8(D)(4) hereof.

“Electing Participating Series E Preferred Holder” shall have the meaning set forth in Article 8.4(C)(4) hereof.

“Equity Securities” means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any contract providing for the acquisition of any of the foregoing.
“ESOP” means the employee share incentive plan of the Company to be adopted pursuant to these Articles covering the grant or issuance of Ordinary Shares (or options therefor) to employees, officers, directors, or consultants of a Group Company.

“Fenghuang Fuju” means Phoenix Fuju Limited, a company incorporated and existing under the Laws of the British Virgin Islands.

“First Participation Notice” shall have the meaning set forth in Article 8.6(C)(1) hereof.

“First Participation Period” shall have the meaning set forth in Article 8.6(C)(1) hereof.

“Founder I” means Shaojie Chen (陈少杰), the holder of the PRC ID number of 7010319840313501X.

“Founder II” means Wenming Zhang (张文明), the holder of the PRC ID number of 32032219841020765x.

“Founder” or “Founders” means Founder I and/or Founder II.

“FounderCo I” means Warrior Ace Holding Limited, an exempted company incorporated with limited liability under the Laws of the British Virgin Islands.

“FounderCo II” means Starry Zone Investments Limited, an exempted company incorporated with limited liability under the Laws of the British Virgin Islands.

“FounderCo” or “FounderCos” means FounderCo I and/or FounderCo II.

“Governmental Authority” means any government of any nation or any federation, province or state or any other political subdivision thereof, 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 the PRC or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.
“Governmental Order” means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

“Group Company” means each of the Company and all of its direct or indirect Subsidiaries, and “Group” refers to all of the Group Companies collectively.

“Hong Kong” means the Hong Kong Special Administrative Region, the People’s Republic of China.

“Hong Kong Subsidiary” means Douyu Hongkong Limited (Douyu Hong Kong), a limited liability company organized and existing under the Laws of Hong Kong.

“Indebtedness” of any Person means, without duplication, each of the following of such Person: (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized in accordance with the applicable accounting standards, (vii) all obligations under banker’s acceptance, letter of credit or similar facilities, (viii) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge or cap agreement and (x) all guarantees issued in respect of the Indebtedness referred to in clauses (i) through (ix) above of any other Person, but only to the extent of the Indebtedness guaranteed.
“Intellectual Property” means any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author’s rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor and (vii) the goodwill symbolized or represented by the foregoing.

“Interested Transaction” shall have the meaning set forth in Article 80 hereof.

“Investor Restricted Transfer” shall have the meaning set forth in Article 8.14(B) hereof.

“Investors” shall have the meaning set forth in the Shareholders Agreement.

“Investor Transfer Notice” shall have the meaning set forth in Article 8.14(C) hereof.

“Investor Transferor” shall have the meaning set forth in Article 8.14(B) hereof.
“Investor Transfer Shares” shall have the meaning set forth in Article 8.14(C) hereof.

“IPO” means the first firm underwritten registered public offering by the Company of its Ordinary Shares pursuant to a registration statement that is filed with and declared effective by either the Commission under the United States Securities Act of 1933, as amended, or another Governmental Authority for a public offering in a jurisdiction other than the United States.

“Key Employee” means all employees of the Group Companies listed on Schedule B of the Series E Share Subscription Agreement and any new key employees of the Group Companies employed after the date of the Series E Share Subscription Agreement with positions of president, chief executive officer, chief financial officer, chief operating officer, chief technical officer, any other managers reporting directly to any Group Company’s board of directors, and any other employee with the title of “vice president” or higher and any other employees with responsibilities similar to any of the foregoing.

“Law” or “Laws” means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any formally issued written interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.

“Leave/Disability” means, with respect to Founder I, that Founder I has been unable to perform his or her duties due to serious illness, disability, or mandatory leave from office as required by applicable Laws (including but not limited to statutory military services) for three (3) consecutive months.

“Lien” means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, Transfer, disposition or otherwise), whether imposed by contract, understanding, Law, equity or otherwise.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Liquidation Event”</td>
<td>shall have the meaning set forth in Article 8.2(A) hereof.</td>
</tr>
<tr>
<td>“Listing Vehicle”</td>
<td>means the Company or another entity (whether or not in existence as of the date hereof) agreed upon by the Board (including the affirmative consent of both Series E Directors) that directly or indirectly owns, or carries on all or substantially all of the business or assets of the Group Companies, and the Equity Securities of which are or are intended to be listed pursuant to an IPO.</td>
</tr>
<tr>
<td>“Management Director”</td>
<td>shall have the meaning set forth in Article 62(A) hereof.</td>
</tr>
<tr>
<td>“Majority Holders”</td>
<td>means the Majority Preferred Holders and the Majority Series E Preferred Holders.</td>
</tr>
<tr>
<td>“Majority Preferred Holders”</td>
<td>means the holders of more than fifty percent (50%) of the voting power of the then outstanding Preferred Shares (voting together as a single class and calculated on an as-converted basis).</td>
</tr>
<tr>
<td>“Majority Series E Preferred Holders”</td>
<td>means the holders of the more than fifty percent (50%) of the voting power of the then outstanding Series E Preferred Shares (voting together as a single class and calculated on an as-converted basis).</td>
</tr>
<tr>
<td>“Member”</td>
<td>has the same meaning as in the Statute.</td>
</tr>
<tr>
<td>“Memorandum”</td>
<td>means the memorandum of association of the Company, as amended from time to time.</td>
</tr>
<tr>
<td>“New Securities”</td>
<td>shall have the meaning set forth in Article 8.3(E)(5)(a)(iii) hereof.</td>
</tr>
<tr>
<td>“Offered Price”</td>
<td>shall have the meaning set forth in Article 8.8(A) hereof.</td>
</tr>
<tr>
<td>“Offered Shares”</td>
<td>shall have the meaning set forth in Article 8.8(A) hereof.</td>
</tr>
</tbody>
</table>
“Offeror” shall have the meaning set forth in Article 8.15(A)(1) hereof.


“Options” shall have the meaning set forth in Article 8.3(E)(5)(a)(i) hereof.

“Ordinary Resolution” means a resolution of a duly constituted general meeting of the Company passed by a simple majority of the votes cast by, or on behalf of, the Members entitled to vote present in person or by proxy and voting at the meeting, or a written resolution as provided in Article 40 hereof.

“Ordinary Share” means an ordinary share of US$0.0001 par value per share in the capital of the Company having the rights attaching to it as set out herein.

“Other Restriction Agreements” shall have the meaning set forth in Article 8.7(F) hereof.

“Permitted Transferee” shall have the meaning set forth in Article 8.11 hereof.

“Participating Prior Preferred Holder” shall have the meaning set forth in Article 8.8(D)(4) hereof.

“Participating Series E Preferred Holder” shall have the meaning set forth in Article 8.8(C)(4) hereof.

“Person” means any individual, sole proprietorship, partnership, limited partnership, limited liability company, firm, joint venture, estate, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or governmental or regulatory authority or other enterprise or entity of any kind or nature.

“PRC” means the People’s Republic of China, but solely for the purposes hereof excludes the Hong Kong Special Administrative Region, Macau Special Administrative Region and the island of Taiwan.

“Preemptive Right” shall have the meaning set forth in Article 8.6(A) hereof.

“Preferred Shares” means the Series Angel Preferred Shares, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares.

“Prior Holder Exercise Period” shall have the meaning set forth in Article 8.8(D)(1) hereof.

“Prior Holder Unsubscribed Shares” shall have the meaning set forth in Article 8.8(D)(3) hereof.

“Prior Holder Pro Rata ROFR Share” shall have the meaning set forth in Article 8.8(D)(2) hereof.

“Prior Holder ROFR Confirmation Notice” shall have the meaning set forth in Article 8.8(D)(3) hereof.

“Prior Preferred Holders” shall have the meaning set forth in Article 8.8(C)(5) hereof.

“Prohibited Transfer” shall have the meaning set forth in Article 8.12 hereof.

“Prospective Purchaser” shall have the meaning set forth in Article 8.8(A) hereof.

“Put Shares” shall have the meaning set forth in Article 8.12(A) hereof.

“Qualified IPO” means a firm commitment underwritten public offering of the Ordinary Shares of the Company (or depositary receipts or depositary shares thereof) in the United States on the
New York Stock Exchange or the Nasdaq Global Market pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or on Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange or another internationally recognized stock exchange approved by the Majority Holders, in any case, with the valuation of the Group being not less than US$3,000,000,000 and the proceeds of the offering being not less than US$300,000,000; provided that the definition of the “Qualified IPO” may be amended or revised by the Majority Holders and any Shareholder shall, and shall cause the Director(s) appointed by such Shareholder to, vote for such amendment or revision made by the Majority Holders.
“Ratably Distribution” shall have the meaning set forth in Article 8.2(A)(7) hereof.

“Redemption Closing” shall have the meaning set forth in Article 8.5(C) hereof.

“Redemption Notice” shall have the meaning set forth in Article 8.5(B) hereof.

“Redemption Date” shall have the meaning set forth in Article 8.5(D)(1) hereof.

“Register of Members” means the register maintained in accordance with the Statute and includes (except where otherwise stated) any duplicate Register of Members.

“Registered Office” means the registered office for the time being of the Company.

“Remaining Share” shall have the meaning set forth in Article 8.8(D)(1) hereof.

“Repurchase Event” shall have the meaning set forth in Article 8.16(B) hereof.

“Repurchase Right” shall have the meaning set forth in Article 8.16(B) hereof.

“Residual Shares” shall have the meaning set forth in Article 8.9(A) hereof.

“Restricted Person” shall have the meaning set forth in Article 8.16(A) hereof.

“Restricted Shares” means, with respect to a Founder and such Founder’s FounderCo, a percentage of the Shares held by such Founder and such FounderCo as of the date of this Agreement, which percentage shall equal to (x) 70% multiplied by (y) 1/48 multiplied by (z) the number of months (including the month in which Closing occurs) between Closing and December 31, 2018, and which Shares and Equity Securities of the Company shall remain Restricted Shares until they are released from the Repurchase Right pursuant to this Agreement.
“Restructuring Agreement” means the restructuring agreement entered into by and among the Domestic Company I, the Domestic Company II, the Founders, the FounderCos, the Company and certain other parties thereto on May 14, 2018.

“Rights Holder” shall have the meaning set forth in Article 8.6(A).

“Right Participants” shall have the meaning set forth in Article 8.6(C)(3).

“Rights of Co-Sale” means the rights of co-sale provided to the Co-Sale Holders in Article 8.9 hereof.

“Rights of First Refusal” means the rights of first refusal provided to the Company and the Preferred Holders in Article 8.8 hereof.

“Rights of First Refusal Closing” shall have the meaning set forth in Article 8.8(F) hereof.

“ROFR Holder” shall have the meaning set forth in Article 8.8(A) hereof.

“Seal” means the common seal of the Company and includes every duplicate seal.

“Second Notice” shall have the meaning set forth in Article 8.8(C)(5) hereof.

“Second Participation Notice” shall have the meaning set forth in Article 8.6(C)(2) hereof.

“Series Angel Issue Date” means October 8, 2014.

“Series Angel Issue Price” means US$0.16 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series Angel Preferred Shares.

“Series Angel Preferred Holders” means the holders of the outstanding Series Angel Preferred Shares.

“Series Angel Preferred Shares” means a Series Angel Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.
“Series A Issue Date” means December 30, 2014.

“Series A Issue Price” means US$6.99 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series A Preferred Shares.

“Series A Preference Amount” shall have the meaning set forth in Article 8.2(A)(5) hereof.

“Series A Preferred Dividend” shall have the meaning set forth in Article 8.1(F) hereof.

“Series A Preferred Holders” means the holders of the outstanding Series A Preferred Shares.

“Series A Preferred Share” means a Series A Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series A Redemption Price” shall have the meaning set forth in Article 8.5(B)(2) hereof.

“Series A to D Notice Date” shall have the meaning set forth in Article 8.5(B) hereof.

“Series A to D Participation Redemption Holder” shall have the meaning set forth in Article 8.5(B)(1) hereof.

“Series A to D Redemption Notice” shall have the meaning set forth in Article 8.5(B)(1) hereof.


“Series A to D Redemption Period” shall have the meaning set forth in Article 8.5(B)(3) hereof.

“Series A to D Redemption Price” shall have the meaning set forth in Article 8.5(B)(2) hereof.
“Series A to D Request” shall have the meaning set forth in Article 8.5(B)(1) hereof.

“Series B Issue Date” means February 23, 2016.


“Series B Preference Amount” shall have the meaning set forth in Article 8.2(A)(4) hereof.

“Series B Preferred Dividend” shall have the meaning set forth in Article 8.1(E) hereof.

“Series B Preferred Holders” means the Series B-1 Preferred Holders, the Series B-2 Preferred Holders, the Series B-3 Preferred Holders and the Series B-4 Preferred Holders, as applicable.

“Series B Preferred Shares” means Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares and Series B-4 Preferred Shares, as applicable.

“Series B Redemption Price” shall have the meaning set forth in Article 8.5(B)(2) hereof.

“Series B-1 Issue Price” means US$18.70, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-1 Preferred Shares.

“Series B-1 Preferred Holders” means the holders of the outstanding Series B-1 Preferred Shares.

“Series B-1 Preferred Share” means a Series B-1 Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series B-2 Issue Price” means US$19.48, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-2 Preferred Shares.

“Series B-2 Preferred Holders” means the holders of the outstanding Series B-2 Preferred Shares.
“Series B-2 Preferred Share” means a Series B-2 Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series B-3 Issue Price” means US$26.50, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-3 Preferred Shares.

“Series B-3 Preferred Holders” means the holders of the outstanding Series B-3 Preferred Shares.

“Series B-3 Preferred Share” means a Series B-3 Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series B-4 Issue Price” means US$27.28, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-4 Preferred Shares.

“Series B-4 Preferred Holders” means the holders of the outstanding Series B-4 Preferred Shares.

“Series B-4 Preferred Share” means a Series B-4 Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series C Issue Date” means August 8, 2016.

“Series C Issue Price” means the Series C-1 Issue Price and the Series C-2 Issue Price, as applicable.

“Series C Preference Amount” shall have the meaning set forth in Article 8.2(A)(3) hereof.

“Series C Preferred Dividend” shall have the meaning set forth in Article 8.1(D) hereof.

“Series C Preferred Share” means the Series C-1 Preferred Shares and the Series C-2 Preferred Shares, as applicable.

“Series C Redemption Price” shall have the meaning set forth in Article 8.5(B)(2) hereof.
“Series C-1 Preferred Holders” means the holders of the outstanding Series C-1 Preferred Shares.

“Series C-1 Preferred Share” means a Series C-1 Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series C-1 Issue Price” means US$53.20, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C Preferred Shares.

“Series C-2 Preferred Share” means a Series C-2 Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series C-2 Issue Price” means US$47.88, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C Preferred Shares.


“Series D Issue Price” means US$62.77, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series D Preferred Shares.

“Series D Preference Amount” shall have the meaning set forth in Article 8.2(A)(2) hereof.

“Series D Preferred Dividend” shall have the meaning set forth in Article 8.1(C) hereof.

“Series D Preferred Holders” means the holders of the outstanding Series D Preferred Shares.

“Series D Preferred Share” means a Series D Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series D Redemption Price” shall have the meaning set forth in Article 8.5(B)(2) hereof.
“Series E Director” shall have the meaning set forth in Article 62(B) hereof.

“Series E Exercise Period” shall have the meaning set forth in Article 8.8(C)(1) hereof.

“Series E Notice” shall have the meaning set forth in Article 8.8(B) hereof.

“Series E Notice Date” shall have the meaning set forth in Article 8.5(A)(1) hereof.

“Series E Issue Date” means the date of the first issue of a Series E Preferred Share.

“Series E Issue Price” means US$80.5674 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series E Preferred Shares.

“Series E Unsubscribed Shares” shall have the meaning set forth in Article 8.8(C)(3) hereof.

“Series E Participation Redeeming Holder” shall have the meaning set forth in Article 8.5(A)(3) hereof.

“Series E Preference Amount” shall have the meaning set forth in Article 8.2(A)(1) hereof.

“Series E Preferred Dividend” shall have the meaning set forth in Article 8.1(B) hereof.

“Series E Preferred Holders” means the holders of the outstanding Series E Preferred Shares.

“Series E Preferred Share” means a Series E Preferred Share of US$0.0001 par value per share in the capital of the Company having the rights, preference and privileges attaching to it as set out herein.

“Series E Pro Rata ROFR Share” shall have the meaning set forth in Article 8.8(C)(2) hereof.

“Series E Redemption Notice” shall have the meaning set forth in Article 8.5(A) hereof.
“Series E Redemption Period” shall have the meaning set forth in Article 8.5(A)(1) hereof.

“Series E Redemption Price” shall have the meaning set forth in Article 8.5(A)(2) hereof.

“Series E Request” shall have the meaning set forth in Article 8.5(A)(1) hereof.

“Series E ROFR Confirmation Notice” shall have the meaning set forth in Article 8.8(C)(3) hereof.

“Series E ROFR Notice” shall have the meaning set forth in Article 8.8(C)(1) hereof.

“Series E Share Purchase Agreement” means the Series E Preferred Share Purchase Agreement entered into by and among the Company, the Founders, the FounderCos, the Domestic Companies, the WFOE and certain other parties thereto on March 8, 2018.

“Share” and “Shares” means a share or shares in the capital of the Company and includes a fraction of a share, including the Preferred Shares and the Ordinary Shares.

“Shareholder” means a holder of any Shares.

“Shareholders Agreement” means the shareholders agreement, among the Company and certain other parties named therein, as amended from time to time, dated on or about the date of adoption of these Articles.

“Special Resolution” has the same meaning as in the Statute and includes a unanimous written resolution of all Members entitled to vote and expressed to be a special resolution.

“Statute” means the Companies Law of the Cayman Islands as amended and every statutory modification or re-enactment thereof for the time being in effect.

“Subsequent Prior Holder Exercise Period” shall have the meaning set forth in Article 8.8(D)(4) hereof.

“Subsequent Prior Holder Pro Rata Share” shall have the meaning set forth in Article 8.8(D)(4) hereof.
“Subsequent Series E Pro Rata Share” shall have the meaning set forth in Article 8.8(C)(4) hereof.

“Subsequent Series E Exercise Period” shall have the meaning set forth in Article 8.8(C)(4) hereof.

“Subsidiary” means, with respect to any given Person, any other Person that is controlled directly or indirectly by such given Person.

“Super Right of Participation” shall have the meaning set forth in Article 8.6(C)(1) hereof.

“Tencent” means Nectarine Investment Limited, a company organized under the Laws of the British Virgin Islands and its permitted successors and assigns.

“Tencent Purchase Notice” shall have the meaning set forth in Article 8.14(E) hereof.

“Tencent ROFR Period” shall have the meaning set forth in Article 8.14(D) hereof.

“Third Participation Notice” shall have the meaning set forth in Article 8.6(C)(3) hereof.

“Third Participation Period” shall have the meaning set forth in Article 8.6(C)(3) hereof.

“Trade Sale” means any of the following events: (i) the acquisition of any Group Company (whether by a sale of equity, merger or consolidation) in which in excess of fifty percent (50%) of such Group Company’s voting power outstanding before such transaction is Transferred; (ii) the sale, Transfer or other disposition of all or substantially all of the assets, or Intellectual Property of any Group Company; or (iii) a merger, consolidation or other business combination of the Company with or into any other unaffiliated third party business entity in which the shareholders of the Company immediately after such merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity.

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“Transfer,” “Transferring,” mean and include any sale, assignment, encumbrance, “Transferred” or hypothecation, pledge, conveyance in trust, gift, words of similar import transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of Law, directly or indirectly.

“Transfer Notice” shall have the meaning set forth in Article 8.8(A) hereof.

“Transferor” shall have the meaning set forth in Article 8.8(A) hereof.

“Unredeemed Preferred Shares” “Vested Shares” shall have the meaning set forth in Article 8.5(D) hereof.

means Shares that were Restricted Shares but that have subsequently been released from the Repurchase Right pursuant to Article 8.16.

2. In the Articles:

2.1. words importing the singular number include the plural number and vice-versa;

2.2. words importing the masculine gender include the feminine gender;

2.3. “written” and “in writing” include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

2.4. 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;

2.5. 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;
2.6. the term “voting power” refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the provisions of the Memorandum and Articles;

2.7. the term “or” is not exclusive;

2.8. the term “including” will be deemed to be followed by, “but not limited to”;
2.9. the terms “shall”, “will”, and “agrees” are mandatory, and the term “may” is permissive;

2.10. the term “day” means “calendar day” (unless the term “Business Day” is used), and “month” means calendar month;

2.11. the phrase “directly or indirectly” means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning;

2.12. references to any documents shall be construed as references to such document as the same may be amended, supplemented or novated from time to time;

2.13. all references to dollars or to “US$” are to currency of the United States of America and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies);

2.14. headings are inserted for reference only and shall be ignored in construing these Articles; and

2.15. Sections 8 and 19 of the Electronic Transactions Law of the Cayman Islands shall not apply.

3. For the avoidance of doubt, each other Article herein is subject to the provisions of Articles 8 and 62 and, subject to the requirements of the Statute, in the event of any conflict, the provisions of Articles 8 and 62 shall prevail over any other Article herein.

COMMENCEMENT OF BUSINESS

4. The business of the Company may be commenced as soon after incorporation as the Directors shall see fit notwithstanding that any part of the Shares may not have been allotted. The Company shall have perpetual existence until wound up or struck off in accordance with the Statute and these Articles.

5. 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

6. Subject to the provisions, if any, in the Memorandum (and to any direction that may be given by the Company in a general meeting) and to the provisions of the Memorandum and the Articles (including Article 8) and without prejudice to any rights, preferences and privileges attached to any existing Shares, (a) the Directors may allot, issue, grant options or warrants over or otherwise dispose of two classes of Shares to be designated, respectively, as Ordinary Shares and Preferred Shares; (b) the Preferred Shares may be allotted and issued from time to time in one or more series; and (c) the series of Preferred Shares shall be designated prior to their allotment and issue. In the event that any Preferred Shares shall be converted pursuant to Article 8.3 hereof, the Preferred Shares so converted shall be cancelled and shall not be re-issuable by the Company. Further, any Preferred Share acquired by the Company by reason of redemption, repurchase, conversion or otherwise shall be cancelled and shall not be re-issuable by the Company.
7. The Company shall not issue Shares to bearer.

**RIGHTS, PREFERENCES AND PRIVILEGES OF SHARES**

8. Certain rights, preferences and privileges of the Shares of the Company and certain rights and obligations of the Shareholders are as follows:

8.1. **Dividends Rights.**

   A. Subject to the Statute and Article 8.4, the Directors may from time to time declare dividends (including interim dividends) and distributions on shares of the Company outstanding and authorize payment of the same out of the funds of the Company lawfully available therefor and in accordance with the provisions of this Article 8.1.

   B. In the event the Company declares dividends, each holder of Series E Shares shall be entitled to receive, prior and in preference to the holders of Series D Preferred Shares, Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares, Series Angel Preferred Shares and Ordinary Shares, dividends at the rate of eight percent (8%) (for the avoidance of doubt, simple interest) of the Series E Issue Price, as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions, for each such share held by such holder (the “Series E Preferred Dividend”), payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other. Such dividends shall be payable only when, as, and if declared by the Board and shall be non-cumulative. No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Company, unless and until the Series E Preferred Dividend have been paid in full on each Series E Preferred Share.

   C. After the Company’s setting aside or paying in full the Series E Preferred Dividend due pursuant to Article 8.1(B) above, each holder of Series D Preferred Shares shall be entitled to receive, prior and in preference to the holders of Series C Preferred Shares, Series B Preferred Shares, Series A Preferred Shares, Series Angel Preferred Shares and Ordinary Shares, dividends at the rate of eight percent (8%) (for the avoidance of doubt, simple interest) of the Series D Issue Price, as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions, for each such share held by such holder (the “Series D Preferred Dividend”), payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other. Such dividends shall be payable only when, as, and if declared by the Board and shall be non-cumulative. No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Company, unless and until the Series D Preferred Dividend have been paid in full on each Series D Preferred Share.
D. After the Company’s setting aside or paying in full the Series E Preferred Dividend due pursuant to Article 8.1(B) above and the Series D Preferred Dividend due pursuant to Article 8.1(C) above, each holder of Series C-1 Preferred Shares shall be entitled to receive, prior and in preference to the holders of Series B Preferred Shares, Series A Preferred Shares, Series Angel Preferred Shares, Series C-2 Preferred Shares and Ordinary Shares, dividends at the rate of eight percent (8%) (for the avoidance of doubt, simple interest) of the Series C-1 Issue Price, as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions, for each such share held by such holder (the “Series C Preferred Dividend”), payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other. Such dividends shall be payable only when, as, and if declared by the Board and shall be non-cumulative. No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Company, with respect to any of Series B Preferred Shares, Series A Preferred Shares, Series Angel Preferred Shares, Series C-2 Preferred Shares or Ordinary Shares of the Company, unless and until the Series C Preferred Dividend have been paid in full on each Series C Preferred Share.

E. After the Company’s setting aside or paying in full the Series E Preferred Dividend due pursuant to Article 8.1(B) above, the Series D Preferred Dividend due pursuant to Article 8.1(C) above and the Series C Preferred Dividend due pursuant to Article 8.1(D) above, each holder of Series B Preferred Shares shall be entitled to receive, prior and in preference to the holders of Series A Preferred Shares, Series Angel Preferred Shares, Series C-2 Preferred Shares and Ordinary Shares, dividends at the rate of eight percent (8%) (for the avoidance of doubt, simple interest) of the applicable Series B Issue Price, as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions, for each such share held by such holder (the “Series B Preferred Dividend”), payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other. Such dividends shall be payable only when, as, and if declared by the Board and shall be non-cumulative. No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Company, with respect to any of Series A Preferred Shares, Series Angel Preferred Shares, Series C-2 Preferred Shares or Ordinary Shares of the Company, unless and until the Series B Preferred Dividend have been paid in full on each Series B Preferred Share.

F. After the Company’s setting aside or paying in full the Series E Preferred Dividend due pursuant to Article 8.1(B) above, the Series D Preferred Dividend due pursuant to Article 8.1(C) above, the Series C Preferred Dividend due pursuant to Article 8.1(D) above, and the Series B Preferred Dividend due pursuant to Article 8.1(E) above, each holder of Series A Preferred Shares shall be entitled to receive, prior and in preference to the holders of Series Angel Preferred Shares, Series C-2 Preferred Shares and Ordinary Shares, dividends at the rate of eight percent (8%) (for the avoidance of doubt, simple interest) of the Series A Issue Price, as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions, for each such share held by such holder (the “Series A Preferred Dividend”), payable out of funds or assets when and as such funds or assets become legally available therefor on parity with each other. Such dividends shall be payable only when, as, and if declared by the Board and shall be non-cumulative. No dividends or other distributions shall be made or declared, whether in cash, in property, or in any other shares of the Company, with respect to any of Series Angel Preferred Shares, Series C-2 Preferred Shares or Ordinary Shares of the Company, unless and until the Series A Preferred Dividend have been paid in full on each Series A Preferred Share.
G. After the Company’s setting aside or paying in full the Series E Preferred Dividend, the Series D Preferred Dividend, the Series C Preferred Dividend, the Series B Preferred Dividend and the Series A Preferred Dividend due pursuant to Articles 8.1(B), 8.1(C), 8.1(D), 8.1(E) and 8.1(F) above, the Company shall pay any dividends payable for each Ordinary Share, if any, to the holders of the Preferred Shares and Ordinary Shares on a pro rata basis, based on the number of Ordinary Shares then held by each holder on an as-converted basis.

H. In the event the Company shall declare a distribution other than in cash (except for a distribution described in Article 8.2 or Article 8.5), the holders of Preferred Shares shall be entitled to a proportionate share of any such distribution as though the holders of Preferred Shares were holders of the number of Ordinary Shares into which their Preferred Shares are convertible as of the record date fixed for the determination of the holders of Ordinary Shares entitled to receive such distribution.

8.2. Liquidation Rights.

A. Liquidation Preferences. In the event of any liquidation, dissolution or winding up of the Company (each a “Liquidation Event”), whether voluntary or involuntary, all assets and funds of the Company legally available for distribution to the Members (after satisfaction of all creditors’ claims and claims that may be preferred by Law) shall be distributed to the Members of the Company as follows:

(1) Firstly, each holder of the Series E Preferred Shares shall be entitled to receive for each Series E Preferred Share held by such holder, prior and in preference to any distribution of any of the assets or funds of the Company to the holders of Ordinary Shares, the Series Angel Preferred Shares, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and other Members, an amount equal to the sum of (x) 100% of the Series E Issue Price paid by such holder (as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions), (y) annual simple interest calculated at twelve percent (12%) per annum on the Series E Issue Price, calculated from the Series E Issue Date and up to and including the date of receipt by the holders thereof of the full the relevant Series E Preference Amount, and (z) all accrued but unpaid dividends on such Series E Preferred Share (the “Series E Preference Amount”). If, upon any such Liquidation Event, the assets and funds thus legally available to be distributed among the holders of the Series E Preferred Shares shall be insufficient to make the payment of the foregoing amounts in full on all Series E Preferred Shares, then such assets and funds of the Company legally available for distribution shall be solely distributed among the holders of the Series E Preferred Shares ratably in proportion to the full amounts each such holder would otherwise be respectively entitled thereon.

(2) Secondly, if there are any assets or funds remaining after the aggregate Series E Preference Amount has been distributed in full to the holders of the Series E Preferred Shares pursuant to subparagraph (1) above, the holders of the Series D Preferred Shares shall be entitled to receive for each Series D Preferred Share held by such holder (as the case may be), prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Ordinary Shares, the Series Angel Preferred Shares, the Series A Preferred Shares, the Series B Preferred Shares and the Series C Preferred Shares, an amount equal to the sum of (x) 100% of the Series D Issue Price paid by such holder (as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions), (y) annual simple interest calculated at twelve percent (12%) per annum on the Series D Issue Price, calculated from the Series D Issue Date and up to and including the date of receipt by the holder thereof of the full the relevant Series D Preference Amount, and (z) all accrued but unpaid dividends on such Series D Preferred Share (the “Series D Preference Amount”). If, upon any such Liquidation Event, the assets and funds thus legally available to be distributed among the holders of the Series D Preferred Shares shall be insufficient to make the payment of the foregoing amounts in full on all Series D Preferred Shares, then such assets and funds of the Company legally available for distribution shall be solely distributed among the holders of the Series D Preferred Shares ratably in proportion to the full amounts each such holder would otherwise be respectively entitled thereon.
Thirdly, if there are any assets or funds remaining after the aggregate Series E Preference Amount has been distributed in full to the holders of the Series E Preferred Shares pursuant to subparagraph (1) above and the aggregate Series D Preference Amount has been distributed to the holders of the Series D Preferred Shares pursuant to subparagraph (2) above, the holders of the Series C-1 Preferred Shares shall be entitled to receive for each Series C-1 Preferred Share held by such holder (as the case may be), prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Ordinary Shares, the Series Angel Preferred Shares, the Series C-2 Preferred Shares, the Series A Preferred Shares and the Series B Preferred Shares, an amount equal to the sum of (x) 100% of the Series C-1 Issue Price paid by such holder (as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions), (y) annual simple interest calculated at twelve percent (12%) per annum on the Series C-1 Issue Price, calculated from the Series C-1 Issue Date and up to and including the date of receipt by the holder thereof of the full the relevant Series C Preference Amount, and (z) all accrued but unpaid dividends on such Series C-1 Preferred Share (collectively the “Series C Preference Amount”). If, upon any such Liquidation Event, the assets and funds thus legally available to be distributed among the holders of the Series C-1 Preferred Shares shall be insufficient to make the payment of the foregoing amounts in full on all Series C-1 Preferred Shares, then such assets and funds of the Company legally available for distribution shall be solely distributed among the holders of the Series C-1 Preferred Shares ratably in proportion to the full amounts each such holder would otherwise be respectively entitled thereon.

Fourthly, if there are any assets or funds remaining after the aggregate Series E Preference Amount has been distributed in full to the holders of the Series E Preferred Shares pursuant to subparagraph (1) above, the aggregate Series D Preference Amount has been distributed to the holders of the Series D Preferred Shares pursuant to subparagraph (2) above and the aggregate Series C Preference Amount has been distributed to the holders of the Series C-1 Preferred Shares pursuant to subparagraph (3) above, the holders of the Series B Preferred Shares shall be entitled to receive for each Series B Preferred Share held by such holder (as the case may be), prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Ordinary Shares, Series Angel Preferred Shares, Series C-2 Preferred Shares and the Series A Preferred Shares, an amount equal to the sum of (x) 100% of the applicable Series B Issue Price paid by such holder (as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions), (y) annual simple interest calculated at eight percent (8%) per annum on the applicable Series B Issue Price, calculated from the Series B Issue Date and up to and including the date of receipt by the holder thereof of the full the relevant Series B Preference Amount, and (z) all accrued but unpaid dividends on such Series B Preferred Share (collectively the “Series B Preference Amount”). If, upon any such Liquidation Event, the assets and funds thus legally available to be distributed among the holders of the Series B Preferred Shares shall be insufficient to make the payment of the foregoing amounts in full on all Series B Preferred Shares, then such assets and funds of the Company legally available for distribution shall be solely distributed among the holders of the Series B Preferred Shares ratably in proportion to the full amounts each such holder would otherwise be respectively entitled thereon.
(5) Fifthly, if there are any assets or funds remaining after the aggregate Series E Preference Amount has been distributed in full to the holders of the Series E Preferred Shares pursuant to subparagraph (1) above, the aggregate Series D Preference Amount has been distributed to the holders of the Series D Preferred Shares pursuant to subparagraph (2) above, the aggregate Series C Preference Amount has been distributed to the holders of the Series C-1 Preferred Shares pursuant to subparagraph (3) above, and the aggregate Series B Preference Amount has been distributed to the holders of the Series B Preferred Shares pursuant to subparagraph (4) above, the holders of the Series A Preferred Shares shall be entitled to receive for each Series A Preferred Share held by such holder (as the case may be), prior and in preference to any distribution of any of the assets or funds of the Company to the holders of the Series Angel Preferred Shares, the Series C-2 Preferred Shares and the Ordinary Shares, an amount equal to the sum of (x) 100% of the Series A Issue Price paid by such holder (as adjusted for any share splits, share dividends, combinations, recapitalizations or similar transactions), (y) ten percent (10%) of the Series A Issue Price (as adjusted for any subdivisions, consolidations or share dividends), and (z) all accrued but unpaid dividends on such Series A Preferred Share (collectively the “Series A Preference Amount”). If, upon any such Liquidation Event, the assets and funds thus legally available to be distributed among the holders of the Series A Preferred Shares shall be insufficient to make the payment of the foregoing amounts in full on all Series A Preferred Shares, then such assets and funds of the Company legally available for distribution shall be solely distributed among the holders of the Series A Preferred Shares ratably in proportion to the full amounts each such holder would otherwise be respectively entitled thereon.

(6) If there are any assets or funds remaining after the aggregate Series A Preference Amount, Series B Preference Amount, Series C Preference Amount, Series D Preference Amount and Series E Preference Amount have been distributed or paid in full to the applicable holders of Preferred Shares pursuant to subparagraphs (1) to (5) above, the remaining assets and funds of the Company available for distribution to the Members shall be distributed ratably among all Members in proportion to the number of Ordinary Shares (on an as-converted basis) held by them.

(7) Notwithstanding the foregoing, if the Series E Preferred Holders would receive more than the Series E Preference Amount based on an as-converted and fully-diluted basis (the “Ratably Distribution”) in a Deemed Liquidation Event with the valuation of the Company that is not more than US3,000,000,000, Article 8.2(A)(1) to Article 8.2(A)(6) shall apply to the distribution of all assets and funds of the Company legally available for such distribution; if the Series E Preferred Holders would receive more than the Series E Preference Amount according to the Ratably Distribution in a Deemed Liquidation Event with the valuation of the Company that is more than US3,000,000,000, Ratably Distribution shall apply to the distribution of all assets and funds of the Company legally available for such distribution.
B. **Deemed Liquidation.** Unless waived in writing by the Majority Holders, a Deemed Liquidation Event shall be deemed to be a liquidation, dissolution or winding up of the Company for purposes of Article 8.2(A), and any proceeds, whether in cash or properties, resulting from a Deemed Liquidation Event shall be distributed in accordance with the provisions of Article 8.2(A) (including the distribution preference set forth therein).

C. **Valuation of Properties.** In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company pursuant to Article 8.2(A) or pursuant to a deemed liquidation, dissolution or winding up of the Company pursuant to Article 8.2(B), the value of the assets to be distributed to the Members shall be determined in good faith by the Board; provided that any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

1. if traded on a securities exchange, the value shall be deemed to be the security’s volume-weighted average price on such exchange in the thirty (30) day period ending one (1) day prior to the distribution;
2. if traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and
3. if there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board;

provided further that the method of valuation of securities subject to investment letter or other restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (1), (2) or (3) to reflect the fair market value thereof as determined in good faith by the Board.

Notwithstanding the foregoing, the Majority Series E Preferred Holders shall have the right to challenge any determination by the Board of value pursuant to this Article 8.2(C), in which case the determination of value shall be made by an independent appraiser selected jointly by the Majority Series E Preferred Holders, with the cost of such appraisal to be borne by the Company.

D. **Notices.** In the event that the Company proposes at any time to consummate a liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event, then, in connection with each such event, subject to any necessary approval required in the Statute and these Articles (including Article 8), the Company shall send to the holders of Preferred Shares at least twenty (20) days prior written notice of the date when the same shall take place; provided, however, that the foregoing notice period may be shortened or waived with the vote or written consent of the Majority Holders.
E. Enforcement. In the event the requirements of this Article 8.2 are not complied with, the Company shall forthwith either (i) cause the closing of the applicable transaction to be postponed until such time as the requirements of this Article 8.2 have been complied with, or (ii) cancel such transaction.

F. Trade Sale. In the event of a Trade Sale, each holder of Series E Preferred Shares shall be entitled to exercise its rights under this Article 8.2 in full regardless whether part of the consideration in connection with such Trade Sale is subject to escrow, holdback or other similar arrangement.

8.3. Conversion Rights.

The holders of the Preferred Shares shall have the rights described below with respect to the conversion of the Preferred Shares into Ordinary Shares:

A. Conversion Ratio. Each Preferred Share shall be convertible, at the option of the holder thereof, into such number of fully paid and non-assessable Ordinary Shares as determined by dividing the relevant Deemed Issue Price by the then-effective relevant Conversion Price. The “Conversion Price” for the Series Angel Preferred Shares, the Series A Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series B-4 Preferred Shares, the Series C-1 Preferred Shares, the Series C-2 Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares shall initially be equal to the Series Angel Issue Price, the Series A Issue Price, the Series B-1 Issue Price, the Series B-2 Issue Price, the Series B-3 Issue Price, the Series B-4 Issue Price, the Series C-1 Issue Price, the Series C-2 Issue Price, the Series D Issue Price and the Series E Issue Price, respectively, resulting in an initial conversion ratio of 1:1, and shall be subject to adjustment and readjustment from time to time as hereinafter provided.

B. Optional Conversion. Subject to the Statute and these Articles (including Article 8), any Preferred Share may, at the option of the holder thereof, be converted at any time after the date of issuance of such shares, without the payment of any additional consideration, into fully-paid and non-assessable Ordinary Shares based on the then-effective relevant Conversion Price.

C. Automatic Conversion. Each Preferred Share shall automatically be converted, based on the then-effective Conversion Price for such Preferred Share, without the payment of any additional consideration, into fully-paid and non-assessable Ordinary Shares upon the earlier of (i) the closing of a Qualified IPO, or (ii) the written notice signed by the Majority Holders. Any conversion pursuant to this Article 8.3(C) shall be referred to as an “Automatic Conversion”.

D. Conversion Mechanism. The conversion hereunder of the Preferred Shares shall be effected in the following manner:

(1) Except as provided in Articles 8.3(D)(2) and 8.3(D)(3) below, before any holder of any Preferred Shares shall be entitled to convert the same into Ordinary Shares, such holder shall surrender the certificate or certificates therefor duly endorsed (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor) at the office of the Company or of any transfer agent for such share to be converted, shall give notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Ordinary Shares (if applicable) are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver to such holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid, and such conversion shall be deemed to have been made immediately prior to the close of business on the date of such notice and such surrender of the Preferred Shares to be converted, the Register of Members of the Company shall be updated accordingly to reflect the same, and the Person or Persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares as of such date.

(2) If the conversion is in connection with an underwritten public offering of securities, the conversion will be conditioned upon the consummation by the underwriter(s) of the sale of securities pursuant to such offering, and the Person(s) entitled to receive the Ordinary Shares issuable upon such conversion shall not be deemed to have converted the applicable Preferred Shares until immediately prior to the consummation of such sale of securities.

(3) Upon the occurrence of an event of Automatic Conversion, the Company shall give all holders of Preferred Shares to be automatically converted at least ten (10) days’ prior written notice of the date fixed (which date shall in the case of a Qualified IPO be the latest practicable date immediately prior to the closing of a Qualified IPO) and the place designated for Automatic Conversion of all such Preferred Shares pursuant to this Article 8.3(D). Such notice shall be given pursuant to Articles 104 through 108 to each record holder of such Preferred Shares at such holder’s address appearing on the register of members. On or before the date fixed for conversion, each holder of such Preferred Shares shall surrender the applicable certificate or certificates duly endorsed (or in lieu thereof shall deliver an affidavit of lost certificate and indemnity therefor) at the office of the Company or of any transfer agent for such share to be converted, shall give notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for Ordinary Shares (if applicable) are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver to such holder of Preferred Shares, or to the nominee or nominees of such holder, a certificate or certificates for the number of Ordinary Shares to which such holder shall be entitled as aforesaid, and such conversion shall be deemed to have been made immediately prior to the close of business on the date of such notice and such surrender of the Preferred Shares to be converted, the Register of Members of the Company shall be updated accordingly to reflect the same, and the Person or Persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares as of such date.
therefor) (if any) for all such shares to the Company at the place designated in such notice. On the date fixed for conversion, the Company shall effect such conversion and update its Register of Members to reflect such conversion, and upon surrender of the certificate or certificates representing the shares to be converted duly endorsed (or in lieu thereof upon delivery of an affidavit of lost certificate and indemnity therefor) (if any), the holder thereof shall be entitled to receive certificates (if applicable) for the number of Ordinary Shares into which such Preferred Shares have been converted. All certificates evidencing such Preferred Shares shall, from and after the date of conversion, be deemed to have been retired and cancelled and the Preferred Shares represented thereby converted into Ordinary Shares for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date.

(4) 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 Ordinary Shares. For purposes of the repurchase or redemption, the Company may, subject to the Company being able to pay its debts in the ordinary course of business, make payments out of its capital.
(5) No fractional Ordinary Shares shall be issued upon conversion of any Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall at the discretion of the Board of Directors either (i) pay cash equal to such fraction multiplied by the fair market value for the applicable Preferred Share as determined and approved by the Board of Directors (so long as such approval includes the approval of the Series E Directors), or (ii) issue one (1) whole Ordinary Share for each fractional share to which the holder would otherwise be entitled.

(6) Upon conversion, all declared but unpaid share dividends on the applicable Preferred Shares shall be paid in shares and all declared but unpaid cash dividends on the applicable Preferred Shares shall be paid either in cash or by the issuance of such number of further Ordinary Shares as equal to the value of such cash amount divided by the applicable conversion price, at the option of the holder of the applicable Preferred Shares.

E. **Adjustment of Conversion Price.** The Conversion Price shall be adjusted and re-adjusted from time to time as provided below:

(1) **Adjustment for Share Splits and Combinations.** If the Company shall at any time, or from time to time, effect a subdivision of the outstanding Ordinary Shares, the Conversion Price then in effect immediately prior to such subdivision shall be proportionately decreased. Conversely, if the Company shall at any time, or from time to time, combine the outstanding Ordinary Shares into a smaller number of shares, the Conversion Price then in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.

(2) **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, the Conversion Price then in effect 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 Conversion Price by a fraction (i) the numerator of which is the total number of Ordinary Shares issued and outstanding 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 Ordinary Shares issued and outstanding 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.

(3) **Adjustments for Other Dividends.** If 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) a dividend or other distribution to the holders of Ordinary Shares payable in securities of the Company other than Ordinary Shares or payable in any other asset or property (other than cash), then, and in each such event, subject to compliance with Article 8.1 and to the extent not duplicative with Article 8.1, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder thereof shall receive, in addition to the number of Ordinary Shares issuable thereon, the amount of securities of the Company or other asset or property which the holder of such share would have received in connection with such event had the Preferred Shares been converted into Ordinary Shares immediately prior to such event.
Adjustments for Reorganizations, Mergers, Consolidations, Reclassifications, Exchanges, Substitutions. If at any time, or from time to time, any capital reorganization or reclassification of the Ordinary Shares (other than as a result of a share dividend, subdivision, split or combination otherwise treated above) occurs or the Company is consolidated, merged or amalgamated with or into another Person (other than a consolidation, merger or amalgamation treated as a liquidation in Article 8.2(B)), then in any such event, provision shall be made so that, upon conversion of any Preferred Share thereafter, the holder thereof shall receive the kind and amount of shares and other securities and property which the holder of such shares would have received in connection with such event had the relevant Preferred Shares been converted into Ordinary Shares immediately prior to such event.

Adjustments to Conversion Price.

(a) Special Definition. For purpose of this Article 8.3(E)(5), the following definitions shall apply:

(i) “Options” mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities (as defined below).

(ii) “Convertible Securities” shall mean any indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares.

(iii) “New Securities” shall mean all Equity Securities issued (or, pursuant to Article 8.3(E)(5)(c), deemed to be issued) by the Company after the date on which these Articles are adopted, other than the following issuances:

(I) Ordinary Shares (or Options exercisable for such Ordinary Shares) issued (or issuable pursuant to such Options) to the Group Companies’ employees, officers, directors, consultants or any other Persons qualified pursuant to a written employee share option plan or employee equity incentive plan or other similar arrangements duly approved in accordance with these Articles;

(II) Ordinary Shares issued or issuable pursuant to a share split or subdivision, share dividend, combination, recapitalization or other similar transaction of the Company, as described in Article 8.3(E) (1) through Article 8.3(E)(4) as duly approved by the Board (including the affirmative consent of the Series E Directors);

(III) Ordinary Shares issued upon the conversion of Preferred Shares; and pursuant to an IPO.
(b) **Waiver of Adjustment.** No adjustment in the relevant Conversion Price shall be made as the result of the issuance or deemed issuance of New Securities if the Company receives written notice from the Majority Holders agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such New Issuance.

(c) **Deemed Issuance of New Securities.** In the event the Company at any time or from time to time after the relevant Deemed Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any series or class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number for anti-dilution adjustments) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities or the exercise of such Options, shall be deemed to be New Securities issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that in any such case in which New Securities are deemed to be issued:

(i) no further adjustment in the relevant Conversion Price shall be made upon the subsequent issue of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities or upon the subsequent issue of Options for Convertible Securities or Ordinary Shares;

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any change in the consideration payable to the Company, or change in the number of Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the then effective relevant Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such change becoming effective, be recomputed to reflect such change insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) no readjustment pursuant to Article 8.3(E)(5)(c)(ii) shall have the effect of increasing the then effective relevant Conversion Price to an amount which exceeds the relevant Conversion Price that would have been in effect had no adjustments in relation to the issuance of such Options or Convertible Securities as referenced in Article 8.3(E)(5)(c)(ii) been made;

(iv) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities that have not been exercised, the then effective relevant Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto) and any subsequent adjustments based thereon shall, upon such expiration, be recomputed as if:

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in the case of Convertible Securities or Options for Ordinary Shares, the only New Securities issued were the Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issue of such exercised Options plus the consideration actually received by the Company upon such exercise or for the issue of all such Convertible Securities that were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and

in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issue of such Options, and the consideration received by the Company for the New Securities deemed to have been then issued was the consideration actually received by the Company for the issue of such exercised Options, plus the consideration deemed to have been received by the Company (determined pursuant to Article 8.3(E)(5)(g)) upon the issue of the Convertible Securities with respect to which such Options were actually exercised; and

if such record date shall have been fixed and such Options or Convertible Securities are not issued on the date fixed therefor, the adjustment previously made in the relevant Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the relevant Conversion Price shall be adjusted pursuant to this Article 8.3(E)(5)(c) as of the actual date of their issuance.

Adjustment of Conversion Price of Preferred Shares upon Issuance of New Securities. In the event of an issuance of New Securities, at any time after the Series E Issue Date, for a consideration per Ordinary Share (on an as-converted basis) received by the Company (net of any selling concessions, or discounts) less than the Conversion Price for the relevant Preferred Shares (other than Series Angel Preferred Shares, Series B-4 Preferred Shares and Series C-2 Preferred Shares) then in effect immediately prior to such issue, then and in such event, the Conversion Price for the relevant series of Preferred Shares (other than Series Angel Preferred Shares, Series B-4 Preferred Shares and Series C-2 Preferred Shares) then in effect immediately prior to the issuance of such New Securities shall be reduced, concurrently with such issuance, to a price (calculated to the nearest one-hundredth of a cent) equal to the price per share of such New Securities; provided, however, such adjustment shall only be made if it results in a new Conversion Price lower than the relevant Conversion Price in effect immediately prior to the issuance of such New Securities. For the avoidance of doubt, no adjustment shall be made to any Conversion Price if this would result in such Conversion Price falling below the par value of the Ordinary Shares. In such cases, such Conversion Price would be equal to the par value of the Ordinary Shares. If Series A Preferred Holders have exercised the rights under this Article 8.3(E)(5)(d) and such exercise results to the dilution to the shareholding of the Series Angel Preferred Holders, the Conversion Price for the Series Angel Preferred Shares shall be adjusted to a price (calculated to the nearest one-hundredth of a cent) to achieve the effect that the shareholding of such Series Angel Preferred Holders shall not be diluted by the exercise of the rights under this Article 8.3(E)(5)(d) by the Series A Preferred Holders.
(e) **Determination of Consideration.** For purposes of this Article 8.3(E)(5), the consideration received by the Company for the issuance of any New Securities shall be computed as follows:

(i) **Cash and Property.** Such consideration shall:

(I) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest or accrued dividends and excluding any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance of any New Securities;

(II) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined and approved in good faith by the Board of Directors (including the affirmative consent of the Series E Directors); provided, however, that no value shall be attributed to any services performed by any employee, officer or director of any Group Company;

(III) in the event New Securities are issued together with other Shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received which relates to such New Securities, computed as provided in clauses (1) and (2) above, as reasonably determined in good faith by the Board of Directors (including the affirmative consent of the Series E Directors).

(ii) **Options and Convertible Securities.** The consideration per Ordinary Share received by the Company for New Securities deemed to have been issued pursuant to Article 8.3(E)(5)(c) hereof relating to Options and Convertible Securities, shall be determined by dividing (x) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities (determined in the manner described in paragraph (i) above), plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by (y) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(6) **Other Dilutive Events.** In case any event shall occur as to which the other provisions of this Article 8.3(E) are not strictly applicable, but the failure to make any adjustment to the Conversion Price for a series of Preferred Shares would not fairly protect the conversion rights of the holders of the relevant Preferred Shares 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, on a basis consistent with the essential intent and principles established in this Article 8.3(E), necessary to preserve, without dilution, the conversion rights of the holders of such relevant Preferred Shares.
(7) **No Impairment.** The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, amalgamation, scheme of arrangement, dissolution, issue or sale of 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 8.3 and in the taking of all such action as may be necessary or appropriate to protect the conversion rights of the holders of Preferred Shares against impairment.

(8) **Certificate of Adjustment.** In the case of any adjustment or readjustment of the Conversion Price for a series of Preferred Shares, the Company, at its sole expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing such adjustment or readjustment, and shall deliver such certificate by notice to each registered holder of such relevant Preferred Shares, at the holder’s address as shown in the Company’s books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any New Securities issued or sold or deemed to have been issued or sold, (ii) the number of New Securities issued or sold or deemed to be issued or sold, (iii) the relevant Conversion Price in effect before and after such adjustment or readjustment and (iv) the type and number of Equity Securities of the Company, and the type and amount, if any, of other property which would be received upon conversion of such Preferred Shares after such adjustment or readjustment.

(9) **Notice of Record Date.** In the event the Company shall propose to take any action of the type or types requiring an adjustment set forth in this Article 8.3(E), the Company shall give notice to the holders of the relevant 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 relevant Conversion Price and the number, kind or class of shares or other securities or property which shall be deliverable upon the occurrence of such action or deliverable upon the conversion of the relevant Preferred Shares. In the case of any action which would require the fixing of a record date, such notice shall be given at least twenty days prior to the date so fixed, and in the case of all other actions, such notice shall be given at least thirty (30) days prior to the taking of such proposed action.

(10) **Reservation of Shares Issuable Upon Conversion.** The Company shall at all times reserve and keep available out of its authorized but unissued Ordinary Shares, solely for the purpose of effecting the conversion of the Preferred Shares, such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares. If at any time the number of authorized but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the holders of Preferred Shares, the Company and its Members will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued Ordinary Shares to such number of shares as shall be sufficient for such purpose.
(11) **Notices.** Any notice required or permitted pursuant to this Article 8.3 shall be given in writing and shall be given in accordance with Articles 104 through 108.

(12) **Payment of Taxes.** The Company will pay all governmental charges that may be imposed with respect to the issue or delivery of Ordinary Shares upon conversion of the Preferred Shares, excluding any charge imposed in connection with any Transfer involved in the issue and delivery of Ordinary Shares in a name other than that in which such Preferred Shares so converted were registered.

8.4. **Voting Rights.**

A. **General Rights.** Subject to the provisions of the Memorandum and these Articles (including Article 8 and any Article providing for special voting rights), at all general meetings of the Company: (a) the holder of each Ordinary Share issued and outstanding shall have one (1) vote in respect of each Ordinary Share held; and (b) the holder of a Preferred Share shall be entitled to such number of votes as equals the whole number of Ordinary Shares into which such holder’s Preferred Shares are convertible immediately after the close of business on the record date of the determination of the Members entitled to vote or, if no such record date is established, at the date such vote is taken or any written consent of the Members is first solicited. Fractional votes shall not, however, be permitted. Without prejudice to the above, to the extent that the Statute or the Articles allow the Preferred Shares to vote separately as a class or series with respect to any matters, the Preferred Shares, shall have the right to vote separately as a class or series with respect to such matters.

B. **Protective Provisions.**

(1) **Acts of the Group Companies Requiring Approval of the Majority Holders.** Notwithstanding anything else contained in these Articles or in the Charter Documents of any Group Company, any Group Company shall not, and the Warrantors and the Investors (other than Tencent) shall procure each Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless otherwise approved in writing by the Majority Holders:

(a) any repeal, amendment, modification, waiver or change of any provision of any Charter Documents of any Group Company;

(b) any amendment, modification or change of any rights, preferences, privileges or powers of the Preferred Shares, or any clause stipulating the foregoing amendment, modification or change being added, or any amendment, modification or change of any rights, powers or benefit attached to the Ordinary Shares or other classes or series of shares having the effect of or may result in any rights, preferences, privileges or powers of the Preferred Shares being prejudiced;
(c) creation, authorization, reclassification, repurchase, redemption or issuance of
(A) any class or series of Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any
Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption, or otherwise, or any Equity Securities
convertible into, exchangeable for, or exercisable into any Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption or otherwise, (B) any additional Preferred Shares, (C) any other Equity Securities of the Company except for (i) the Conversion Shares or (ii) the issuance or repurchase of Ordinary Shares (or options or warrants) under the ESOP approved by the Board, or
(D) any Equity Securities of any other Group Company;

(d) any increase or decrease in the authorized number of the Preferred Shares, or any
series thereof, or the authorized number of Ordinary Shares;

(e) any Deemed Liquidation Event or Trade Sale;

(f) the commencement of or consent to any proceeding seeking (i) to adjudicate it as
bankrupt or insolvent, (ii) liquidation, winding up, dissolution, reorganization, or arrangement of any of the Group Companies
under any Law relating to bankruptcy, insolvency or reorganization or relief of debtors, or (iii) the entry of an order for relief or
the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property;

(g) any sale, transfer, pledge, purchase, repurchase, redemption, retirements or
otherwise disposal of any share capital, share or equity of any Group Company;

(h) any increase, reduction, cancellation, redemption, repurchase or change of the
authorized or issued share capital or capitalization of any Group Company, or issue or sale of any share, equity or depositary
receipt of any Group Company;

(i) the undertaking of any voluntary dissolution or liquidation thereof or any
reclassification or recapitalization of the outstanding equity capital of any Group Company;

(j) any change of dividend policy of any Group Company, or any declaration, set aside
or payment of any dividend by any Group Company;

(k) the disposal of any material Intellectual Property or assets of any Group Company,
and the disposal, license, sale or transfer of any material goodwill of any Group Company;

(l) any change of the size or composition or the manner in which the directors are
appointed of the board of directors of any Group Company;

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(m) any amendment of the accounting policies, Accounting Standards or change to the financial year of any Group Company;

(n) initiate or settle any material litigation, arbitration or other legal proceeding;

(o) any action that would hurt the rights or interests of the Preferred Holders (based on reasonable judgment of such Preferred Holders); and

(p) any action by a Group Company or any of its Affiliates to authorize, approve or enter into any agreement or obligation, or make any commitment to do so with respect to any action listed above.

Notwithstanding anything to the contrary contained herein, where any act listed in sub-paragraphs (a) through (p) above requires the approval of the Members of the Company in accordance with the applicable Laws, and if the Members vote in favour of such act but the approval of the Majority Holders has not yet been obtained (in each case where required), the Majority Holders shall have, in such vote, the voting rights equal to the aggregate voting power of all the Members who voted in favour of the resolution plus one.

(2) Acts of the Group Companies Requiring Approval of the Board. Regardless of anything else contained in these Articles or in the Charter Documents of any Group Company, no Group Company shall, and the Warrantors and the Investors (other than Tencent) shall procure each Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless otherwise approved in writing by at least a simple majority of the Board (including the affirmative consent of each Series E Director):

(a) establishment of or investment in any joint venture, its Subsidiaries or its Affiliate or execution of any joint venture agreement or shareholders agreement;

(b) any investment in, or divestiture or sale by any Group Company of an interest in another Person in excess of US$15,000,000 in the aggregate in a fiscal year;

(c) any increase in compensation of any employee of any Group Company with monthly salary of at least US$25,000 by more than fifty percent (50%) in a twelve (12) month period;

(d) acquisition, mortgage, pledge or disposal of any business or assets in a single transaction or a series of related transactions in excess of US$1,500,000;

(e) incurrence of any capital commitment or expenditure outside of the annual budget in a single transaction or a series of related transactions in excess of US$8,000,000 per month or US$30,000,000 in the aggregate in any fiscal year;

(f) incurrence of any Indebtedness in a single transaction or a series of related transactions in excess of US$5,000,000 other than in the ordinary course of business;

(g) extension, cancellation or waiver of any loan or guarantee for Indebtedness in a single transaction or a series of related transactions in excess of US$1,500,000 to any third party;

(h) cease to conduct or carry on its business substantially as now conducted by any Group Company, or change of any material part of its business or enter into business that is outside of the current business of the Domestic Company I or Domestic Company II and their respective Subsidiaries;

(i) any sale, transfer, license, or other disposal of, or the incurrence of any Lien on, any substantial part of the assets (including any Intellectual Property) of any Group Company or the grant of license of any Intellectual Property of any Group Company to a third party outside the ordinary course of business;

(j) purchase or lease any real property in excess of US$800,000;

(k) any approval, modification or amendment of any transaction in excess of US$150,000 or a series of transactions in the aggregate in excess of US$800,000 in a fiscal year involving both any Group Company and a shareholder or any of such Group Company’s employees, officers, directors or shareholders or any Affiliate of a
shareholder or any of its officers, directors or shareholders, except for the transactions contemplated by the Business Cooperation Agreement;

   (l) any appointment or change in the auditors of any Group Company or any accounting firm engaged by any Group Company for conducting audit, or any amendment to the approved or adopted accounting policies, Accounting Standards or procedures of any Group Company;

   (m) any approval of the appointment, remuneration, dismiss and other employment terms of the general manager, chief executive officer, chairman, chief financial officer, the chief operating officer, the chief technology officer or other key positions of any Group Company;

   (n) the adoption, amendment or termination of the ESOP or any other equity incentive, purchase or participation plan for the benefit of any employees, officers, directors, contractors, advisors or consultants of any of the Group Companies, and any increase of the total number of Equity Securities reserved for issuance thereunder any creation, adoption or amendment of any bonus or incentive plan, profit sharing mechanisms, employee stock option plan or any other stock option plan, or restricted stock plan of any Group Company and any grant thereunder;
approval of the IPO of any Group Company or a Listing Vehicle, including without limitation to the securities exchange, time and valuation;

the approval of, or any deviation from or amendment of, the annual budget and business plan of any Group Company;

any one or more actions or transactions that is out of ordinary course of business and involving an amount in excess of US$800,000, individually or in the aggregate;

an exclusive relationship entered into by any Group Company, other than those with another Group Company;

selection of the listing exchange for an IPO and approval of the valuation and terms and conditions for the IPO (which shall be in compliance with applicable Laws and listing rules);

any other actions that would hurt the rights or interests of any Preferred Holder; and

any action by a Group Company or any of its Affiliates to authorize, approve, effect, agree or enter into any agreement or obligation, or make any commitment to do so with respect to any action listed above.

8.5. Redemption Rights.

A. **Series E Redemption.** Notwithstanding any provisions to the contrary in these Articles, the Series E Preferred Shares shall, prior and in preference to any redemption of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or Series D Preferred Shares, be redeemable at the option of the Series E Preferred Holders as provided herein:

1. **Optional Redemption.** Upon the earlier of (a) the Company has not consummated a Qualified IPO by December 31, 2022, (b) there is a material breach of the Articles, the Memorandum, the Series E Share Purchase Agreement, the Restructuring Agreement and/or the Shareholders Agreement by any Group Company, any Founder, or any FounderCo and such breach has not been cured within sixty (60) days following the receipt of a written notice from any Series E Preferred Holder to the satisfaction of such Shareholder, (c) the creditworthiness of any Founder or any holder of Ordinary Shares (other than any Investor) is materially damaged, or there is any fraud, gross negligence or willful misconduct of any Founder or any holder of Ordinary Shares (other than any Investor), or there is any misconduct of any Founder or any Management Director, any of which results in damages to the Group Companies that cannot be cured, or (d) any event (other than force majeure) that result in the shutdown of the website (including the main website, IOS and Android apps) of the Group for more than 60 days, if requested by the Majority Series E Preferred Holders (the “**Series E Request**”) by a written notice delivered to the Company (the “**Series E Redemption Notice**”, and the date of Company’s receipt of such written notice, the “**Series E Notice Date**”), the Company shall redeem all or any number of the then outstanding Series E Preferred Shares in accordance with the Series E Request and the provisions s in this Article 8.5.
Redemption Price. The “Series E Redemption Price” for each Series E Preferred Share redeemed pursuant to Article 8.5(A) above shall be the sum of one hundred percent (100%) of the original issue price of the Series E Preferred Shares (adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) and all dividends declared and unpaid with respect to per Series E Preferred Share then held by such Series E Shareholder, plus eight percent (8%) compounded annual interest of the combined above thereof commencing from the date of the Closing.

Additional Procedure. Within three (3) days upon receipt of any Series E Redemption Notice, the Company shall give a written notice to each other Series E Preferred Holder who has not requested the Company to redeem the Series E Preferred Shares held by it stating the existence of the Series E Request, the Series E Redemption Price, and the mechanics of redemption. Each of these non-requesting Series E Preferred Holders may also elect to require the Company to redeem all or a portion of their Series E Preferred Shares by delivering a separate redemption notice to the Company within ten (10) days (the “Series E Redemption Period”) of the receipt of such written notice from the Company (each holder so electing to require redemption and the Series E Preferred Holder who elects to exercise its redemption right pursuant to this Article 8.5(A) (3), a “Series E Participation Redeeming Holder”). The Company shall not redeem any Series E Preferred Shares under the Series E Request during the Series E Redemption Period.

B. Series A, Series B, Series C and Series D Redemption. The Series A Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series C-1 Preferred Shares and the Series D Preferred Shares shall, after the Company satisfies redemption rights of all the Series E Preferred Shares, be redeemable at the option of the applicable Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, the Series B-3 Preferred Holders, the Series C-1 Preferred Holders or the Series D Preferred Holders as provided herein:

Optional Redemption. Upon the earlier of (a) the Company has not consummated a Qualified IPO by December 31, 2022, (b) there is a material breach of the Shareholders Agreement, the Series E Share Purchase Agreement, the Restructuring Agreement, the Memorandum and/or the Articles by any Group Company, any Founder, or any FounderCo and such breach has not been cured within sixty (60) days following the receipt of a written notice from any Series E Preferred Holder to the satisfaction of such Shareholder, (c) the creditworthiness of any Founder or any holder of Ordinary Shares (other than any Investor) is materially damaged, or there is any fraud, gross negligence or willful misconduct of any Founder or any holder of Ordinary Shares (other than any Investor), or there is any misconduct of any Founder or any Management Director, any of which results in damages to the Group Companies that cannot be cured, or (d) any event (other than force majeure) that result in the shutdown of the website (including the main website, IOS and Android apps) of the Group for more than 60 days, if requested by any of Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, Series B-3 Preferred Holders, Series C-1 Preferred Holders and Series D Preferred Holders (the “Series A to D Request”) by a written notice delivered to the Company (each a “Series A to D Redemption Notice”, and the date of the Company’s receipt of such written notice, the “Series A to D Notice Date”), the Company shall redeem all or any number of the then outstanding Preferred Shares in accordance with the request provided in the Series A to D Redemption Notice and the provisions in this Article 8.5(B).
Redemption Price.

(a) The “Series A Redemption Price” for each Series A Preferred Share redeemed pursuant to Article 8.5(B) above shall be the sum of (A) one hundred percent (100%) of the Series A Issue Price, (B) eight percent (8%) compounded annual interest of the Series A Issue Price commencing from December 30, 2014 and (C) all dividends declared and unpaid with respect to per Series A Preferred Share then held by such Series A Shareholder.

(b) The “Series B Redemption Price” for each of Series B-1 Preferred Shares, Series B-2 Preferred Shares and Series B-3 Preferred Shares redeemed pursuant to Article 8.5(B) above shall be the sum of (A) one hundred percent (100%) of the applicable Series B Issue Price, (B) eight percent (8%) simple annual interest of the Series B-2 Issue Price in the case of the Series B-2 Preferred Holders, or eight percent (8%) compounded annual interest of the Series B-1 Issue Price and the Series B-3 Issue Price in the case of Series B-1 Preferred Holders and Series B-3 Preferred Holders (as applicable), each of which commencing from February 3, 2016, and (C) all dividends declared and unpaid with respect to per Series B Preferred Share then held by such Series B Shareholder.

(c) The “Series C Redemption Price” for each Series C-1 Preferred Share redeemed pursuant to Article 8.5(B) above shall be the sum of (A) one hundred percent (100%) of the Series C-1 Issue Price, (B) eight percent (8%) compounded annual interest of the Series C-1 Issue Price commencing from August 8, 2016 and (C) all dividends declared and unpaid with respect to per Series C-1 Preferred Share then held by such Series C-1 Shareholder.

(d) The “Series D Redemption Price” for each Series D Preferred Share redeemed pursuant to Article 8.5(B) above shall be the sum of (A) one hundred percent (100%) of the Series D Issue Price, (B) eight percent (8%) compounded annual interest of the Series D Issue Price commencing from June 30, 2017 and (C) all dividends declared and unpaid with respect to per Series D Preferred Share then held by such Series C Shareholder.

(3) Additional Procedures. Within three (3) days upon receipt of any Series A to D Redemption Notice, the Company shall give a written notice to each of Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, Series B-3 Preferred Holders, Series C-1 Preferred Holders and Series D Preferred Holders who has not requested the Company to redeem the Preferred Shares held by it stating the existence of the Series A to D Request, the Series A to D Redemption Price, and the mechanics of redemption. Each of such non-requesting Preferred Holders may also elect to require the Company to redeem all or a portion of their Preferred Shares by delivering a separate redemption notice in writing to the Company within ten (10) days (the “Series A to D Redemption Period”) of the receipt of such written notice from the Company (each holder so electing to require redemption and the Preferred Holder who elects to exercise its redemption right pursuant to this Article 8.5(C), a “Series A to D Participation Redeeming Holder”). The Company shall not redeem any Preferred Shares under the Series A to D Request during the Series A to D Redemption Period.
C. **Procedure.** The closing of the redemption of any Preferred Shares pursuant to Article 8.5(A) and Article 8.5(B) (the “Redemption Closing”) will take place within fifty (50) days of the date of the Series E Redemption Notice or the Series A to D Redemption Notice (as the case may be) at the offices of the Company, provided, however, that in any event Series E Preferred Shares shall be redeemed prior and in preference to Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series C-1 Preferred Shares and Series D Preferred Shares. At the relevant Redemption Closing, subject to applicable Law, the Company will pay in cash the full amount of the Redemption Price. From and after the relevant Redemption Closing, subject to the Company having made full payment of the Series E Redemption Price or the Series A to D Redemption Price to a holder of any Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series C-1 Preferred Shares, Series D Preferred Shares or Series E Preferred Shares (as the case may be), all rights of the holder of such Preferred Shares (except the right to receive the Series E Redemption Price or the Series A to D Redemption Price therefor if applicable) will cease with respect to such Preferred Shares, and such Preferred Shares will not thereafter be transferred on the books of the Company or be deemed outstanding for any purpose whatsoever.

D. **Insufficient Funds.** If, on the date of the relevant Redemption Closing (the “Redemption Date”), the number of Preferred Shares that may then be redeemed by the Company is less than the number of all Preferred Shares to be redeemed, the Company’s assets or funds shall be (i) **first** utilized to settle any redemption payments due to the holders of Series E Preferred Shares, and no redemption payments shall become due to holders of Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series C-1 Preferred Shares and Series D Preferred Shares unless and until the redemption payments have been paid in full as to all the Series E Preferred Shares requested to be redeemed, (ii) **second** utilized to settle any redemption payments due to the holders of Series D Preferred Shares, and no redemption payments shall become due to the holders of Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares and Series C-1 Preferred Shares, (iii) **third** utilized to redeem any Series C-1 Preferred Shares requested to be redeemed, (iv) **fourth** utilized to redeem any of Series B-1 Preferred Shares, Series B-2 Preferred Shares and Series B-3 Preferred Shares requested to be redeemed, and (v) then utilized to redeem any Series A Preferred Shares requested to be redeemed, and any remaining Preferred Shares to be redeemed (the “Unredeemed Preferred Shares”) shall be carried forward and redeemed as soon as the Company has legally available funds to do so. The redemption price payable by the Company with respect to each such Unredeemed Preferred Shares shall carry an annual simple interest of seven and one-half percent (7.5%) per annum over such period (the “Adjusted Redemption Price”).

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E. Without limiting any rights of the Preferred Holders which are set forth in the Shareholders Agreement, the Articles and the Memorandum, or are otherwise available under applicable 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.

F. If (i) any Preferred Holder requests the Company to redeem any Preferred Shares held by it pursuant to this Article 8.5, and (ii) for any reason the Company is unable to redeem part or all of the issued and outstanding Preferred Shares as required by such Preferred Holders, then such Preferred Holder shall have a put option to sell to the Founders and the FounderCos, and the Founders and the FounderCos, jointly and severally, shall purchase all or any portion of the remaining Preferred Shares held by it which have not been redeemed by the Company at the Series E Redemption Price or Series A to D Redemption Price (including the Adjusted Redemption Price if any) (as applicable). Notwithstanding the foregoing, the obligations of the Founders and the FounderCos provided hereunder shall be solely limited to the value of the Shares directly or indirectly owned or acquired by the Founders and the FounderCos. In the event that the Founders and the FounderCos fail to make the full payment for the redemption as requested by relevant Preferred Holders, the Founders and the FounderCos shall use their respective commercially reasonable effort to find a purchaser to purchase the remaining Preferred Shares, if such purchaser purchases the remaining Preferred Shares at a price lower than the Series E Redemption Price or the Series A to D Redemption Price (including the Adjusted Redemption Price if any) (as applicable), the Founders and the FounderCos shall then offer to sell the Shares held by them and pay the proceeds received from such sale to such holder of Preferred Shares, such that the consideration received by such Preferred Holder shall equal to the amount of the Series E Redemption Price or the Series A to D Redemption Price (including the Adjusted Redemption Price if any) (as applicable). If the aforesaid purchaser is unable to purchase part or all of the Preferred Shares as requested, such Preferred Holder shall be entitled to require the Founders and the FounderCos to transfer part or all the Shares directly or indirectly held by them to such Preferred Holder at the lowest price permitted by applicable Law, any relevant tax and charges thereof shall be borne by the Founders and the FounderCos.

8.6. Preemptive Rights.

A. General. The Company hereby grants to each Preferred Holder (the “Rights Holder”) the rights of first refusal to subscribe its share (as set forth in this Article 8.6) (and any oversubscription, as provided below), of all (or any part) of any New Securities (as defined below) that the Company may from time to time issue after the date of the Shareholders Agreement (the “Preemptive Right”).

B. New Securities. For purposes hereof, “New Securities” shall mean any Equity Securities of the Company issued after the date hereof, except for:

(1) any Ordinary Shares and/or options or warrants therefor issued to employees, officers, directors, contractors, advisors or consultants of the Group Companies pursuant to the ESOP duly approved and amended from time to time in accordance with Article 8.4;
(2) any Equity Securities of the Company issued in connection with any share split, share dividend, reclassification or other similar event;

(3) any Ordinary Shares issued upon the conversion of the Preferred Shares;

(4) any Equity Securities of the Company issued pursuant to an IPO;

(5) Ordinary Shares issued or issuable pursuant to an acquisition of another entity by the Company approved by the Board (including the affirmative vote of each Series E Director); and

(6) Ordinary Shares issued or issuable pursuant to equipment lease and bank financing arrangement approved by the Board (including the affirmative vote of each Series E Director).

C. Procedures.

(1) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to Tencent a written notice of its intention to issue New Securities (the “First Participation Notice”), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Tencent shall have twenty (20) Business Days from the date of receipt of the First Participation Notice (the “First Participation Period”) to agree in writing to subscribe up to eighty percent (80%) of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company pursuant to the Shareholders Agreement and stating therein the quantity of New Securities to be subscribed (not to exceed eighty percent (80%) of such New Securities) (the “Super Right of Participation”). Tencent can at its sole direction apportion its share of the New Securities among its Affiliates in any amounts.

(2) Second Participation Notice. In the event that (a) Tencent fails to exercise fully its Super Right of Participation in accordance with subparagraph (1) above, or (b) there are still New Securities remaining after Tencent exercises its Super Right of Participation in accordance with subparagraph (1) above, the Company shall give to all the Preferred Holders a written notice of its intention to issue New Securities (the “Second Participation Notice”), describing the amount and the type of remaining New Securities and the price and the terms upon which the Company proposed to issue such remaining New Securities. Each Preferred Holder (excluding Tencent if its Super Right of Participation remains in effect) shall have ten (10) Business Days from the date of receipt of any such Second Participation Notice to agree in writing to purchase up to all of such holder’s Pro Rata Share of such remaining New Securities for the price and upon the terms and conditions specified in the Second Participation Notice by giving written notice to the Company pursuant to the Shareholders Agreement and stating therein the quantity of New Securities to be purchased (not to exceed such Preferred Holder’s Pro Rata Share of such remaining New Securities). If any Preferred Holder fails to so agree in writing within such ten (10) Business Days period to purchase such Preferred Holder’s full Pro Rata Share of an offering of New Securities, then such Preferred Holder shall forfeit the right thereunder to purchase that part of its Pro Rata Share of such remaining New Securities that it did not so agree to purchase. Each holder’s Pro Rata Share, for purposes of its Preemptive Rights under this subparagraph (2), is equal to the ratio of (a) the number of Ordinary Shares owned by such Preferred Holder immediately prior to the issuance of New Securities (assuming full conversion of the Preferred Shares held by such Preferred Holder) to (b) the total number of Ordinary Shares then outstanding immediately prior to the issuance of the New Securities (assuming full conversion of the Preferred Shares). A Preferred Holder (excluding Tencent if its Super Right of Participation remains in effect) can at its sole discretion apportion its Pro Rata Share of such remaining New Securities among its Affiliates in any amounts.
(3) **Third Participation Notice; Oversubscription.** If (a) any Preferred Holder fails to exercise its Preemptive Rights in accordance with subparagraphs (1) and (2) above, or (b) there are still New Securities remaining after the relevant Preferred Holders’ exercise of their Preemptive Rights in accordance subparagraphs (1) and (2) above, the Company shall promptly give notice (the “**Third Participation Notice**”) to the Preferred Holders (for the avoidance of doubt, including Tencent) who have exercised their Preemptive Rights (the “**Right Participants**”) in accordance with subparagraphs (1) or (2) above. The Right Participants shall have five (5) Business Days from the date of receipt of the Third Participation Notice (the “**Third Participation Period**”) to notify the Company of their desire to purchase more than their share of the New Securities, stating the number of the additional New Securities they propose to buy. Such notice may be made by telephone if confirmed in writing within two (2) days thereafter. If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, the oversubscribing Right Participants will be cut back by the Company with respect to their oversubscriptions to that number of remaining New Securities equal to the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Ordinary Shares (on as-convertible basis) held by each oversubscribing Right Participant notified and the denominator of which is the total number of Ordinary Shares (on as-convertible basis) held by all of the oversubscribing Right Participants. Each oversubscribing Right Participant shall be entitled to buy such number of additional New Securities as determined by the Company pursuant to this subparagraph (3) and the Company shall so notify the Right Participants within ten (10) Business Days of the date of the Third Participation Notice.

D. **Failure to Exercise.** In the event that all the New Securities proposed to be issued by the Company are not purchased by the Preferred Holders pursuant to Article 8.6(C), the Company shall have ninety (90) days thereafter to complete the sale of the remaining number of unsubscribed New Securities on terms no more favorable than those described in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such ninety (90) day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Rights Holders pursuant to this Article 8.6.
8.7. Restrictions on Transfer.

A. **Holders of Ordinary Shares.** Subject to Article 8.7(B) and Article 8.7(C), each holder of Ordinary Shares (other than an Investor), the Founders and the FounderCos shall not Transfer with respect to all or any part of any interest in any Equity Securities of the Company now or hereafter owned or held by such holder prior to the consummation of a Qualified IPO without the prior written consent of Tencent.

B. **Investors.** For the avoidance of doubt, subject to Article 8.14, each of the Investors may freely Transfer any Equity Securities of the Company now or hereafter owned or held by it; provided that (i) such Transfer is effected in compliance with all applicable Laws, and (ii) the transferee shall execute and deliver an additional counterpart signature page to the Shareholders Agreement, and agree in writing to be bound by the obligations of an “Investor” under the Shareholders Agreement. The Company shall update its register of members upon the consummation of any such permitted Transfer. Subject to the confidentiality undertakings set out in the Shareholders Agreement, each of the Investors shall be entitled to disclose to any bona fide proposed transferee any information, documents or materials concerning the Company known to or in possession of such Investor, and the Company shall use commercially reasonable efforts to provide any assistance or cooperation reasonably requested by such Investor or the proposed transferee in connection with such proposed transferee’s due diligence investigation of the Company; provided that prior to the disclosure of any confidential information, such Investor shall procure such proposed transferee to have undertaken to the Company in writing to keep any such information, documents or materials as disclosed in strict confidence, on terms and conditions reasonably acceptable to the Company.

C. **Prohibited Transfers Void.** Any Transfer of Equity Securities of the Company not made in compliance with these Articles shall be null and void as against the Company, shall not be recorded on the books of the Company and shall not be recognized by the Company or any Members.

D. **No Indirect Transfers.** Each of the holders of Ordinary Shares and Preferred Holders agrees not to circumvent or otherwise avoid the transfer restrictions or intent thereof set forth in these Articles, whether by holding the Equity Securities of the Company indirectly through another Person or by causing or effecting, directly or indirectly, the Transfer or issuance of any Equity Securities by any such Person, or otherwise. Any purported Transfer, sale or issuance of any Equity Securities of any such Person in contravention of these Articles shall be void and ineffective for any and all purposes and shall not confer on any transferee or purported transferee any rights whatsoever, and no Party (including without limitation, the Founders and the FounderCos) shall recognize any such Transfer, sale or issuance.

E. **Performance.** Each Founder irrevocably agrees to cause and guarantee the performance by its FounderCo of all of their respective covenants and obligations under these Articles and the Memorandum.

F. **Cumulative Restrictions.** For the avoidance of doubt, the restrictions on Transfer set forth in these Articles are cumulative with, and in addition to, the restrictions set forth in each agreement imposing restrictions on the Transfer of Equity Securities of the Company by such Person (collectively, the “Other Restriction Agreements”), including the Shareholders Agreement.

G. **Legend.** Each existing or replacement certificate for Equity Securities of the Company now owned or hereafter acquired by a holder of Ordinary Shares or an Investor and his/her/its respective permitted transferees shall bear the following legend:

“THE SALE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR TRANSFER OF THESE SECURITIES IS SUBJECT TO THE TERMS AND CONDITIONS OF A CERTAIN SHAREHOLDERS AGREEMENT (AS AMENDED FROM TIME TO TIME) BY AND BETWEEN THE SHAREHOLDER, THE COMPANY AND CERTAIN OTHER PARTIES THERETO.”

The Company may annotate its register of members with an appropriate, corresponding legend. At such time as the related Equity Securities are no longer subject to these Articles, the Company shall, at the request of the holder of such Equity Securities, issue replacement certificates for such Equity Securities without such legend.

In order to ensure compliance with the provisions of these Articles, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and, if the Company acts as transfer agent for its own securities, it may make appropriate notations to the same effect in its own records.

8.8. Rights of First Refusal.

A. **Transfer Notice.** To the extent Tencent has consented to a Transfer by a holder of Ordinary Shares (other than an Investor), a Founder or a FounderCo (the “Transferor”) in accordance with Article 8.7(A), if the Transferor proposes to Transfer any Shares to one or more third party purchasers (the “Prospective Purchaser”), then the Transferor shall
(or in the case a Key Employee is the Transferor, the Company shall procure such Key Employee to) give the Company, upon the expiration of the Company Exercise Period to each Series E Preferred Holder, and upon the expiration of the Series E Exercise Period to each Prior Preferred Holder (as defined below) (each a “ROFR Holder”), a written notice of the Transferor’s intent to make the Transfer (the “Transfer Notice”), which shall include (i) a description of the number and type of Shares to be Transferred (the “Offered Shares”), (ii) the identity and address of the Prospective Purchaser and (iii) the bona fide cash price or, in reasonable detail, other consideration (the “Offered Price”) and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Transferor has received a definitive offer from the Prospective Purchaser on the terms set forth in the Transfer Notice.

B. Option of Company. The Company shall have an option for a period of fifteen (15) days following receipt of the Transfer Notice (the “Company Exercise Period”) to elect to purchase all or any portion of the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice, by notifying the Transferor in writing before expiration of the Company Exercise Period as to the number of such Offered Shares that it wishes to purchase. Within five (5) days after the expiration of the Company Exercise Period, the Transferor shall promptly deliver written notice (the “Series E Notice”) to each Series E Preferred Holder advising them whether the Company has exercised its Rights of First Refusal with respect to all or portion of the Offered Shares and informing them regarding their rights in purchasing in the aggregate all or any part of the Offered Shares not purchased by the Company pursuant to this Article 8.8(B) (the “Company Unsubscribed Shares”).

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C. Option of Series E Preferred Holders.

(1) Within fifteen (15) days (the “Series E Exercise Period”) after the receipt of the Series E Notice, each Series E Preferred Holder shall have the right to purchase all or any part of the Company Unsubscribed Shares on the terms and conditions set forth in this Article 8.8(C). In order to exercise its right hereunder, each Series E Preferred Holder must deliver written notice to the Transferor (the “Series E ROFR Notice”) within the Series E Exercise Period.

(2) To the extent that the aggregate number of Shares that the Series E Preferred Holders desire to purchase (as evidenced in the written notices delivered to the Transferor) exceeds the Company Unsubscribed Shares, each Series E Preferred Holder so exercising will be entitled to purchase its pro rata share of the Company Unsubscribed Shares, which shall be equal to the product obtained by multiplying (x) the number of the Company Unsubscribed Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on as-converted basis) held by such Series E Preferred Holder on the date of the Transfer Notice and (ii) the denominator of which shall be the number of Ordinary Shares (on as-converted basis) held by all the Series E Preferred Holders so exercising (“Series E Pro Rata ROFR Share”).

(3) Within five (5) days after the expiration of the Series E Exercise Period, Transferor will give written notice to each Series E Preferred Holder specifying the number of Company Unsubscribed Shares to be purchased by each Series E Preferred Holder exercising its Rights of First Refusal (the “Series E ROFR Confirmation Notice”). The Series E ROFR Confirmation Notice shall also specify the number of Company Unsubscribed Shares not purchased by the Series E Preferred Holders, if any, pursuant to Articles 8.8(C)(1) and 8.8(C)(2) hereof (“Series E Unsubscribed Shares”) and shall list each Participating Series E Preferred Holder’s (as defined in Article 8.8(C)(4) hereof) Subsequent Series E Pro Rata Share (as defined in Article 8.8(C)(4)) of any such Series E Unsubscribed Shares.

(4) To the extent that there remain any Series E Unsubscribed Shares, each Series E Preferred Holder electing to exercise its right to purchase at least its full Series E Pro Rata ROFR Share of the Offered Shares under Article 8.8(C)(1) and Article 8.8(C)(2) hereof (a “Participating Series E Preferred Holder”) shall have a right to purchase all or any part of the Series E Unsubscribed Shares; however, to the extent that the aggregate number of Shares that the Participating Series E Preferred Holders desire to purchase (as evidenced in written notices delivered to the Transferor) exceeds the number of Series E Unsubscribed Shares, each Participating Series E Preferred Holder so exercising (an “Electing Participating Series E Preferred Holder”) will be entitled to purchase that number of the Series E Unsubscribed Shares equal to the product obtained by multiplying (x) the number of Series E Unsubscribed Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on as-converted basis) held on the date of the Transfer Notice by such Electing Participating Series E Preferred Holder and (ii) the denominator of which shall be the number of Ordinary Shares (on as-converted basis) held on the date of the Transfer Notice by all Electing Participating Series E Preferred Holders (“Subsequent Series E Pro Rata Share”). In order to exercise its rights hereunder, such Electing Participating Series E Preferred Holder must provide written notice to Transferor with a copy to the Company and the Transferor within seven (7) days after the receipt of the Series E ROFR Confirmation Notice (the “Subsequent Series E Exercise Period”).
Within five (5) days after the expiration of the Series E Exercise Period and the Subsequent Series E Exercise Period (if applicable), the Transferor shall promptly deliver written notices to the Preferred Holders that are not Series E Preferred Holders, the Founders or the FounderCos (the “Prior Preferred Holders”) advising them whether the Series E Preferred Holders have exercised their Rights of First Refusal with respect to all or a portion of the Company Unsubscribed Shares and informing them regarding their rights in purchasing the Remaining Shares (as described below) (the “Second Notice”).

**D. Option of Prior Preferred Holders.**

1. Subject to the limitations of this Article 8.8(D), within fifteen (15) days of any Prior Preferred Holder’s receipt of the Second Notices (“Prior Holder Exercise Period”), the Prior Preferred Holders shall have the right to notify the Transferor with regard to their intent to purchase in the aggregate all or any part of the Offered Shares not purchased by the Series E Preferred Holders pursuant to Article 8.8(C) above and the Company pursuant to Article 8.8(B) above (the “Remaining Shares”) on the terms and conditions set forth in this Article 8.8(D). In order to exercise its rights hereunder, such Prior Preferred Holders must provide written notice delivered to Transferor within the Prior Holder Exercise Period.

2. To the extent that the aggregate number of Shares that the Prior Preferred Holders desire to purchase (as evidenced in the written notices delivered to Transferor) exceeds the Remaining Shares, each Prior Preferred Holder so exercising will be entitled to purchase its pro rata share of the Remaining Shares, which shall be equal to the product obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on an as-converted basis) held by such Prior Preferred Holder on the date of the Transfer Notice and (ii) the denominator of which shall be the number of Ordinary Shares (on an as-converted basis) held by all Prior Preferred Holders so exercising (“Prior Holder Pro Rata ROFR Share”).

3. Within five (5) days after the expiration of the Prior Holder Exercise Period, Transferor will give written notice to each Prior Preferred Holder specifying the number of Remaining Shares to be purchased by each Prior Preferred Holder exercising its Rights of First Refusal (the “Prior Holder ROFR Confirmation Notice”). The Prior Holder ROFR Confirmation Notice shall also specify the number of Remaining Shares not purchased by the Prior Preferred Holders, if any, pursuant to Article 8.8(D)(1) and Article 8.8(D)(2) hereof (“Prior Holder Unsubscribed Shares”) and shall list each Participating Prior Preferred Holder’s (as defined in Article 8.8(D)(4) hereof) Subsequent Prior Holder Pro Rata Share (as defined in Article 8.8(D)(4)) of any such Prior Holder Unsubscribed Shares.

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To the extent that there remain any Prior Holder Unsubscribed Shares, each Prior Preferred Holder electing to exercise its right to purchase at least its full Prior Holder Pro Rata ROFR Share of the Remaining Shares under Article 8.8(D)(2) hereof (a “Participating Prior Preferred Holder”) shall have a right to purchase all or any part of the Prior Holder Unsubscribed Shares; however, to the extent that the aggregate number of Shares that the Participating Prior Preferred Holders desire to purchase (on as-converted basis) exceeds the number of remaining Prior Holder Unsubscribed Shares, each Participating Prior Preferred Holders so exercising (an “ELECTING PARTICIPATING PRIOR PREFERRED HOLDER”) will be entitled to purchase that number of the Prior Holder Unsubscribed Shares equal to the product obtained by multiplying (x) the number of Prior Holder Unsubscribed Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on as-converted basis) held on the date of the Transfer Notice by such ELECTING Participating Prior Preferred Holder and (ii) the denominator of which shall be the number of Ordinary Shares (on an as-converted basis) held on the date of the Transfer Notice by all ELECTING Participating Prior Preferred Holders (“SUBSEQUENT PRIOR HOLDER PRO RATA SHARE”). In order to exercise its rights hereunder, such ELECTING Participating Prior Preferred Holder must provide written notice to the Transferor with a copy to the Company and each Prior Preferred Holder within seven (7) days after the receipt of the Prior Holder ROFR Confirmation Notice (the “SUBSEQUENT PRIOR HOLDER EXERCISE PERIOD”).

E. **Purchase Price.** The purchase price for the Offered Shares, the Company Unsubscribed Shares, the Series E Unsubscribed Shares and Remaining Shares to be purchased by the Company or any Preferred Holder exercising its Rights of First Refusal under these Articles will be the Offered Price, and will be payable as set forth in Article 8.8(F) hereof. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Board of Directors of the Company (including the affirmative vote of each Series E Director) in good faith, which determination will be binding upon the Company, each Preferred Holder and Transferor, absent fraud or error.

F. **Closing; Payment.** Subject to compliance with applicable Securities Laws, (i) the Company exercising its Rights of First Refusal shall effect the purchase of all or any portion of the Offered Shares, including the payment of the purchase price within five (5) days of the expiration of the Company Exercise Period, (ii) the Series E Preferred Holders exercising its Rights of First Refusal shall effect the purchase of all or any portion of the Offered Shares, including the payment of the purchase price within fifteen (15) days of the expiration of the Series E Exercise Period and the Subsequent Series E Exercise Period (if applicable), and (iii) the Prior Preferred Holders exercising their Rights of First Refusal shall effect the purchase of all or any portion of the Remaining Shares, including the payment of the purchase price, within fifteen (15) days after the expiration of the Prior Holder Exercise Period and the Subsequent Prior Holder Exercise Period (if applicable) (the “Rights of First Refusal Closing”). Payment of the purchase price will be made, at the option of the party exercising its Rights of First Refusal, (A) in cash (by check), (B) by wire transfer, (C) by cancellation of all or a portion of any outstanding Indebtedness of Transferor to the Preferred Holder, as the case may be, or (D) by any combination of the foregoing. At such Rights of First Refusal Closing, Transferor shall deliver to the Preferred Holders exercising their respective Rights of First Refusal one or more certificates, properly endorsed for transfer, representing such Offered Shares so purchased together with a duly executed and dated instrument of transfer.
Exclusion from Rights of First Refusal. This Rights of First Refusal shall not apply with respect to Preferred Shares (including Ordinary Shares issued or issuable upon conversion thereof) sold and to be sold by Preferred Holders pursuant to the Rights of Co-Sale (set forth in Article 8.9 below) and by any holder of the Equity Securities of the Company pursuant to Article 8.14 and Article 8.15.

8.9. Rights of Co-Sale.

A. To the extent a Preferred Holder (other than any of the Founders and the FounderCos) does not exercise its Rights of First Refusal with respect to all or any part of the Offered Shares, the Company Unsubscribed Shares or the Remaining Shares (as applicable), such ROFR Holder (a “Co-Sale Holder”) shall have the Rights of Co-Sale to participate in such sale of such remaining Offered Shares not purchased pursuant to Article 8.8 (the “Residual Shares”) to the Prospective Purchaser on a pro rata basis with the Transferor and on the same terms and conditions as specified in the Transfer Notice (but in no event on terms and conditions less favorable than those offered to holder of Ordinary Shares or a Key Employee by the Prospective Purchaser). The Transferor shall promptly notify each Co-Sale Holder after the expiration of the Series E Exercise Period and the Prior Holder Exercise Period (if applicable) regarding their respective Rights of Co-Sale under this Article 8.9 (the “Co-Sale Notice”). To exercise its rights hereunder, each Co-Sale Holder must provide a written notice to the Transferor within ten (10) days of its receipt of the Co-Sale Notice indicating the number of Ordinary Shares (on an as-converted basis) it wishes to sell pursuant to this Article 8.9(A).

B. If the aggregate number of Ordinary Shares (on an as-converted basis) that the Co-Sale Holders desire to sell exceeds the number of Residual Shares, each Co-Sale Holder shall be entitled to sell up to its pro rata share of the Residual Shares, which shall be equal to the product of (i) the aggregate number of the Residual Shares, multiplied by (ii) a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) elected to be sold by such Co-Sale Holder and the denominator of which is the total number of Ordinary Shares (on an as-converted basis) elected to be sold by all the Co-Sale Holders.

C. Subject to Article 8.11, a Co-Sale Holder shall exercise its Rights of Co-Sale by promptly delivering to the Prospective Purchaser one or more certificates, properly endorsed for transfer, representing the type and number of Shares which such Co-Sale Holder elects to sell, which shall be transferred to the Prospective Purchaser at the consummation of the sale of Shares pursuant to the terms and conditions specified in the Transfer Notice. The Company shall update its register of members upon the consummation of any such Transfer and provide such most updated register of members to each Preferred Holder as soon as practicable.

D. The Rights of Co-Sale shall not apply to the Ordinary Shares sold or to be sold to the Preferred Holders pursuant to the Rights of First Refusal. The Rights of Co-Sale and the Rights of First Refusal shall not apply to the Transfer of Shares pursuant to Article 8.5 and Article 8.14.
8.10. **Non-Exercise of Rights of First Refusal and Co-Sale.**

A. If the ROFR Holders do not elect to purchase all of the Offered Shares in accordance with the Rights of First Refusal granted to each of them, and the Co-Sale Holders do not elect to exercise in full the Rights of Co-Sale granted to each of them, the Transferor shall have a period of ninety (90) days from the date of the Transfer Notice to sell the remaining Residual Shares to the Prospective Purchaser upon terms and conditions (including the purchase price) no more favorable than those specified in the Transfer Notice, so long as any such sale is effected in accordance with all applicable Laws, these Articles, the Memorandum and the Shareholders Agreement.

B. In the event the Transferor does not consummate the sale of the Offered Shares within such ninety (90) day period, the Rights of First Refusal and the Rights of Co-Sale shall be re-invoked and shall be applicable to each subsequent disposition of any Shares by the Transferor until such rights lapse in accordance with the provisions of these Articles.

C. The exercise or non-exercise of the Rights of First Refusal and the Rights of Co-Sale in respect of a particular proposed Transfer shall not adversely affect the Rights of First Refusal and the Rights of Co-Sale of subsequent proposed Transfers.

8.11. **Limitations to Restrictions on Transfer.** Subject to the requirements of applicable Laws, the restrictions under Article 8.7, the Rights of First Refusal under Article 8.8 and Rights of Co-Sale under Article 8.9 shall not apply to (a) any sale of Equity Securities of the Company pursuant to a Qualified IPO, or (b) any Transfer of any Equity Securities of the Company now or hereafter held, directly or indirectly, by the FounderCos or a Key Employee to any of its respective wholly-owned Subsidiary or his/her parents, children, spouse, or to a trustee, executor, or other fiduciary for the benefit of any Founder or such Key Employee, or his/her parents, children, spouse for bona fide estate planning purposes (each such transferee pursuant to subparagraph (b) above, a “Permitted Transferee”, and collectively, the “Permitted Transferees”); provided that (i) such Transfer is effected in compliance with all applicable Laws, (ii) such Transfer will not result in a change of control of the Company and (iii) each such Permitted Transferee, prior to the completion of the Transfer, shall have executed and delivered a Deed of Adherence in the form attached to Shareholders Agreement as its Exhibit B assuming the obligations of a holder of Ordinary Shares under these Articles and the applicable Other Restriction Agreements with respect to the Transferred Equity Securities.

8.12. **Prohibited Transfer.** In the event that:

(i) a Transferor Transfers any Equity Securities in contravention of the Rights of Co-Sale but such Transfer is validly completed upon obtaining the consents set forth in Article 8.12(B); or

(ii) if a Co-Sale Holder elects to exercise its Rights of Co-Sale, and (x) the Prospective Purchaser refuses to purchase the class, series or type of Equity Securities of the Company held by such Co-Sale Holder or (y) the Prospective Purchaser refuses to purchase Equity Securities from such Co-Sale Holder, (each of subparagraphs (i) or (ii) above, a “Prohibited Transfer”), such Co-Sale Holder shall be entitled to exercise the put option set out in Article 8.12(A).
A. **Put Option.** If a Prohibited Transfer occurs, in respect of Article 8.12(i), each Co-Sale Holder, and in respect of 8.12(ii), such effected or relevant Co-Sale Holder, shall have the right to sell to the Transferor the Shares such Co-Sale Holder would have been entitled to Transfer to the Prospective Purchaser pursuant to its Rights of Co-Sale but for the Prohibited Transfer (such Shares, the “Put Shares”). The foregoing sale to the Transferor shall be made on the following terms and conditions:

1. the price per share of each Put Share shall be equal to the price per share specified in the Transfer Notice; provided that the Transferor shall reimburse such Co-Sale Holder any and all reasonable fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Rights of Co-Sale and the rights under this Article 8.12; and

2. within ninety (90) days following the Prohibited Transfer, such Co-Sale Holder who has elected to exercise its put option under this Article 8.12 shall deliver to such Transferor an instrument of transfer and one or more certificates representing the Shares to be sold under this Article 8.12, each to be properly endorsed for transfer, or an affidavit of lost certificate representing the same. Such Transferor shall, upon receipt of the foregoing, pay the aggregate purchase price for the Put Shares set forth hereunder and the amount of reimbursable fees and expenses (if any), in cash by wire transfer of immediately available funds or by any other means acceptable to such Co-Sale Holder. The Company shall concurrently therewith record such transfer on its books and update its register of members and will promptly thereafter and in any event within five (5) days reissue certificates, as applicable, to such Transferor and such Co-Sale Holder representing the Shares held by each of them giving effect to the sale of the Put Shares to such Transferor contemplated in this Article 8.12(A).

B. **Void Prohibited Transfer.** Notwithstanding anything to the contrary contained herein, unless otherwise consented to in writing by the Majority Holders, any attempt by a Transferor to Transfer Equity Securities in violation of any of Article 8.7 to Article 8.14 shall be null and void, and the Company shall not effect any such Transfer or deem the transferee of the Prohibited Transfer as a Shareholder in respect of the relevant Shares.

8.13. **Lock-Up.** In addition to but not in lieu of any other Transfer restriction contained herein, each FounderCo agrees that it will not during the period commencing on the date of the final prospectus relating to the first underwritten registered public offering of the Ordinary Shares and ending on the date specified by the Company and the managing underwriter (i) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, 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, or otherwise Transfer or dispose of, directly or indirectly, any Equity Securities of the Company (other than those included in such offering) or (ii) enter into any swap or other arrangement that Transfers to another, in whole or in part, any of the economic consequences of ownership of such Equity Securities, whether any such transaction described in subparagraph (i) or (ii) above is to be settled by delivery of Equity Securities of the Company or other securities, in cash or otherwise. The underwriters in connection with such public offering are intended third party beneficiaries of this Article 8.13 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. To the extent requested by the underwriters, each of the Founders and the FounderCos agrees to execute and deliver to the underwriters a lock-up agreement containing substantially similar terms and conditions as those contained herein.
8.14. Rights of First Refusal of Tencent

A. Except as otherwise provided in Article 8.12(B) and this Article 8.14, each of the Investors may freely Transfer any Equity Securities of the Company now or hereafter owned or held by it.

B. Each Investor (other than Tencent) (the “Investor Transferor”) shall not directly or indirectly Transfer and issue any Equity Securities with respect to all or any part of any interest in any Equity Securities of the Company now or hereafter owned or held by such Preferred Holder prior to the consummation of a Qualified IPO to a Person listed on Schedule IV-1 of the Shareholders Agreement (the “Investor Restricted Transfer”) without the prior written consent of Tencent.

C. If an Investor Transferor proposes to Transfer any Shares of the Company to one or more third party purchaser (other than a Transfer pursuant to Article 15), then such Investor shall give Tencent a written notice (the “Investor Transfer Notice”) of its intent to make the Transfer, which shall include (i) a description of the Shares to be Transferred (“Investor Transfer Shares”), (ii) the identity of the third party purchaser and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Investor Transfer Notice shall certify that the Investor has received a definitive offer from the purchaser on the terms set forth in the Investor Transfer Notice.

D. Tencent shall have a right for a period of fifteen (15) days (the “Tencent ROFR Period”) following receipt of the Tencent Transfer Notice to (i) decide whether it consents or not to such Transfer (in the case that such Transfer is an Investor Restricted Transfer), and (ii) elect to purchase all or any portion of the Tencent Transfer Shares at the same price and subject to the same terms and conditions as described in the Tencent Transfer Notice, in each case by giving written notice to such Investor Transferor.

E. If Tencent gives such Investor Transferor a written notice (the “Tencent Purchase Notice”) within the Tencent ROFR Period that it consents to such Transfer (in the case that such Transfer is an Investor Restricted Transfer), and desires to purchase the Investor Transfer Shares, then payment for the Investor Transfer Shares shall be by wire transfer in immediately available funds, against delivery of the Investor Transfer Shares within ninety (90) days following the Investor Transferor’s receipt of the Tencent Purchase Notice, or such other time as mutually agreed by such Investor Transferor and Tencent. The Company shall update its register of members upon consummation of any such Transfer.

F. Notwithstanding anything to the contrary contained in this Article 8.14, the Investor Transferor may at any time Transfer any Preferred Shares held by it to an Affiliate without the Tencent’s prior written consent or being required to comply with this Article 8.14.
G. If Tencent has consented to such Transfer (in the case that such Transfer is an Investor Restricted Transfer) and Tencent does not elect to purchase all of the Investor Transfer Shares in accordance with Article 8.14(C), the applicable Investor Transferor shall have a period of ninety (90) days from the expiration of the Tencent ROFR Period to sell the remaining Investor Transfer Shares to the transferee upon terms and conditions (including the purchase price) no more favorable than those specified in the Tencent Transfer Notice, provided that (i) such Transfer is effected in compliance with all applicable Laws, and (ii) the transferee shall execute and deliver an additional counterpart signature page to the Shareholders Agreement, and agree in writing to be bound by the obligations of an “Investor” under the Shareholders Agreement.

H. In the event that an Investor Transferor Transfers any Investor Transfer Shares in contravention of rights of first refusal of Tencent in accordance with this Article 8.14, such Transfer shall be null, void and without effect, and the Company shall not effect any such Transfer.

8.15. Drag-Along Rights.

A. If the Founders (provided that the Founders’ right under this Article 8.15 shall terminate if (A) the Founders cease to collectively hold a majority of the Ordinary Shares that they hold as of the date of the Closing, (B) Founder I resigns from the position as the chief executive officer of the Company, or (C) Founder I is involuntarily terminated or dismissed as the chief executive officer of the Company for Cause or Leave/Disability) and the Majority Holders approved a Drag-Along Sale Event (as defined below), then the Majority Holders and the Founders (each a “Drag-Along Holder”) may, at their option, on receipt of a written Drag-Along Notice, require each of the other holders of Equity Securities of the Company (each a “Dragged Holder”) to, and whereupon each Dragged Holder shall:

1. sell, together with such Drag-Along Holder, to the bona fide purchaser(s) as referred to in Article 8.15(B) below (an “Offeror”) (a) all of the Equity Securities held by such Dragged Holder if the Drag-Along Holder sells all of the Equity Securities held by it; or (b) a percentage of its Equity Securities equal to the percentage of the Equity Securities held by such Drag-Along Holder and proposed to be sold in the Trade Sale as referred to in Article 8.15(B) below (a “Drag-Along Sale”), in each case on the same terms and conditions agreed to by the Drag-Along Holder;

2. vote, or give its written consent with respect to, all of its Equity Securities in favor of the Drag-Along Sale, and in opposition of (a) any proposal that may reasonably be expected to delay, restrict, impair or otherwise adversely affect the consummation of the Drag-Along Sale and (b) any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the definitive agreement(s) related to such Drag-Along Sale or that will result in any of the conditions to the closing obligations under such agreement(s) not being fulfilled, and, in connection therewith, to be present (in person or by proxy) at all relevant meetings of the shareholders of the Company (or adjournments thereof) or to approve and execute all relevant written consents in lieu of a meeting;

3. refrain from exercising any dissenters’ or rights of appraisal under applicable Laws with respect to the Drag-Along Sale;

4. take all necessary actions in connection with the consummation of the Drag-Along Sale as reasonably requested by the Drag-Along Holders, including but not limited to the execution and delivery of any share transfer or other agreements prepared in connection with the Drag-Along Sale (provided however that (a) pursuant to the relevant transaction documents, liability of shareholders for indemnity is several and not joint and the liability of each shareholder is capped at the amount of consideration received and (b) the shareholders shall not be required to sign up to any non-compete, non-solicitation, general release (other than in its capacity as a shareholder) or other commercial agreements in connection with the acquisition), and the delivery, at the consummation of the Drag-Along Sale involving a sale of Shares, of all certificates representing Shares held or Controlled by such Dragged Holder, duly endorsed for transfer or accompanied by a duly executed share transfer form, or affidavits and indemnity undertakings with respect to lost certificates; and

5. restructure such Drag-Along Sale, as and if reasonably requested by the Drag-Along Holders, as a merger, consolidation, restructuring or similar transaction, or a sale of all or substantially all of the assets of the Company, or otherwise.

B. For the purpose of Article 8.15(A), a “Drag-Along Sale Event” shall mean a Deemed Liquidation Event or Trade Sale with a valuation of the Group of not less than US$3,000,000,000.

C. Any proceeds, whether in cash or properties, resulting from the Drag-Along Sale shall be distributed in accordance with the terms of Article 8.2 of the Articles.
D. In the event that any of the Dragged Holders (the “Defaulting Holder”) fails for any reason to take any of the actions set forth in Article 8.15(A) above within fifteen (15) days after receiving the Drag-Along Notice, each of the Drag-Along Holders shall have the right to sell to the Defaulting Holder the Shares such Drag-Along Holder would have Transferred to the Offeror but for the Defaulting Holder’s failure to take such actions (such Shares, the “Drag Default Shares”). The price per Drag Default Share shall be equal to the price per share specified in the Drag-Along Notice. The Defaulting Holder shall reimburse each Drag-Along Holder for any and all reasonable fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of its rights under this Article 8.15(D). A Drag-Along Holder who has elected to sell the Drag Default Shares shall deliver to the Defaulting Holder an instrument of transfer and one or more certificates representing the Drag Default Shares, each to be properly endorsed for transfer, or an affidavit of lost certificate representing the same. The Defaulting Holder shall, upon receipt of the foregoing, pay the aggregate purchase price for the Drag Default Shares and the amount of reimbursable fees and expenses, in cash by wire transfer of immediately available funds or by other means acceptable to the Drag-Along Holders. The Company shall concurrently therewith record such Transfer on its books and update its register of members and will, to the extent applicable, promptly thereafter and in any event within five (5) days reissue certificates to the Drag-Along Holders representing the Shares held by them giving effect to the sale of Drag Default Shares to the Defaulting Holder contemplated in this Article 8.15(D). For the avoidance of doubt, notwithstanding anything to the contrary contained herein and therein, none of the Transfer restrictions set forth in these Articles or in the Other Restriction Agreements shall apply in connection with a Drag-Along Sale.
E. In any Drag-Along Sale, (i) each Dragged Holder shall bear a proportionate share (based upon the relative proceeds received in such transaction) of the Drag-Along Holders’ reasonable fees and expenses incurred in the transaction, including without limitation, legal, accounting and investment banking fees and expenses, and (ii) each Dragged Holder shall severally, but not jointly, participate on a pro rata basis (based upon the relative proceeds received in such transaction) in any indemnification obligation that is part of the terms and conditions of such Drag-Along Sale (other than those that relate specifically to a particular holder, including without limitation, indemnification with respect to representations and warranties given by such holder in respect of such holder’s title to and ownership of Shares, due authorization, enforceability and no conflicts, which shall instead be given solely by such holder) but only up to the net proceeds received by such Dragged Holder in connection with such Drag-Along Sale.

F. If a Drag-Along Holder or Dragged Holder has received the purchase price for his/her/its Equity Securities of the Company in connection with the Drag-Along Sale, and has failed to deliver certificates evidencing his/her/its Equity Securities of the Company in accordance with this Article 8.15, he/she/it shall for all purposes be no longer deemed a holder of Equity Securities of the Company (with the Register of Members of the Company updated to reflect the foregoing), shall have no voting rights, shall not be entitled to any dividends or other distributions with respect to any Shares held, shall have no other rights or privileges as a holder of Equity Securities of the Company. Further, the Company shall not register any subsequent Transfer of any such Equity Securities of the Company held by such Drag-Along Holder or Dragged Holder described in the foregoing sentence.

8.16. Restriction on Founders' Shares.

A. Prohibition on Transfer. None of Founders or FounderCos (each a “Restricted Person”) shall directly or indirectly Transfer all or any part of any interest in any Restricted Shares. Subject to any restrictions set forth in these Articles, any Restricted Person may Transfer Vested Shares held by it.

B. Repurchase Right. In the event of (i) the voluntary termination by any Founder of his employment with any Group Company, or (ii) the termination by any Group Company of such Founder’s employment with such Group Company (each a “Repurchase Event”), then, in each such event, subject to other provisions of this Article 8.16, the Company shall have the right to repurchase (the “Repurchase Right”) up to all of the Restricted Shares then held by such Founder and his FounderCo, solely to the extent such Restricted Shares have not been released from the Repurchase Right as provided below as of the applicable termination date, at a repurchase price of par value per Share.

C. Vesting.

(1) Vesting Schedule. Unless otherwise approved in writing by the Majority Holders, subject to Articles 8.16(C)(2), as long as such Founder is continuously an employee of a Group Company, an equal portion of the Existing Restricted Shares held by such Founder and his FounderCo shall vest and be released from the Repurchase Right at the end of each month between the Closing Date and December 31, 2018.
Accelerated Vesting Upon Qualified IPO or Deemed Liquidation Event. Notwithstanding anything to the contrary contained in this Article 8.16, all then unvested Restricted Shares of such Founder or his FounderCo shall be released from the Repurchase Right and therefore become Vested Shares and shall no longer be deemed Restricted Shares upon the earlier to occur of (i) a Qualified IPO, and (ii) a Deemed Liquidation Event.

REGISTER OF MEMBERS

9. The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute. The Register of Members shall be the only evidence as to who are the Members entitled to examine the Register of Members or to vote in person or by proxy at any meeting of Members.

FIXING RECORD DATE

10. The Directors may fix in advance a date as the record date for any determination of Members entitled to notice of or to vote at a meeting of the Members, or any adjournment thereof, and for the purpose of determining the Members entitled to receive payment of any dividend the Directors may, at or within ninety (90) days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

11. If no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members 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 Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

CERTIFICATES FOR SHARES

12. A Member 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 (including Article 8), no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

13. 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.
14. 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.

TRANSFER OF SHARES

15. The Shares of the Company are subject to Transfer restrictions as set forth in these Articles and the Shareholders Agreement, by and among the Company and certain of its Members. The Company will register Transfers of Shares that are made in accordance with such Articles and the Shareholders Agreements and will not register Transfers of Shares that are made in violation of such Articles and the Shareholders Agreement. 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.

REDEMPTION AND REPURCHASE OF SHARES

16. Subject to the provisions of the Statute and these Articles (including Article 8), the Company is permitted to redeem, purchase or otherwise acquire any of the Shares, so long as such redemption, purchase or acquisition (i) is pursuant to any redemption provisions set forth in these Memorandum and Articles, (ii) is pursuant to the ESOP or (iii) is as otherwise agreed by the holder of such Shares and the Company at the time of issue of such Shares, subject in the case of clause (ii) to comply with any applicable restrictions set forth in the Shareholders Agreement, the Memorandum and these Articles (including Article 8).

17. Subject to the provisions of the Statute and these Articles (including Article 8), the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. Subject to the provisions of the Statute and these Articles (including Article 8), the Directors may authorize the redemption or purchase by the Company of its own Shares in such manner and on such terms as they think fit and 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

18. Subject to these Articles (including Article 8), if at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may only be varied with the consent in writing of the Majority Holders.

19. For the purpose of the preceding Article, all of the provisions of these Articles relating to general meetings shall apply, to the extent applicable, mutatis mutandis, to every such separate meeting except that the necessary quorum shall be one or more Persons holding or representing by proxy at least two thirds of the issued Shares of such class.
Subject to these Articles (including Article 8), the rights conferred upon the holders of Shares or any class of Shares shall not, unless otherwise expressly provided by the terms of issue of such Shares, be deemed to be varied by (i) the mere creation, redesignation, or issue of Shares ranking pari passu therewith, (ii) the redemption or purchase of Shares of any class or series by the Company, (iii) the issuance of any new Equity Securities which may be in preference to Series E Preferred Shares or (iv) the change to the director’s appointment rights of any shareholders of the Company.

**COMMISSION ON SALE OF SHARES**

21. The Company may, with the approval of the Board (so long as such approval includes the approval of the Series E Directors), so far as the Statute permits, pay a commission to any Person in consideration of his or her 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 INTERESTS**

22. The Company shall not be bound by or compelled to recognise in any way (even when having notice thereof) 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.

**TRANSMISSION OF SHARES**

23. If a Member dies, the survivor or survivors where such Member was a joint holder, and his or her legal personal representatives where such Member was a sole holder, shall be the only Persons recognised by the Company as having any title to such Member’s interest. The estate of a deceased Member is not thereby released from any liability in respect of any Share that had been jointly held by such Member.

24. Any Person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (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 or her as the transferee, but the Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a Transfer by that Member before his death or bankruptcy pursuant to Article 15. If he or she elects to become the holder, he or she shall give written notice to the Company to that effect.

25. If the Person so becoming entitled shall elect to be registered as the holder, such Person shall deliver or send to the Company a notice in writing signed by such Person stating that he or she so elects.
26. Subject to the Statute and these Articles (including Article 8), the Company may by Ordinary Resolution:

   A. increase the share capital by such sum as the resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

   B. consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

   C. by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value;

   D. cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any Person; and

   E. perform any action not required to be performed by Special Resolution.

27. Subject to the provisions of the Statute and the provisions of these Articles (including Article 8) as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

   A. change its name;

   B. alter or add to these Articles;

   C. alter or add to the Memorandum with respect to any objects, powers or other matters specified therein;

   and

   D. reduce its share capital and any capital redemption reserve fund.

**REGISTERED OFFICE**

28. Subject to the provisions of the Statute, the Company may by resolution of the Directors change the location of its Registered Office.

**GENERAL MEETINGS**

29. All general meetings other than annual general meetings shall be called extraordinary general meetings.

30. 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. At these meetings, the report of the Directors (if any) shall be presented.
31. The Directors may call general meetings, and they shall on a Members requisition forthwith proceed to convene an extraordinary general meeting of the Company.

32. A Members requisition is a requisition of Members of the Company holding, on the date of deposit of the requisition, not less than ten percent (10%) of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company.

33. 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.

34. If the Directors do not within twenty (20) days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty (20) 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 (20) days.

35. 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

36. At least fifteen (15) days’ notice shall be given to all Members of any general meeting unless such notice is waived either before, at or after such meeting (i) by the Members (or their proxies) holding a majority of the aggregate voting power of all of the Ordinary Shares entitled to vote thereat, and (ii) by the Majority Holders (or, in each case, their proxies). Every notice shall be exclusive of the day on which it is given or deemed to be 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 the 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 both (a) by the Members (or their proxies) holding a majority of the aggregate voting power of all of the Ordinary Shares entitled to vote thereat, and (b) by the Majority Holders (or, in each case, their proxies).

37. The officer of the Company who has charge of the Register of Members of the Company shall prepare and make, at least two (2) days before every general meeting, a complete list of the Members entitled to vote at the general meeting, arranged in alphabetical order, and showing the address of each Member entitled to vote and the number of shares registered in the name of each Member entitled to vote. Such list shall be open to examination by any Member for any purpose germane to the meeting, during ordinary business hours, for a period of at least two (2) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any Member of the Company who is present.
38. The holders of: (i) a majority of the aggregate voting power of all of the Ordinary Shares entitled to notice of and to attend and vote at such general meeting, and (ii) a majority of the aggregate voting power of all of the Preferred Shares entitled to notice of and to attend and vote at such general meeting together present in person or by proxy or if a company or other non-natural Person by its duly authorised representative shall be a quorum.. Subject to Article 42, no business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business.

39. 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.

40. A resolution in writing (in one or more counterparts) shall be as valid and effective as if the resolution had been passed at a duly convened and held general meeting of the Company if:

   A. in the case of a Special Resolution, it is signed by all Members entitled to vote and required for such Special Resolution to be deemed effective under the Statute; or

   B. in the case of any resolution passed other than as a Special Resolution, it is signed by Members for the time being holding Shares carrying in aggregate not less than the minimum number of votes that would be necessary to authorize or take such action at a general meeting at which all Shares entitled to vote thereon were present and voted (calculated in accordance with Article 8.4.(A)) (or, being companies, signed by their duly authorised representative).

41. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum and the votes present may continue to transact business until adjournment. If, however, such quorum shall not be present or represented at any general meeting, it shall be adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the Directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.

42. 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 or she shall not be present within twenty (20) minutes after the time appointed for the holding of the meeting, or is unwilling or unable to act, the Directors present shall elect one of their number, or shall designate a Member, to be chairman of the meeting.
With the consent of a general meeting at which a quorum is present, the chairman may (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, notice of the adjourned meeting shall be given as in the case of an original meeting.

A resolution put to the vote of the meeting shall be decided by poll and not on a show of hands.

On a poll a Member shall have one (1) vote for each Ordinary Share he holds on an as converted basis, unless any Share carries special voting rights.

Except on a poll 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 required.

A poll on a question of adjournment shall be taken forthwith.

A poll 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 is to be taken or is contingent thereon may proceed pending the taking of the poll.

**VOTES OF MEMBERS**

Except as otherwise required by Law or these Articles (including Article 8), the Ordinary Shares and the Preferred Shares shall vote together on an as-converted basis on all matters submitted to a vote of Members.

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.

A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote by his or her committee, receiver, or other Person on such Member’s behalf appointed by that court, and any such committee, receiver, or other Person may vote by proxy.

No Person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class or series of Shares unless he or she is registered as a Member on the record date for such meeting and he or she has the voting right in accordance with the Memorandum and these Articles.

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.

Votes may be cast either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting.

A Member holding more than one Share need not cast the votes in respect of his or her 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 or her, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he or she is appointed either for or against a resolution and/or abstain from voting.

The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of his or her 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 Member of the Company.

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, no later than the time for holding the meeting or adjourned meeting.

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.
59. 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 MEMBERS

60. Any corporation or other non-natural Person that is a Member 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 any class of Members, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he or she represents as the corporation could exercise if it were an individual Member.

SHARES THAT MAY NOT BE VOTED

61. Shares in the Company that are beneficially owned by the Company or held by it in a fiduciary capacity 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.
APPONITMENT OF DIRECTORS

62. The authorized number of directors on the Board shall be eleven (11) Directors, with the composition of the Board determined as follows:

A. the Founders (provided that the Founders’ right under this Article 62 shall terminate if (A) the Founders cease to collectively hold a majority of the Ordinary Shares that they hold as of the date of the Closing, (B) Founder I resigns from the position as the chief executive officer of the Company, or (C) Founder I is involuntarily terminated or dismissed as the chief executive officer of the Company for Cause or Leave/Disability) shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time six (6) Directors to the Board (each a “Management Director”);

B. Tencent shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time at least two (2) Directors to the Board (each a “Series E Director”);

C. Offshore Sequoia shall be entitled to nominate one (1) Director of the Board;

D. Fenghuang Fuju shall be entitled to nominate one (1) Director of the Board; and

E. Cai SPV shall be entitled to nominate one (1) Director of the Board.

POWERS OF DIRECTORS

63. Subject to the provisions of the Statute, the Memorandum and these Articles (including Article 8) and to any directions given by Special Resolution, the business of the Company shall be managed by or under the direction of the Directors who may exercise all the powers of the Company; provided, however, that the Company shall not carry out any action inconsistent with these Articles (including Article 8). No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors that 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.

64. 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.

65. Subject to these Articles (including Article 8), 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 or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
Subject to these Articles (including Article 8), 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 shares, 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.

**VACATION OF OFFICE AND REMOVAL OF DIRECTOR**

67. The office of a Director shall be vacated if:

A. such Director gives notice in writing to the Company that he or she resigns the office of Director; or

B. such Director dies, becomes bankrupt or makes any arrangement or composition with such Director’s creditors generally; or

C. such Director is found to be or becomes of unsound mind.

68. Any Director who shall have been elected by a specified group of Members may be removed during the aforesaid term of office, either for or without cause, by, and only by, the affirmative vote of the group of Members then entitled to elect such Director in accordance with Article 62, given at a special meeting of such Members duly called or by an action by written consent for that purpose. Any vacancy in the Board of Directors caused as a result of such removal or one or more of the events set out in Article 67 of any Director who shall have been elected by a specified group of Members, may be filled by, and only by, the affirmative vote of the group of Members then entitled to elect such Director in accordance with Article 62, given at a special meeting of such Members duly called or by an action by written consent for that purpose, unless otherwise agreed upon among such Members.

**PROCEEDINGS OF DIRECTORS**

69. A Director may by a written instrument appoint an alternate who need not be a Director, and an alternate is entitled to attend meetings in the absence of the Director who appointed him and to vote or consent in place of the Director. At all meetings of the Board of Directors, four (4) Directors (which shall include both Series E Directors) in office elected in accordance with Article 62 shall be necessary and sufficient to constitute a quorum for the transaction of business, and the vote of a majority of the Directors present (in person or in alternate) at any meeting at which there is a quorum, shall be the act of the Board of Directors, except as may be otherwise specifically provided by the Statute, the Memorandum or these Articles. If only one (1) Director is elected, such sole Director shall constitute a quorum. If a quorum shall not be present at any meeting of the Board of Directors, then such meeting shall be adjourned for at least seven (7) days at the same place or such other time and place the Directors then present may determine, provided that a written notice of the adjourned Board meeting shall be duly delivered to all Directors five (5) days prior to the adjourned meeting in accordance with the notice procedures hereunder and such written notice expressly sets forth the agenda of the board meeting in reasonable level of details and includes the related supporting documents (if any). The number of Directors attending such adjourned Board meeting shall constitute a quorum at such adjourned Board meeting.
Subject to the provisions of these Articles (including Article 8), the Directors may regulate their proceedings as they think fit, provided however that the Board meetings shall be held at least once every three (3) months unless the Board otherwise approves (so long as such approval includes the approval of the Series E Directors) and that the written notice of each meeting given to the Directors shall include an agenda of the business to be transacted at the meeting.

A Person may participate in a meeting of the Directors or committee of the Board 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.

Subject to Article 8.4(B)(2), a resolution in writing (in one or more counterparts) signed by no less than a majority of the number of the Directors or a majority of the number the members of a committee of the Board of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of the Board of Directors, as the case may be, duly convened and held, provided that any such resolution includes the signed approval of at least one (1) Series E Director.

Meetings of the Board of Directors may be called by any Director on three (3) days’ written notice to each Director in accordance with Articles 104 through 108 and the written notice shall expressly set forth the agenda of the board meeting in reasonable level of details and include the related supporting documents (if any), but a meeting of Directors held without three (3) days’ notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a Director, or the fact that a director has not received the notice, does not invalidate the meeting.

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 for no other purpose.

The Directors may elect a chairman of their board and determine the period for which he or she is to hold office; but if no such chairman is elected, or if at any meeting the chairman shall not be present within twenty (20) minutes after the time appointed for holding the same, the Directors present may choose one of their members to be chairman of the meeting.

All acts done by any meeting of the Directors or of a committee of the Board of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any 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.

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77. Subject to Article 80, a Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his or her office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

78. Subject to Article 80, a Director may act by himself or herself or his or her firm in a professional capacity for the Company and such Director or firm shall be entitled to remuneration for professional services as if such Director were not a Director.

79. Subject to Article 80, a Director of the Company may be or 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 Member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by such Director as a director or officer of, or from his or her interest in, such other company.

80. In addition to any further restrictions set forth in these Articles (including Article 8), no Person shall be disqualified from the office of 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 shall be in any way interested (each, an “Interested Transaction”) be or be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such Interested Transaction by reason of such Director holding office or of the fiduciary relation thereby established, and any such Director may vote at a meeting of directors on any resolution concerning a matter in which that Director has an interest (and if he votes his vote shall be counted) and shall be counted towards a quorum of those present at such meeting, in each case so long as the material facts of the interest of each Director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith to and are known by the other Directors. A general notice or disclosure to the Directors or otherwise contained in the minutes of a meeting or a written resolution of the directors or any committee thereof that a Director is a member 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 under this Article.

MINUTES

81. 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 series of Shares and of the Directors, and of committees of the Board of Directors including the names of the Directors present at each meeting.

DELEGATION OF DIRECTORS’ POWERS

82. Subject to these Articles (including Article 8), the Board of Directors may, with prior consent of the Series E Directors, establish any committees and approve the delegation of any of their powers to any committee consisting of one or more Directors and such committee shall include at least one (1) Series E Director. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee; provided that any such committee shall include at least one (1) Series E Director.
83. The Board of Directors may also, with prior consent of the Series E Directors, 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 such Person; provided that the appointment of a managing Director shall be revoked forthwith if he or she ceases to be a Director. Any such delegation may be made subject to any conditions the Board of Directors, with prior consent of the Series E Directors, may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered.

84. Subject to these Articles (including Article 8), 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 or her.

85. Subject to these Articles (including Article 8), 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 an officer’s appointment, an officer may be removed by resolution of the Directors or Members.

**NO MINIMUM SHAREHOLDING**

86. There is no minimum shareholding required to be held by a Director.

**RENUMERATION OF DIRECTORS**

87. The remuneration to be paid to the Directors, if any, shall be such remuneration as determined by the Board or one of its committees (in each case, including the consent of the Series E Directors). The Directors shall also be entitled to be paid all reasonable travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Board of Directors or committees of the Board of Directors, or general meetings of the Company, or separate meetings of the holders of any series of Shares or debentures of the Company, or otherwise in connection with the business of the Company.

88. The Directors may by resolution of the majority of the Board or one of its committees (in each case, including the consent of the Series E Directors) approve additional remuneration to any Director for any services other than his or her 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 or her remuneration as a Director.
SEAL

89. The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Board of Directors authorised by the Board of Directors. Every instrument to which the Seal has been affixed shall be signed by at least one Person who shall be either a Director or some officer or other Person appointed by the Directors for the purpose.

90. 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.

91. A Director or an officer authorized by the Board of Directors, representative or attorney of the Company may without further authority of the Directors affix the Seal over his or her signature alone to any document of the Company required to be authenticated by him or her under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

92. Subject to the Statute and these Articles (including Article 8), the Directors may declare dividends and distributions on Shares in issue and authorise payment of the dividends or distributions out of the assets 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.

93. All dividends and distributions shall be declared and paid according to the provisions of Article 8.

94. Subject to the provisions of these Articles (including Article 8), 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 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 Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Directors.

95. 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 one of 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.

96. No dividend or distribution shall bear interest against the Company, except as expressly provided in these Articles.

97. Any dividend that cannot be paid to a Member and/or that 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 Member. Any dividend that 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.

CAPITALIZATION

98. Subject to these Articles (including Article 8), 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 Members 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 as set forth in Article 8 hereof 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 capitalization, 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 Members concerned). The Directors may authorise any Person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
99. The Directors shall cause proper books of account to be kept at such place as they may from time to time designate 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. 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. 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 inspection of Members not being Directors and no such Member shall have any right of inspecting any account or book or document of the Company except as conferred by the Statute or authorized by the Directors or the Company in general meeting or in a written agreement binding on the Company.
100. 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

101. Subject to the Articles (including Article 8), the Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors, and may fix the Auditor’s remuneration.

102. 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.

103. 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 that 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 that 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 or any general meeting of the Members.

NOTICES

104. Except as otherwise provided in these Articles, notices shall be in writing. Notice may be given by the Company to any Member or Director either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to such Member or Director (as the case may be) or to the address of such Member or Director as shown in the Register of Members or the Register of Directors (as the case may be) (or where the notice is given by electronic mail by sending it to the electronic mail address provided by such Member or Director).

105. 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 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 to a fax number provided by the intended recipient, service of the notice shall be deemed to be effected when the receipt of the fax is acknowledged by the recipient. Where a notice is given by electronic mail to the electronic mail address provided by the intended recipient, service shall be deemed to be effected when the receipt of the electronic mail is acknowledged by the recipient.

106. A notice may be given by the Company to the Person or Persons that the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices that 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.
107. Notice of every general meeting shall be given in any manner hereinbefore authorised to every Person shown as a Member 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 or her being a legal personal representative or a trustee in bankruptcy of a Member of record where the Member of record but for his or her 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.

108. Whenever any notice is required by Law or these Articles to be given to any Director, member of a committee or Member, a waiver thereof in writing, signed by the Person or Persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

WINDING UP

109. If the Company shall be wound up, assets available for distribution amongst the Members shall be distributed, in accordance with Article 8.

110. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Statute, divide amongst the Members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and, subject to these Articles (including Article 8), determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

INDEMNITY

111. To the maximum extent permitted by applicable Law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall be indemnified out of the assets of the Company from and against all actions, proceedings, costs, charges, losses, damages and expenses that they or any of them shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty in their respective offices or trusts, except such (if any) as they shall incur or sustain by or through their own fraud or dishonesty and no such Director or officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other Director or officer or trustee or for joining in any receipt for the sake of conformity or for the solvency or honesty of any banker or other Persons with whom any monies or effects belonging to the Company may be lodged or deposited for safe custody or for any insufficiency of any security upon which any monies of the Company may be invested or for any other loss or damage due to any such cause as aforesaid or which may happen in or about the execution of his or her office or trust unless the same shall happen through the fraud or dishonesty of such Director or officer or trustee. Except with respect to proceedings to enforce rights to indemnification pursuant to this Article, the Company shall indemnify any such indemnitee pursuant to this Article in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Article shall include the right to be paid by the Company the expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent provided by, and subject to the requirements of, applicable Law, so long as the indemnitee agrees with the Company to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Article.
112. To the maximum extent permitted by applicable Law, the Directors and officers for the time being of the Company and any trustee for the time being acting in relation to any of the affairs of the Company and their heirs, executors, administrators and personal representatives respectively shall not be personally liable to the Company or its Members for monetary damages for breach of their duty in their respective offices, except such (if any) as they shall incur or sustain by or through their own fraud or dishonesty respectively.

FINANCIAL YEAR

113. Unless the Directors otherwise prescribe in accordance with Article 8, the financial year of the Company shall end on the 31st of December in each year and, following the year of incorporation, shall begin on the 1st of January in each year.

TRANSFER BY WAY OF CONTINUATION

114. If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and with the approval of a Special Resolution and the written consent of the Majority Preferred Holders, 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.

CALLS ON SHARES

115. Save as otherwise agreed on the issue of any Share (in nil-paid or partly-paid form), the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares by delivering to the Shareholders a written notice requiring payment and stating that in the event of non-payment at or before the time appointed the Shares in respect of which the call was made will be liable to be forfeited. Each Shareholder shall (subject to receiving at least fourteen days’ notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares.

116. Joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.
117. The Company may, if the Directors think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any nil-paid or partly-paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors.

118. Upon the Directors having delivered a written notice requiring payment of the amount of money unpaid on a Share (being a nil-paid or partly-paid Share) in accordance with Article 115, all the rights attaching to such nil-paid or partly-paid Share (including those rights stated in the Companies Law and stipulated in these Articles) shall be suspended in all respects. Such suspension shall take effect immediately and shall remain in effect until (i) such moneys unpaid on such Shares are paid in full or (ii) such Shares are surrendered or forfeited in accordance with these Articles and are subsequently cancelled.

FORFEITURE OF SHARES

119. If a Shareholder fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment, the Directors may, by a resolution of the Directors, forfeit such Shares.

120. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

121. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, and shall not be liable to pay to the Company any money in respect of the Shares forfeited.

122. A statutory declaration in writing that the declarant is a Director, and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

123. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

SURRENDER OF SHARES

124. Subject to the Companies Law, the Company may accept the surrender for no consideration of any paid up Share (including any redeemable Share) or any Share not being a fully-paid share on such terms and in such manner as the Directors may determine.
THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATE
MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

DOUYU INTERNATIONAL HOLDINGS LIMITED

(ADOPTED BY SPECIAL RESOLUTION PASSED ON APRIL 18, 2019 AND EFFECTIVE CONDITIONAL AND IMMEDIATELY PRIOR TO THE COMPLETION OF THE COMPANY’S INITIAL PUBLIC OFFERING OF AMERICAN DEPOSITARY SHARES REPRESENTING ITS ORDINARY SHARES)
THE COMPANIES LAW (AS AMENDED)  
OF THE CAYMAN ISLANDS  
COMPANY LIMITED BY SHARES  
THIRD AMENDED AND RESTATED  
MEMORANDUM OF ASSOCIATION  
OF  
DOUYU INTERNATIONAL HOLDINGS LIMITED  

(Adopted by Special Resolution passed on April 18, 2019 and effective conditional and immediately prior to the completion of the Company’s initial public offering of American depositary shares representing its Ordinary Shares)

1. The name of the Company is DouYu International Holdings Limited (the “Company”).

2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands or at such other location within the Cayman Islands as the Directors may from time to time 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 any law as provided by Section 7(4) of the Companies Law (2018 Revision) or as the same may be revised from time to time, or any other law of the Cayman Islands (the “Companies Law”).

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by Section 27(2) of the Companies Law.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of the shareholders of the Company is limited to the amount from time to time, if any, unpaid on the shares respectively held by them.

7. The authorised share capital of the Company is US$100,000 divided into (i) 500,000,000 Ordinary Shares of a nominal or par value of US$0.0001 each, and (ii) 500,000,000 shares of a par value of US$0.0001 as the Board of Directors may determine in accordance with Article 8 of the Articles. Subject to the Companies Law and these Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorized share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company may exercise the power contained in Section 206 of the Companies Law to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.
9. Capitalized terms that are not defined in this Memorandum of Association bear the same meaning as those given in the Articles of Association of the Company.
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THIRD AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

DOUYU INTERNATIONAL HOLDINGS LIMITED

(Adopted by Special Resolution passed on April 18, 2019 and effective conditional and immediately prior to the completion of the Company’s initial public offering of American depositary shares representing its Ordinary Shares)

TABLE A

The Regulations contained or incorporated in Table ‘A’ in the First Schedule of the Companies Law shall not apply to DouYu International Holdings Limited (the “Company”) and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

“ADS” means an American depositary share, each representing such number of Ordinary Shares as set out in the registration statements of the Company;

“Affiliate” means in respect of a Person, any other Person that, directly or indirectly, through (1) one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person’s spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, shall include a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term “control” shall mean, as used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; the terms “controlled by” and “under common control with” shall have correlative meanings. Notwithstanding the foregoing, for purposes of these Articles, no Member shall be deemed an Affiliate of any other Member solely by reason of the existence of any rights or obligations under these Articles or holding of the Company Securities by such Member and any other Member;

“Articles” means these articles of association of the Company, as amended or substituted from time to time;

“Board” and “Board of Directors” means, as the case may be, the directors assembled as a board or as a committee thereof;
“Chairman” means the chairman of the Board of Directors;

“Chief Executive Officer” means the chief executive officer of the Company or any person performing similar functions;

“Class” or “Classes” means any class or classes of Shares as may from time to time be issued by the Company;

“Commission” means Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;

“Companies Law” means the Companies Law (as amended) of the Cayman Islands;

“Company” means DouYu International Holdings Limited, a Cayman Islands exempted company;

“Company Securities” means any share, share capital, registered capital, ownership interest, partnership interest, equity interest, joint venture or other ownership interest of the Company, 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 the Company, or any contract of any kind for the purchase or acquisition from the Company of any of the foregoing, either directly or indirectly;

“Company’s Website” means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;

“Designated Stock Exchange” means the stock exchange in the United States on which any Shares and ADSs are listed for trading;

“Designated Stock Exchange Rules” means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares and/or ADSs on the Designated Stock Exchange;

“Directors” means the directors of the Company for the time being;

“electronic” means the meaning given to it in the Electronic Transactions Law (as amended) of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

“electronic communication” means electronic posting to the Company’s Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than the simple majority of the vote of the Board;

“Electronic Transactions Law” means the Electronic Transactions Law (2003 Revision) of the Cayman Islands and any statutory amendment or re-enactment thereof;

“electronic record” has the meaning given to it in the Electronic Transactions Law and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

“FounderCo I” means (i) Warrior Ace Holding Limited, a company incorporated with limited liability under the Laws of the British Virgin Islands, as long as it holds any Share, and (ii) any other entities that hold Shares on behalf of and are controlled by either of Mr. Shaojie Chen (身份证号码37010319840313501X), as Mr. Shaojie Chen so designates.
“FounderCo II” means (i) Starry Zone Investments Limited, a company incorporated with limited liability under the Laws of the British Virgin Islands, as long as it holds any Share of the Company, and (ii) any other entities that hold Shares on behalf of and are controlled by Mr. Wenming Zhang (詹文明, the holder of the PRC ID number of 32032219841020765X), as Mr. Wenming Zhang so designates.

“FounderCo” or “FounderCos” means FounderCo I and FounderCo II.

“Independent Director” means a Director who is an independent director as defined in the Designated Stock Exchange Rules;

“Memorandum of Association” means the memorandum of association of the Company, as amended or substituted from time to time;

“Month” means calendar month;

“Office” means the registered office of the Company as required by the Companies Law;

“Officer” means the officers for the time being and from time to time of the Company;

“Ordinary Resolution” means a resolution:

(a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company duly held in accordance with these Articles, and where a poll is taken regard shall be had in computing a simple majority to the number of votes to which each Shareholder is entitled by these Articles; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;

“Ordinary Shares” means an ordinary share of par value of US$0.0001 each in the capital of the Company having the rights and subject to the restrictions set out in these Articles, including a fraction of a share;

“paid up” means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;

“Person” means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires, other than in respect of a Director or Officer in which circumstances Person shall mean any person or entity permitted to act as such in accordance with the laws of the Cayman Islands;

“Register” means the register of Members of the Company maintained in accordance with the Companies Law;

“Seal” means the common seal of the Company (if adopted) including any facsimile thereof;

“Secretary” means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;

“Securities Act” means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
“Share” and “Shares” means a share in the capital of the Company. All references to “Shares” herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt, in these Articles the expression “Share” shall include a fraction of a share.

“Shareholder” or “Member” means a Person who is registered as the holder of Shares in the Register and includes each subscriber to the Memorandum of Association pending entry in the Register of such subscriber;

“Share Premium Account” means the share premium account established in accordance with these Articles and the Companies Law;

“signed” means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

“Special Resolution” means a special resolution of the Company passed in accordance with the Companies Law being a resolution:

(b) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company duly held in accordance with these Articles, of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing two-thirds to the number of votes to which each Shareholder is entitled; or

(b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;

“Tencent” means Nectarine Investment Limited, a company organized under the laws of the British Virgin Islands, and its Affiliates and its permitted successors and assigns;

“Treasury Shares” means Shares that are held in the name of the Company as a treasury share in accordance with the Companies Law;

“United States” means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and

“year” means calendar year.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;

(d) the word “including” or any variation thereof means (unless the context of its usage otherwise requires) “including, without limitation” and shall not be construed to limit any general statement that it follows to the specific or similar items or matters immediately following it;
reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

reference to “in writing” shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to these Articles, the date that is the reference date in calculating such period shall be excluded;

any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;

headings are inserted for reference only and shall be ignored in construing these Articles; and

any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Law (as amended). Sections 8 and 19(3) of the Electronic Transactions Law (as amended) shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place or (subject to compliance with the Companies Law and these Articles) places as the Directors may from time to time determine. In the absence of any such determination, the Register shall be kept at the Office.

SHARES

8. Subject to these Articles, and, where applicable, the Designated Stock Exchange Rules (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, all Shares for the time being unissued shall be

under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

(a) issue, allot or 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 to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;
(b) grant rights over Shares or other securities to be issued in one or more Classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

(c) grant options with respect to such Shares and issue warrants, convertible securities or similar instruments with respect thereto;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued.

9. Subject to Article 12, the Directors may authorise the division of Shares into any number of Classes and sub-classes and the different Classes and sub-classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 12 the Directors may issue from time to time, out of the authorised share capital of the Company, series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

(a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

(b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

(c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

(d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

(e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;
(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company is not obliged to issue, allot or dispose of Shares if it is, in the opinion of the Directors, unlawful or impracticable. The Company shall not issue Shares to bearer.

Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any Class or series of preferred shares, no vote of the holders of preferred shares or Ordinary Shares shall be a prerequisite to the issuance of any Shares of any Class or series of the preferred Shares authorized by and complying with the conditions of the Memorandum and these Articles.

10. The Company may insofar as may be permitted by law, pay commissions or brokerage to any Person in connection with the issue of any Shares. Such commissions or brokerage may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

MODIFICATION OF RIGHTS

12. Whenever the capital of the Company is divided into different Classes (and as otherwise determined by the Directors) the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of the relevant Class, or with the sanction of a resolution passed at a separate meeting of the holders of the Shares of such Class by the holders of two-thirds of the votes cast at such a meeting. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be one or more Persons at least holding or representing by proxy one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Shareholders who are present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the
Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by
him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one
Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but
in any other case shall treat them as separate Classes.

13. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to
any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely
varied or abrogated by, inter alia, the creation, allotment or issue of further Shares ranking pari passu with or subsequent
to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares
shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights
including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

14. 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 the Articles no new certificate shall be issued
until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

FRACTIONAL SHARES

15. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the
corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or
otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the
generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one
fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be
accumulated.

LIEN

16. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether
presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and
paramount lien on every Share (whether or not fully paid) registered in the name of a Person indebted or under liability
to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts
owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a
Share to be wholly or in part exempt from the provisions of this Article. The Company’s lien on a Share extends to any
amount payable in respect of it, including but not limited to dividends.

17. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the
Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable
nor until the expiration of fourteen (14) calendar days after a notice in writing, demanding payment of such part of the
amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time
being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

18. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser
thereof. The purchaser 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 proceedings in reference to the sale.

19. The proceeds of the sale after deduction of expenses, fees and commission incurred by the Company shall be received by
the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently
payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the
sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

20. Subject to the terms of the issue thereof, the Directors may from time to time make calls upon the Shareholders in
respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen (14)
calendar days’ notice specifying the time or times of payment) pay to the Company at the time or times so specified the
amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors
authorising such call was passed.

21. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

22. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from
whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for
the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that
interest wholly or in part.

23. The provisions of these Articles as to the liability of joint holders and as to payment of interest 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 amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and
notified.

24. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the
Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

25. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the
moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced
may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding
without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the
Shareholder paying the sum in advance and the Directors.

FORFEITURE OF SHARES

26. If a Shareholder fails to pay any call or instalment of a call in respect of any Shares on the day appointed for payment,
the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a
notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may
have accrued.

27. The notice shall name a further day (not earlier than the expiration of fourteen (14) calendar days from the date of the
notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-
payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

28. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has
been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution
of the Directors to that effect.
29. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

30. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

31. A declaration in writing that the declarant is a Director, and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

32. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

33. 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 due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

**TRANSFER OF SHARES**

34. Subject to these Articles and any other transfer or conversion restrictions pursuant to arrangements entered into by the Company with any depositary bank or other parties, any Shareholder may transfer all or any of his Shares (including securities representing his Shares) by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board or, if the transferor or transferee is a clearing house or a central depository house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.

35. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

36. The Directors may decline to register any transfer of any Share unless:

(a) the instrument of transfer is lodged with the Company, accompanied by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(b) the instrument of transfer is in respect of only one Class of Shares;

(c) the instrument of transfer is properly stamped, if required;

(d) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and
The registration of transfers may, on ten calendar days’ notice being given by advertisement in such one or more newspapers or by electronic means, or after compliance with any notice required by the Designated Stock Exchange Rules, if applicable, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty (30) calendar days in any year.

All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within one month after the date on which the instrument of transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

Notwithstanding Article 36, the Board of Directors may, in its absolute discretion, refuse to (i) register any proposed transfer of, or (ii) facilitate the transfer of Shares or securities representing such Shares (including any Shares issued under any share incentive scheme), upon which a restriction on transfer imposed thereby or by applicable laws or regulations still subsists.

**TRANSMISSION OF SHARES**

The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased holder of the Share, shall be the only Person recognised by the Company as having any title to the Share.

Any Person becoming entitled to a Share in consequence of the death or bankruptcy, liquidation or dissolution of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt, liquidated or dissolved Person could have made; 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 the deceased or bankrupt, liquidated or dissolved Person before the death or bankruptcy, liquidation or dissolution.

A Person becoming entitled to a Share by reason of the death or bankruptcy, liquidation or dissolution of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that 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 membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety (90) calendar days, 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.

**REGISTRATION OF EMPOWERING INSTRUMENTS**

The Company shall be entitled to charge a fee not exceeding one dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.
44. Subject to the provisions of the Companies Law and these Articles, the Company 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 and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine.

45. Subject to the Companies Law and these Articles, the Company may by Ordinary Resolution:

(a) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

(b) subdivide its Shares, or any of them into Shares of a smaller amount than that fixed by the Memorandum of Association, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

(c) cancel any Shares that, 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 its share capital by the amount of the Shares so cancelled.

46. Unless the Board in its sole discretion determines otherwise, all new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of the Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital. The Board may settle as they consider expedient any difficulty which arises in relation to any consolidation and division under the preceding Article and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company’s benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

47. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by law.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

48. Subject to the Companies Law and these Articles and, where applicable, Designated Stock Exchange Rules and/or the rules of any competent regulatory authority, the Company may:

(a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Company or the Shareholder on such terms and in such manner as may be determined, before the issue of such Shares, by either the Board or by the Shareholders by Ordinary Resolutions;

(b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner as have been approved by the Board or by the Shareholders by Ordinary Resolutions, or are otherwise authorised by these Articles; and

(c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Law, including out of its capital.

49. Any Share in respect of which notice of redemption has been given shall be cancelled and shall not be entitled to participate in the profits of the Company in respect of the period after the date specified as the date of redemption in the notice of redemption, and the Company
shall pay to such Shareholders the purchase or redemption monies or consideration in respect thereof.

50. The redemption, purchase or surrender of any Share shall not be deemed to give rise to the redemption, purchase or surrender of any other Share other than as may be required pursuant to applicable laws and any other contractual obligations of the Company.

51. The Directors may when making payments in respect of redemption or purchase of Shares, if authorised by the terms of issue of the Shares being redeemed or purchased or with the agreement of the holder of such Shares, make such payment either in cash or in specie including without limitation, interests in a special purpose vehicle holding assets of the Company or holding entitlement to the proceeds of assets held by the Company or in a liquidation structure.

52. The Directors may accept the surrender for no consideration of any fully paid Share.

**TREASURY SHARES**

53. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

54. In the event that the Directors do not specify that the relevant Shares are to be held as Treasury Shares, such Shares shall be cancelled.

**GENERAL MEETINGS**

55. All general meetings other than annual general meetings shall be called extraordinary general meetings.

56. (a) The Company may, but shall not (unless required by the Companies Law or the Designated Stock Exchange Rules) be obliged to hold a general meeting in each year 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 may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

(c) The Chairman or a simple majority of the Directors may call general meetings, and they shall on a Members’ requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(d) A Shareholders’ requisition is a requisition of Shareholders of the Company holding at the date of deposit of the requisition not less than one-third voting (1/3) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.

(e) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

(f) If there are no Directors as at the date of the deposit of the Shareholders’ requisition, or if the Directors do not within twenty-one (21) calendar 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) calendar 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) calendar days.
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

57. At least ten (10) calendar days’ notice shall be given for 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 the 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 Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting by Shareholders (or their proxies) having a right to attend and vote at the meeting holding not less than two-thirds (2/3rd) in voting rights of the Shares giving that right.

58. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

59. No business except for the appointment of a chairman for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to all Shares in issue and entitled to vote at such general meeting, present in person or by proxy or, if a corporation or other non-natural person, by its duly authorised representative, shall be a quorum for all purposes.

60. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be dissolved.

61. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, participation in any general meeting of the Company may be by means of a telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

62. The Chairman, if any, of the Directors shall preside as chairman at every general meeting of the Company.

63. If there is no such Chairman, or if at any general meeting he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as chairman of the meeting, any Director or Person nominated by the Directors shall preside as chairman of the meeting, failing which the Shareholders present in person or by proxy shall choose any Person present to be chairman of that meeting.

The chairman may with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a 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 meeting, or adjourned meeting, is adjourned for fourteen (14) calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it
shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

64. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for
general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason,
upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the
Directors may in their absolute discretion determine.

65. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is
(before or on the declaration of the result of the show of hands) demanded by the chairman of the meeting or any
Shareholder present in person or by proxy, and unless a poll is so demanded, a declaration by the chairman of the
meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or
lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact,
without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

66. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is
required by these Articles or by the Companies Law. In the case of an equality of votes, whether on a show of hands or
on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be
entitled to a second or casting vote.

67. A poll demanded on the election of a chairman of the meeting 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 meeting directs. If a poll is
duly demanded it shall be taken in such manner as the chairman of the meeting directs, the result of the poll shall be
deemed to be the resolution of the meeting at which the poll was demanded.

VOTES OF SHAREHOLDERS

68. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder
present in person and every Person representing a Shareholder by proxy (or, if a corporation or other non-natural person,
by its duly authorised representative or proxy) shall, at a general meeting or extraordinary general meeting of the
Company, each have one (1) vote and on a poll every Shareholder and every Person representing a Shareholder by proxy
(or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall have one (1) vote
for each Share of which he or the Person represented by proxy is the holder.

69. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy (or, if a corporation
or other non-natural person, by its duly authorised representative or proxy), shall be accepted to the exclusion of the
votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand
in the Register.

70. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has
been made by any court having jurisdiction in lunacy, may be voted in respect of Shares carrying the right to vote held
by him, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee
appointed by that court, and any such committee or other Person, may vote in respect of such Shares by proxy.

71. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums
presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

72. On a poll votes may be given either personally or by proxy.

73. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only
appoint one proxy on a show of hand and on a poll, each such

proxy is under no obligation to cast all his votes in the same way. The instrument appointing a proxy shall be in writing
under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either
under Seal or under the hand of an Officer or attorney duly authorised. A proxy need not be a Shareholder. On a poll a
Shareholder entitled to more than one vote need not use all his votes or cast all his votes in the same way.

74. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve
and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.

75. The instrument appointing a proxy shall be deposited at the 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:
(a) not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than forty-eight (48) hours after it is demanded, be deposited as aforesaid as promptly as reasonably practicable after the poll has been demanded and not less than twenty-four (24) hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than forty-eight (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 at such other time (no later than the time for holding the meeting or adjourned meeting) at the 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.

76. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

77. An Ordinary Resolution in writing signed by all of the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

78. A Special Resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

79. 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 Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

80. Any corporation which is a Shareholder or a Director may 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 meeting of holders of a Class or of the Directors or of a
committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

**DEPOSITARY AND CLEARING HOUSES**

81. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Members provided that, if more than one Person is so authorized, the authorization shall specify the number and Class of Shares in respect of which each such Person is so authorized. A Person so authorized pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as an individual Member holding the number and Class of Shares specified in such authorisation.

**DIRECTORS**

82. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, the exact number of Directors to be determined from time to time by the Board of Directors.

83. Unless otherwise determined by the Board of Directors subject to Article 82:

(a) the FounderCos shall be exclusively entitled to, by notice in writing to the Company from time to time, designate, appoint, remove, replace and reappoint at any time or from time to time up to four (4) Directors to the Board (each a “Management Director”);

(b) Tencent shall be exclusively entitled to, by notice in writing to the Company from time to time, designate, appoint, remove, replace and reappoint at any time or from time to time up to two (2) Directors to the Board (each a “Tencent Director”); provided that, the rights of Tencent pursuant to this Article 83(b) shall terminate if Tencent ceases to beneficially own at least 33% of the Shares it beneficially owns immediately prior to the completion of the Company’s initial public offering (as adjusted for any stock split, stock dividend, recapitalization, reclassification or similar transaction of the Company) at any time;

(c) the Board of Directors shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time up to four (4) Independent Directors by an affirmative of a simple majority of the Directors then entitled to vote; and

(d) subject to the foregoing clauses, the Board of Directors shall be exclusively entitled to designate, appoint, remove, replace and reappoint at any time or from time to time any additional Directors by an affirmative of a simple majority of the Directors then entitled to vote.

84. Any Director who shall have been elected by a specified group of Persons may be removed during the aforesaid term of office, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement), either for or without cause, by, and only by, the affirmative vote of the group of Persons then entitled to elect such Director in accordance with Article 83, given at a special meeting of such Persons duly called or by an action by written consent for that purpose. Any vacancy in the Board of Directors of any Director who shall have been elected by a specified group of Persons, may be filled by, and only by, the affirmative vote of the group of Persons then entitled to elect such Director in accordance with Article 83, given at a special meeting of such Persons duly called or by an action by written consent for that purpose, unless otherwise agreed upon among such Persons.

85. A Director other than the Management Directors or the Tencent Directors may be removed from office by the affirmative vote of a simple majority of the remaining Directors then entitled to vote to elect such Director in accordance with Article 83, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice
to any claim for damages under such agreement). Any vacancy in the Board of Directors of any such Director may be filled by, and only by, the affirmative vote of the a simple majority of the remaining Directors then entitled to elect such Director in accordance with Article 83.

86. The Chairman shall be elected and appointed by the FounderCos. The period for which the Chairman will hold office will also be determined by the FounderCos. The Chairman shall preside as chairman at every meeting of the Board of Directors. To the extent the Chairman is not present at a meeting of the Board of Directors within fifteen (15) minutes after the time appointed for holding the same, or if the Chairman is unable to or unwilling to act as the chairman of a meeting of the Directors, the attending Directors may choose one of their number to be the chairman of the meeting.

87. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives, which shall be intended to set forth the policies of the Company and the Board on various corporate governance related matters as the Board shall determine by resolution from time to time.

88. Subject to applicable law, Designated Stock Exchange Rules and the Articles, the Board may establish any committee of the Board as it deems appropriate from time to time, and committees of the Board shall have the rights, powers and privileges delegated to such committees by the Board from time to time.

89. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

90. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

91. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

**ALTERNATE DIRECTOR OR PROXY**

92. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing Director, and to act in such Director’s place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

93. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be
POWERS AND DUTIES OF DIRECTORS

94. Subject to the Companies Law, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

95. Subject to the Companies Law and these Articles, and for as long as FounderCo I continues to beneficially own at least 50% of the Shares it beneficially owns immediately prior to the completion of the Company’s initial public offering (as adjusted for any stock split, stock dividend, recapitalization, reclassification or similar transaction of the Company, excluding Shares underlying any share-based equity awards granted or vested after the Company’s initial public offering) (the “Threshold for Special Appointment Right”), FounderCo I shall be exclusively entitled to, by notice in writing to the Board of Directors, designate, appoint, remove, replace and reappoint at any time or from time to time any Person, whether or not a Director, as the Chief Executive Officer as may be necessary for the administration of the Company, provided that FounderCo I shall provide the Board of Directors with details of such appointment, removal, replacement or reappointment within ten (10) business days prior to its effectiveness.

96. Subject to the Companies Law and these Articles, the FounderCos shall have the exclusive right to nominate any Person, whether or not a Director, to hold such office in the Company as the FounderCos may think necessary for the administration of the Company, including but not limited to, one or more executive officers, president, one or more vice-presidents, treasurer, assistant treasurer, manager or controller (collectively, the “Nominated Officers”). The appointment, removal, replacement and reappointment of any Nominated Officers shall be approved by the Board of Directors, or such Person as authorized by the Board of Directors at any time or from time to time, for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another) and with such powers and duties as the Board of Directors or such Person as authorized by the Board of Directors may think fit. For the avoidance of doubt, only for so long as FounderCo I continues to beneficially own the Threshold for Special Appointment Right, the Nominated Officers does not include the Chief Executive Officer whose appointment, removal or replacement shall comply with Article 95; and the appointment, removal, replacement and reappointment of the Chief Executive Officer shall be governed by this Article 96 as a Nominated Officer as soon as FounderCo I ceases to beneficially own the Threshold for Special Appointment Right.

97. The Directors may appoint any Person to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

98. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

99. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such person being an “Attorney” or “Authorised Signatory”, respectively) of the Company for such purposes and with such powers, authorities and discretion (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 power of attorney or other appointment may contain such provisions for the protection and
convenience of Persons dealing with any such Attorney or Authorised Signatory 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 discretion vested in him.

100. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

101. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any Person to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such Person.

102. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any Person so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

103. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

104. The Directors may agree with a Shareholder to waive or modify the terms applicable to such Shareholder’s subscription for Shares without obtaining the consent of any other Shareholder; provided that such waiver or modification does not amount to a variation or abrogation of the rights attaching to the Shares of such other Shareholders.

BORROWING POWERS OF DIRECTORS

105. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, or to otherwise provide for a security interest to be taken in such undertaking, property or uncalled capital, and to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

106. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixings of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

107. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixings of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant
108. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

109. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company; or

(d) is prohibited by any applicable law or Designated Stock Exchange Rules from being a Director;

(e) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated;; or

(f) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

110. The Chairman or a simple majority of the Directors may call a meeting of the Directors. Subject to the foregoing, the Directors may meet together (either within or outside of the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Subject to Article 111, questions arising at any meeting shall be decided by a simple majority of votes of the Directors present at a meeting. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairman shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. Subject to the Companies Law, the business of the Company shall be managed in such manner as may be prescribed from time to time by resolution of the Directors.

112. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

113. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a simple majority of Directors then in office, which shall include at least one Management Director and at least one Tencent Director (if any). A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

114. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm or is to be regarded as interested in any contract or other arrangement which may thereafter be made
with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract or arrangement so made. Subject to the Designated Stock Exchange Rules and disqualification by the chairman of the relevant Board meeting, a Director may vote in respect of any contract or 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 the Directors at which any such contract or proposed contract or arrangement shall come before the meeting for consideration.

115. 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 and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

116. Any Director may act by himself or through 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; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

117. The Directors shall cause minutes to be made for the purpose of recording:

(a) all appointments of Officers made by the Directors;

(b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

(c) all resolutions and proceedings at all meetings of the Company, and of the Directors and committee of Directors.

118. When the chairman of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

119. Subject to Article 111, a resolution in writing signed by a simple majority of all the Directors or a simple majority of the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), in each case including at least one Management Director and at least one Tencent Director (if any), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be, to the extent permitted under the Companies Law. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

120. The continuing Directors may act notwithstanding any vacancy in their body but if and for 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 may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.
121. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if the Chairman is unable to or unwilling to act as the chairman, the committee members present may choose one of their number to be chairman of the meeting.

122. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a simple majority of votes of the committee members present and in case of an equality of votes the chairman shall have a second or casting vote.

123. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

**PRESUMPTION OF ASSENT**

124. A Director who is present at a meeting of the Board of Directors at which an 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.

**DIVIDENDS AND DISTRIBUTION**

125. Subject to any rights and restrictions for the time being attached to any Shares, or as otherwise provided for in the Companies Law and these Articles, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

126. The Directors may determine, before recommending or declaring any dividend, to set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies, or for equalising dividends or for any other purpose to which those funds may be properly applied and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

127. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

128. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit. The Directors may determine the extent to which amounts may be withheld therefrom (including, without
limitation, any taxes, fees, expenses or other liabilities for which a Shareholder (or the Company, as a result of any action
or inaction of the Shareholder) is liable).

129. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid
according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares
dividends may be declared and paid according to the par value of the Shares. If any Share is issued on terms providing
that it shall rank for dividend as from a particular date, that Share shall rank for dividend accordingly. No amount paid
on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the
Share.

130. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend
or other moneys payable on or in respect of the Share.

131. No dividend shall bear interest against the Company.

132. Any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited by the
Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

133. The books of account relating to the Company’s affairs shall be kept in such manner as may be determined from time to
time by the Directors.

134. The books of account shall be kept at the Office, or at such other place or places as the Directors think fit, and shall
always be open to the inspection of the Directors.

135. The Directors may 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 to inspect any account
or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary
Resolution.

136. The accounts relating to the Company’s affairs shall be audited in such manner and with such financial year end as may
be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

137. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of
the Directors and may fix his or their remuneration.

138. 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 auditors.

139. The 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, and at any time during their term of office, upon
request of the Directors or any general meeting of the Members.

140. The Directors in each year shall prepare, or cause to be prepared, an annual return and declaration setting forth the
particulars required by the Companies Law and deliver a copy thereof to the Registrar of Companies in the Cayman
Islands.

CAPITALISATION OF RESERVES

141. Subject to the Companies Law and these Articles, the Directors may:
(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), which is available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect the resolutions.

142. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise any sum standing to the credit of any of the Company’s reserve accounts or funds (including the Share Premium Account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(a) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of

the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

143. The Directors shall in accordance with the Companies Law establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.
144. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital.

NOTICES

145. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or a recognized courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company’s Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

146. Notices posted to addresses outside the Cayman Islands shall be forwarded by prepaid airmail.

147. Any Shareholder present, either personally or by proxy, at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

148. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five (5) calendar days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served forty-eight (48) hours after the time when the letter containing the same is delivered to the courier service; or

(a) electronic means, shall be deemed to have been served immediately (i) upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company’s Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such...
Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document, have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

150. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

151. No Member shall be entitled to require discovery of any information in respect of any detail of the Company’s trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

152. The Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

153. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other Officer (but not including the Company’s auditors) and the personal representatives of the same (each an “Indemnified Person”) shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person’s own dishonesty, willful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of the 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 the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

154. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or Officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or
for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person’s part; or

for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person’s office or in relation thereto;

unless the same shall happen through such Indemnified Person’s own dishonesty, wilful default or fraud as determined by a court of competent jurisdiction.

FINANCIAL YEAR

155. Unless the Directors otherwise prescribe, the financial year of the Company shall end on December 31st in each year and shall begin on January 1st in each year.

NON-RECOGNITION OF TRUSTS

156. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Law requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

157. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Law, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

158. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

159. Subject to the Companies Law and the rights attaching to the various Classes, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part.

CLOSING OF REGISTER OR FIXING RECORD DATE

160. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide
that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty (30) calendar
days in any given year. If the Register shall be so closed for the purpose of determining those Shareholders that are
entitled to receive notice of, attend or vote at a meeting of Shareholders the Register shall be so closed for at least ten
(10) calendar days immediately preceding such meeting and the record date for such determination shall be the date of
the closure of the Register.

161. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such
determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders
and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors
may, at or within ninety (90) calendar days prior to the date of declaration of such dividend, fix a subsequent date as the
record date for such determination.

162. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive
notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a
dividend, the date on which notice of the meeting is posted 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 those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has
been made as provided in this Article, such determination shall apply to any adjournment thereof.

**REGISTRATION BY WAY OF CONTINUATION**

163. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the
Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In
furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the
Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the
time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be
taken to effect the transfer by way of continuation of the Company.

**DISCLOSURE**

164. The Directors, or any service providers (including the Officers, the Secretary and the registered office agent of the
Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority or
to any stock exchange on which securities of the Company may from time to time be listed any information regarding
the affairs of the Company including without limitation information contained in the Register and books of the
Company.
DouYu International Holdings Limited
(Incorporated under the laws of the Cayman Islands)

Number: Shares

Share Capital is US$100,000 divided into 1,000,000,000 shares of par value of US$0.0001 each, comprising
(a) 500,000,000 Ordinary Shares of par value of USD$ 0.0001 each and
(b) 500,000,000 Shares of par value of USD$0.0001 each

THIS IS TO CERTIFY THAT
is the registered holder of
Shares in the above-named Company subject to the Memorandum and Articles of Association thereof.

EXECUTED for and on behalf of the said Company on

By:

Director

------------------------------------------------------------------------------------------------------------------
SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT (this “Agreement”) is entered into on May 29, 2018 (the “Effective Date”), by and among:

(1) DouYu International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability (the “Company”);

(2) DouYu Network Inc., a company incorporated under the laws of the British Virgin Islands and wholly owned by the Company (the “BVI Subsidiary”);

(3) Douyu Hongkong Limited (道鈞國際有限公司), a limited liability company organized and existing under the Laws of Hong Kong and wholly owned by the BVI Subsidiary (the “Hong Kong Subsidiary”);

(4) Wuhan Douyu Yule Internet Technology Co., Ltd (武汉斗鱼娱乐有限公司), a limited liability company organized and existing under the Laws of the PRC and wholly owned by the Hong Kong Subsidiary (the “WFOE”);

(5) Wuhan Douyu Internet Technology Co., Ltd. (武汉斗鱼互动技术有限公司), a company organized under the Laws of the PRC (“Domestic Company I”);

(6) Wuhan Ouyue Online TV Co., Ltd. (武汉欧耶在线电视有限公司), a company organized under the Laws of the PRC (“Domestic Company II” and, together with Domestic Company I, each a “Domestic Company” and collectively “Domestic Companies”);

(7) Mr. Shaojie Chen ([ 詹會輝 ]), a PRC citizen with the PRC ID number of [                ] (“Founder I”), and Warrior Ace Holding Limited, an exempted company organized and existing under the Laws of the British Virgin Islands and wholly owned by Founder I (“FounderCo I”);

(8) Mr. Wenming Zhang ([ 張文明 ]), a PRC citizen with the PRC ID number of [                ] (“Founder II”, together with Founder I, the “Founders” and each a “Founder”), and Starry Zone Investments Limited, an exempted company organized and existing under the Laws of the British Virgin Islands and wholly owned by Founder II (“FounderCo II”, together with FounderCo I, the “FounderCos” and each a “FounderCo”);

(9) each of the companies listed on Schedule I attached hereto (together with the WFOE and the Domestic Companies, the “PRC Companies” and each a “PRC Company”); and

(10) the entities listed on Schedule II attached hereto (each an “Investor” and collectively, the “Investors”).

Each of the parties to this Agreement is referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS

A The Company is engaged in the business of live video streaming on the Internet (the “Business”).
B Tencent has agreed to subscribe from the Company, and the Company has agreed to issue and allot to Tencent, certain Series E Preferred Shares on the terms and conditions set forth in the Series E Share Purchase Agreement.

C The Series E Share Purchase Agreement provides that the execution and delivery of this Agreement shall be a condition precedent to the consummation of the transactions contemplated therein.

WITNESSETH

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.

1.1 The following terms shall have the meanings ascribed to them below:

“Accounting Standards” means the International Financial Reporting Standards or, if duly approved pursuant to this Agreement and the Articles of Association, other accounting standards.

“Affiliate” means, in relation to a Person, any other Person which, directly or indirectly, Controls, is Controlled by or is under the common Control of such Person. For the purposes of this Agreement, “Control” means, in relation to any Person, having the power to direct the management or policies of such Person, whether through the ownership of more than fifty percent (50%) of the voting power of such Person, through the power to appoint a majority of the members of the board of directors or similar governing body of such Person, or through contractual arrangements or otherwise, and references to “Controlled” or “Controlling” shall be construed accordingly. In the case of an Investor, “Affiliate” shall also include (v) any general partner of either such Investor or any Person which, directly or indirectly, Controls, is Controlled by or is under the common Control of such Investor, (w) any limited partner of either such Investor or any Person which, directly or indirectly, Controls, is Controlled by or is under the common Control of such Investor, (x) the fund manager managing either such Investor or any Person which, directly or indirectly, Controls, is Controlled by or is under the common Control of such Investor (and general partners and limited partners (which hold, directly or indirectly, more than fifty percent (50%) of the limited partnership interests) thereof) and other funds managed by such fund manager, (y) funds managed by any of such Investor’s Affiliates and the general partners of such funds, and (z) trusts Controlled by or for the benefit of any such Person referred to in (v), (w), (x) or (y).

“Applicable Securities Laws” means (i) with respect to any offering of securities in the United States, or any related act or omission within that jurisdiction, the securities Laws of the United States, including the Exchange Act and the Securities Act, and any applicable Law of any state of the United States, and (ii) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable Laws of that jurisdiction.
“Articles of Association” or “Articles” means the Second Amended and Restated Memorandum of Association of the Company and Articles of Association of the Company, as each may be amended and/or restated from time to time.

“Board” or “Board of Directors” means the board of directors of the Company.

“Business Cooperation Agreement” has the meaning given to it in the Series E Share Purchase Agreement.

“Business Day” means any day other than a Saturday or Sunday or public holiday or other day on which commercial banks are required or authorized by Law to be closed in the PRC, Cayman Islands, the British Virgin Islands or Hong Kong.

“Cause” means (i) Founder I’s conviction of (or plea of guilty to) a crime (x) involving fraud, moral turpitude, or any felony or (y) which has bad or will have a material detrimental effect on the Group Companies’ reputation or business; (ii) any act or omission by Founder I constituting gross negligence, wilful misconduct, fraud or breach of trust in the performance of such Person’s duties or obligations with respect to any Group Company that results, or is reasonably likely to result, in material harm to the Group Companies; or (iii) any material breach by Founder I of the terms of his employment agreement and/or with the Charter Documents of the Group Companies, and such material breach is not cured within 60 days after the written notice thereof to Founder I.

“CFC” means a controlled foreign corporation as defined in the Code.

“Charter Documents” means, with respect to a particular legal entity, the articles or certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.


“Closing” has the meaning given to it in the Series E Share Purchase Agreement.


“Commission” means (i) with respect to any offering of securities in the United States, the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act, and (ii) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body of the jurisdiction with authority to supervise and regulate the offering or sale of securities in that jurisdiction.

“Conversion Share” has the meaning given to it in the Articles of Association.

“Deemed Liquidation Event” means any of the following events: (i) any direct or indirect consolidation, amalgamation, scheme of arrangement or merger of any of the Group Companies with or into any other Person or other reorganization in which the shareholder(s) of such Group Company immediately prior to such consolidation, amalgamation, merger, scheme of arrangement or reorganization own less than fifty percent (50%) of such Group Company’s voting power in the aggregate immediately after such consolidation, merger, amalgamation, scheme of arrangement or reorganization, or any transaction or series of related transactions to which such Group Company is a party or target in which in excess of fifty percent (50%) of such Group Company’s voting power is Transferred; (ii) a sale, Transfer, lease or other disposition of all or substantially all of the assets of any Group Company (or any series of related transactions resulting in such sale, Transfer, lease or other disposition of all or substantially all of the assets of such Group Company); or (iii) the exclusive licensing of all or substantially all of any Group Company’s Intellectual Property to a third party.
“Director” means a director serving on the Board.

“Equity Securities” means, with respect to any Person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such Person, and any right, warrant, option, call, commitment, conversion privilege, pre-emptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing.


“Governmental Authority” means any government of any nation or any federation, province or state or any other political subdivision thereof, any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any governmental authority, agency, department, board, commission or instrumentality of the PRC or any other country, or any political subdivision thereof, any court, tribunal or arbitrator, and any self-regulatory organization.

“Governmental Order” means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

“Group Company” means the Company or a Subsidiary of the Company, and “Group” means the Company and each Subsidiary of the Company.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Indebtedness” of any Person means, without duplication, each of the following of such Person: (i) all indebtedness for borrowed money, (ii) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (other than trade payables entered into in the ordinary course of business), (iii) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (iv) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced that are incurred in connection with the acquisition of properties, assets or businesses, (v) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (vi) all obligations that are capitalized in accordance with Accounting Standards, (vii) all obligations under banker’s acceptance, letter of credit or similar facilities, (viii) all obligations to purchase, redeem, retire, defease or otherwise acquire for value any Equity Securities of such Person, (ix) all obligations in respect of any interest rate swap, hedge or cap agreement and (x) all guarantees issued in respect of the indebtedness referred to in subsections (i) through (ix) above of any other Person, but only to the extent of the indebtedness guaranteed.
“**Indemnification Agreement**” means the indemnification agreement entered into between the Company and a Director.

“**Intellectual Property**” means any and all (i) patents, patent rights and applications therefor and reissues, reexaminations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and registrations and applications therefor, author’s rights and works of authorship (including artwork, software, computer programs, source code, object code and executable code, firmware, development tools, files, records and data, and related documentation), (iv) URLs, websites, web pages and any part thereof, (v) technical information, know-how, trade secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary processes, technology, formulae, and algorithms and other intellectual property, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor and (vii) the goodwill symbolized or represented by the foregoing.

“**IPO**” means the first firm underwritten registered public offering by the Company of its Ordinary Shares pursuant to (i) a registration statement that is filed with and declared effective by the Commission under the Securities Act or (ii) such other analogous registration or listing document filed with a Governmental Authority, securities regulator or stock exchange (as applicable) for a public offering of securities in a jurisdiction other than the United States.

“**Key Employee**” means all employees of the Group Companies listed on Schedule B of the Series E Share Subscription Agreement and any new key employees of the Group Companies employed after the date of the Series E Share Subscription Agreement with positions of president, chief executive officer, chief financial officer, chief operating officer, chief technical officer, any other managers reporting directly to any Group Company’s board of directors, and any other employee with the title of “vice president” or higher and any other employees with responsibilities similar to any of the foregoing.

“**Law**” or “**Laws**” means any and all provisions of any applicable constitution, treaty, statute, law, regulation, ordinance, code, rule, or rule of common law, any governmental approval, concession, grant, franchise, license, agreement, directive, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any formally issued written interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as amended, and any and all applicable Governmental Orders.
“Leave/Disability” means, with respect to Founder I, that Founder I has been unable to perform his or her duties due to serious illness, disability, or mandatory leave from office as required by applicable Laws (including but not limited to statutory military services) for three (3) consecutive months.

“Lien” means any claim, charge, easement, encumbrance, lease, covenant, security interest, lien, option, pledge, rights of others, or restriction (whether on voting, sale, Transfer, disposition or otherwise), whether imposed by contract, understanding, Law, equity or otherwise.

“Listing Vehicle” means the Company or another entity (whether or not in existence as of the date hereof) agreed upon by the Board (including the affirmative consent of both Series E Directors) that directly or indirectly owns, or carries on all or substantially all of the business or assets of the Group Companies, and the Equity Securities of which are or are intended to be listed pursuant to an IPO.

“Majority Holders” means the Majority Preferred Holders and the Majority Series E Preferred Holders.

“Majority Preferred Holders” means the holders of more than fifty percent (50%) of the voting power of the then issued outstanding Preferred Shares (voting together as a single class and calculated on as-converted basis).

“Majority Series E Preferred Holders” means the holders of more than fifty percent (50%) of the voting power of the then issued outstanding Series E Preferred Shares (voting together as a single class and calculated on as-converted basis).

“Ordinary Shares” means the Company’s ordinary shares, par value US$0.0001 per share.

“Original Series A Issue Price” means US$6.99 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series A Preferred Shares.


“Original Series B-1 Issue Price” means US$18.70 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-1 Preferred Shares.

“Original Series B-2 Issue Price” means US$19.48 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-2 Preferred Shares.

“Original Series B-3 Issue Price” means US$26.50 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-3 Preferred Shares.

“Original Series B-4 Issue Price” means US$27.28 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series B-4 Preferred Shares.
“Original Series C Issue Price” means the Original Series C-1 Issue Price and Original Series C-2 Issue Price, as applicable.

“Original Series C-1 Issue Price” means US$53.02 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C-1 Preferred Shares.

“Original Series C-2 Issue Price” means US$47.88 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series C-2 Preferred Shares.

“Original Series D Issue Price” means US$62.77 per share, as appropriately adjusted for share splits, share dividends, combinations, recapitalizations and similar events with respect to the Series D Preferred Shares.

“Person” means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity.

“PFIC” means a passive foreign investment company as defined in the Code.

“PRC” means the People’s Republic of China, but solely for the purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and the islands of Taiwan.

“Preferred Holders” means the Series Angel Preferred Holders, the Series A Preferred Holders, the Series B Preferred Holders, the Series C Preferred Holders, the Series D Preferred Holders and the Series E Preferred Holders.

“Preferred Shares” means the Series Angel Preferred Shares, the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares.

“Public Official” means any executive, official, or employee of a Governmental Authority, political party or member of a political party, political candidate; executive, employee or officer of a public international organization; or director, officer or employee or agent of a wholly owned or partially state-owned or Controlled enterprise, including a PRC state-owned or Controlled enterprise.

“Qualified IPO” means a firm commitment underwritten public offering of the Ordinary Shares of the Listing Vehicle (or depositary receipts or depositary shares thereof) in the United States on the New York Stock Exchange or the NASDAQ pursuant to an effective registration statement under the Securities Act, as amended, or on the Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange or another internationally recognized stock exchange approved by Tencent, in each case, with the valuation of the Company being not less than US$3,000,000,000 and the proceeds of the offering being not less than US$300,000,000; provided that the definition of the “Qualified IPO” may be amended or revised by the Majority Holders and any other Shareholder shall, and shall cause the Director(s) appointed by such Shareholder to, vote for such amendment or revision made by the Majority Holders.
“Restricted Shares” means, with respect to a Founder and such Founder’s FounderCo, a percentage of the Shares held by such Founder and such FounderCo as of the date of this Agreement, which percentage shall equal to (x) 70% multiplied by (y) 1/48 multiplied by (z) the number of months (including the month in which Closing occurs) between Closing and December 31, 2018, and which Shares and Equity Securities of the Company shall remain Restricted Shares until they are released from the Repurchase Right pursuant to this Agreement.

“Rights of Co-Sale” means the rights of co-sale provided to the Co-Sale Holders in Section 6 of this Agreement.

“Rights of First Refusal” means the rights of first refusal provided to the Company and the Preferred Holders in Section 5 of this Agreement.

“SAFE” means the State Administration of Foreign Exchange of the PRC.

“SAFE Rules and Regulations” means collectively, Circular 37 and any other applicable SAFE rules and regulations.

“Securities Act” means the United States Securities Act of 1933, as amended.

“Series Angel Preferred Shares” means the Series Angel Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series Angel Preferred Holders” means the holders of any outstanding Series Angel Preferred Shares.

“Series A Preferred Holders” means the holders of any outstanding Series A Preferred Shares.

“Series A Preferred Shares” means the Series A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series A to D Redemption Price” means any or all of Series A Redemption Price, Series B Redemption Price, Series C Redemption Price and Series D Redemption Price (as applicable).

“Series B Preferred Holders” means the Series B-1 Preferred Holders, the Series B-2 Preferred Holders, the Series B-3 Preferred Holders and the Series B-4 Preferred Holders.

“Series B Preferred Shares” means the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, Series B-3 Preferred Shares and the Series B-4 Preferred Shares.

“Series B-1 Preferred Holders” means the holders of any outstanding Series B-1 Preferred Shares.

“Series B-1 Preferred Shares” means the Series B-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.
“Series B-2 Preferred Holders” means the holders of any outstanding Series B-2 Preferred Shares.

“Series B-2 Preferred Shares” means the Series B-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series B-3 Preferred Holders” means the holders of any outstanding Series B-3 Preferred Shares.

“Series B-3 Preferred Shares” means the Series B-3 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series B-4 Preferred Holders” means the holders of any outstanding Series B-4 Preferred Shares.

“Series B-4 Preferred Shares” means the Series B-4 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series C Preferred Holders” means the holders of any outstanding Series C-1 Preferred Shares and the Series C-2 Preferred Shares.

“Series C Preferred Shares” means the Series C-1 Preferred Shares and the Series C-2 Preferred Shares.

“Series C-1 Preferred Holders” means the holders of any outstanding Series C-1 Preferred Shares.

“Series C-1 Preferred Shares” means the Series C-1 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series C-2 Preferred Shares” means the Series C-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series D Preferred Holders” means the holders of any outstanding Series D Preferred Shares.

“Series D Preferred Shares” means the Series D Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.

“Series E Preferred Holders” means the holders of any outstanding Series E Preferred Shares.

“Series E Preferred Shares” means the Series E Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Articles of Association.
“Series E Share Purchase Agreement” means the Series E Preferred Share Purchase Agreement entered into by and among the Company, the Founders, the FounderCos, the Domestic Companies, the WFOE and certain other parties thereto on March 8, 2018.

“Shareholder” means a holder of any Shares.

“Shares” means the Ordinary Shares and the Preferred Shares.

“Subsidiary” means, with respect to any given Person, any other Person that is Controlled directly or indirectly by such given Person.

“Trade Sale” means any of the following events: (i) the acquisition of any Group Company (whether by a sale of equity, merger or consolidation) in which in excess of fifty percent (50%) of such Group Company’s voting power outstanding before such transaction is Transferred; (ii) the sale, Transfer or other disposition of all or substantially all of the assets, or Intellectual Property of any Group Company; or (iii) a merger, consolidation or other business combination of the Company with or into any other unaffiliated third party business entity in which the shareholders of the Company immediately after such merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity.

“Transaction Documents” means this Agreement, the Articles of Association, the Series E Share Purchase Agreement, the Restructuring Agreement and the Indemnification Agreements.

“Transfer,” “Transferring,” “Transferred” or words of similar import, mean and include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary or by operation of Law, directly or indirectly.

“US” or “United States” means the United States of America.

“United States Person” means a United States Person as defined in Section 7701(a)(30) of the Code.

“Vested Shares” means Shares that were Restricted Shares but that have subsequently been released from the Repurchase Right pursuant to Section 17.14.

### 1.2 Other Defined Terms

The following terms shall have the meanings defined for such terms in the Sections set forth below:

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1.3 Interpretation. For all purposes of this Agreement, except as otherwise expressly herein provided, (i) the terms defined in this Section 1 shall have the meanings assigned to them in this Section 1 and include the plural as well as the singular, (ii) all accounting terms not otherwise defined herein have the meanings assigned under the Accounting Standards, (iii) all references in this Agreement to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of the body of this Agreement, (iv) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms, (v) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision, (vi) all references in this Agreement to designated Schedules, Exhibits and Appendices are to the Schedules, Exhibits and Appendices attached to this Agreement, (vii) references to this Agreement, any other Transaction Documents and any other document shall be construed as references to such document as the same may be amended, supplemented or novated from time to time, (viii) the term “or” is not exclusive, (ix) the term “including” will be deemed to be followed by “, but not limited to,” (x) the terms “shall,” “will,” and “agrees” are mandatory, and the term “may” is permissive, (xi) the phrase “directly or indirectly” means directly, or indirectly through one or more intermediate Persons or through contractual or other arrangements, and “direct or indirect” has the correlative meaning, (xii) the term “voting power” refers to the number of votes attributable to the Shares (on an as-converted basis) in accordance with the terms of the Articles of Association, (xiii) the headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement, (xiv) references to Laws include any such Law modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted, or extended by the same or pursuant to which the same is made and (xv) all references to dollars or to “US$” are to currency of the United States and all references to RMB are to currency of the PRC (and each shall be deemed to include reference to the equivalent amount in other currencies).

2. Registration Rights.

2.1 Applicability of Rights. The Holders (as defined below) shall be entitled to the following rights with respect to any potential public offering of the Company’s Ordinary Shares in the United States and shall be entitled to reasonably equivalent or analogous rights with respect to any other offering of the Company’s securities in any other jurisdiction in which the Company undertakes to publicly offer or list such securities for trading on an internationally recognized securities exchange.
2.2 Definitions. For purposes of this Section 2:

(i) Registration. The terms “register,” “registered,” and “registration” refer to a registration effected by filing a registration statement which is in a form which complies with, and is declared effective by the SEC (as defined below) in accordance with, the Securities Act.

(ii) Registrable Securities. The term “Registrable Securities” means: (a) any Ordinary Shares of the Company issued or issuable pursuant to conversion of any shares of Preferred Shares (other than Series Angel Preferred Shares, Series B-4 Preferred Shares and Series C-2 Preferred Shares) or pursuant to the Preemptive Rights (as defined in Section 3), (b) any Ordinary Shares issued (or issuable upon the conversion or exercise of any warrant, right or other security which is issued) as a dividend or other distribution with respect to, or in exchange for or in replacement of, any Preferred Shares, and (c) any other Ordinary Shares of the Company owned or hereafter acquired by a holder of Preferred Shares. Notwithstanding the foregoing, “Registrable Securities” shall exclude any Registrable Securities sold by a Person in a transaction in which rights under this Section 2 are not assigned in accordance with this Agreement, and any Registrable Securities which are sold in a registered public offering under the Securities Act or analogous statute of another jurisdiction, or sold pursuant to Rule 144 promulgated under the Securities Act or analogous rule of another jurisdiction.

(iii) Registrable Securities Then Outstanding. The number of shares of “Registrable Securities then outstanding” shall mean the number of Ordinary Shares of the Company that are Registrable Securities and are then issued and outstanding, issuable upon conversion of Preferred Shares then issued and outstanding or issuable upon conversion or exercise of any warrant, right or other security then outstanding.

(iv) Holder. For purposes of this Section 2, the term “Holder” means any Person owning or having the rights to acquire Registrable Securities or any permitted assignee of record of such Registrable Securities to whom rights under this Section 2 have been duly assigned in accordance with this Agreement.

(v) Form F-3. The term “Form F-3” shall mean such respective form under the Securities Act as is in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(vi) SEC. The term “SEC” means the U.S. Securities and Exchange Commission.

(vii) Registration Expenses. The term “Registration Expenses” shall mean all expenses incurred by the Company in complying with Sections 2.3, 2.4 and 2.5 hereof, including, without limitation, all registration and filing fees, printing expenses, fees, and disbursements of counsel for the Company, reasonable fees and disbursements of counsel for the Holders retained in connection with the relevant Registration as selected by the Holders and reasonably acceptable to the Company, “blue sky” fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).
(viii) **Selling Expenses.** The term “Selling Expenses” shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to Sections 2.3, 2.4 or 2.5 hereof.

(ix) **Securities Act.** The term “Securities Act” shall mean the United States Securities Exchange Act of 1933, as amended and interpreted from time to time.

(x) For purposes of this Agreement, reference to registration of securities under the Securities Act and the Exchange Act shall be deemed to include the equivalent registration in a jurisdiction other than the United States as designated by such Holders, it being understood and agreed that in each such case all references in this Agreement to the Securities Act, the Exchange Act and rules, forms of registration statements and registration of securities thereunder, U.S. Law and the SEC, shall be deemed to refer, to the equivalent statutes, rules, forms of registration statements, registration of securities and laws of and equivalent government authority in the applicable non-U.S. jurisdiction.

### 2.3 Demand Registration.

(i) **Request by Holders.** If the Company, at any time after the earlier of (i) December 31, 2022, or (ii) six (6) months following the completion of a firm commitment underwritten public offering of the Ordinary Shares of the Company in the United States that has been registered under the Securities Act or in a similar public offering of the Ordinary Shares of the Company in another jurisdiction which results in the Ordinary Shares trading publicly on an internationally recognized securities exchange, receives a written request from the Holders of at least thirty percent (30%) of the Registrable Securities then outstanding that the Company file a registration statement under the Securities Act covering the registration of at least ten percent (10%) of the Registrable Securities (or any lesser percentage if the anticipated gross proceeds from the offering are to exceed US$100,000,000) pursuant to this Section 2.3, then the Company shall, within ten (10) Business Days (as defined below) of the receipt of such written request, give written notice of such request (the “Request Notice”) to all Holders, and use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered and included in such registration by written notice given by such Holders to the Company within twenty (20) days after receipt of the Request Notice, subject only to the limitations of this Section 2.3.

(ii) **Underwriting.** If the Holders initiating the registration request under this Section 2.3 (the “Initiating Holders”) intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the Request Notice. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 2.3, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated (x) first, to Tencent on a pro rata basis according to the number of Registrable Securities then outstanding held by it, (y) second, to the other Holders of Registrable Securities on a pro rata basis according to the number of Registrable Securities then outstanding held by each such Holder requesting registration (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without limitation, all shares that are not Registrable Securities and are held by any other Person, including, without limitation, any Person who is an employee, officer or director of the Company or any Group Company; provided further, that at least thirty percent (30%) of shares of Registrable Securities requested by the Holders to be included in such underwriting and registration shall be so included. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.
2.3 **Maximum Number of Demand Registrations.** The Company shall not be obligated to effect more than three (3) such demand registrations pursuant to this Section 2.3.

2.4 **Piggyback Registrations.**

(i) If (but without any obligation to do so) the Company proposes to register (including, for this purpose, a registration effected by the Company for Shareholders other than the Holders) any of its securities under the Securities Act (or such Applicable Securities Laws, as the case may be), in connection with the public offering of such securities solely for cash (other than a registration relating solely to the sale of securities to participants in a Company share plan, an offering or sale of securities pursuant to a registration statement on Form F-4 or Form S-4 (or any successor form), as the case may be, a registration in which the only shares being registered are Ordinary Shares issuable upon conversion of debt securities which are also being registered, a registration of securities in a transaction under Rule 145 promulgated under the Securities Act, or in any registration on any form which does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities), the Company shall, at such time, notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing any registration statement under the Securities Act for purposes of effecting such public offering. Upon the written request of any Holder given within twenty (20) days after receipt of such notice from the Company, the Company shall, subject to the provisions of Section 2.4(ii), cause to be registered under the Securities Act the Registrable Securities that each such Holder has requested to be registered. For the avoidance of doubt, registration pursuant to this Section 2.4(i) shall not be deemed to be a demand registration as described in Section 2.3 above. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.4(i).
(ii) **Underwriting.** If a registration statement under which the Company gives notice under this Section 2.4 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder’s Registrable Securities to be included in a registration pursuant to this Section 2.4 shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Agreement but subject to Section 2.12, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company, second, to Tencent on a pro rata basis based on the total number of shares of Registrable Securities then held by it, third, to the other Holders requesting including of their Registrable Securities in such registration statement on a pro rata basis based on the total number of shares of Registrable Securities then held by each such Holder, and fourth, to holders of other securities of the Company; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) in any offerings after the IPO, the number of Registrable Securities included in any such registration is not reduced below thirty percent (30%) of the aggregate number of shares of Registrable Securities for which inclusion has been requested; and (ii) all shares that are not Registrable Securities and are held by any other Person, including, without limitation, any Person who is an employee, officer or director of the Company (or any Group Company) shall first be excluded from such registration and underwriting before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) Business Days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(iii) **Not Demand Registration.** Registration pursuant to this Section 2.4 shall not be deemed to be a demand registration as described in Section 2.3 above. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.4.
2.5 Form F-3 Registration. In case the Company receives from any Holder a written request that the Company effect a registration on Form F-3 (or an equivalent registration in a jurisdiction outside of the United States) and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder, then the Company will:

(i) **Notice.** Promptly give written notice of the proposed registration and the Holder’s or Holders’ request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(ii) **Registration.** As soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holder’s or Holders’ Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the Company provides the notice contemplated by Section 2.5(ii); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.5:

(a) if Form F-3 is not available for such offering by the Holders;

(b) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than US$100,000,000;

(c) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form F-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form F-3 registration statement no more than once during any twelve (12) month period for a period of not more than ninety (90) days after receipt of the request of the Holder or Holders under this Section 2.5; provided that the Company shall not register any of its other shares during such ninety (90) day period.

(d) if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Sections 2.3(ii) and 2.4(ii); or

(e) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(iii) **Not Demand Registration.** Form F-3 registrations shall not be deemed to be demand registrations as described in Section 2.3 above. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.5.
(iv) **Underwriting.** If the Holders of Registrable Securities requesting registration under this Section 2.5 intend to distribute the Registrable Securities covered by their request by means of an underwriting, the provisions of Section 2.2(i) shall apply to such registration.

2.6 **Expenses.** All Registration Expenses incurred in connection with any registration pursuant to Sections 2.3, 2.4 or 2.5 (but excluding Selling Expenses) shall be borne by the Company, including without limitation expenses of counsel for the selling shareholders. Each Holder participating in a registration pursuant to Sections 2.3, 2.4 or 2.5 shall bear such Holder’s proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all Selling Expenses or other amounts payable to underwriter(s) or brokers, in connection with such offering by the Holders.

2.7 **Obligations of the Company.** Whenever required to effect the registration of any Registrable Securities under this Agreement the Company shall, as expeditiously as reasonably possible:

(i) **Registration Statement.** Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to ninety (90) days or, in the case of Registrable Securities registered under Form F-3 in accordance with Rule 415 under the Securities Act or a successor rule, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such ninety (90) day period shall be extended for a period of time equal to the period any Holder refrains from selling any securities included in such registration at the request of the underwriter(s), and (ii) in the case of any registration of Registrable Securities on Form F-3 which are intended to be offered on a continuous or delayed basis, such ninety (90) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold.

(ii) **Amendments and Supplements.** Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(iii) **Prospectuses.** Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration.

(iv) **Blue Sky.** Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or “blue sky” laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act.

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(v) **Underwriting.** In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(vi) **Notification.** Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of (i) the issuance of any stop order by the SEC in respect of such registration statement, or (ii) the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(vii) **Opinion and Comfort Letter.** Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and (ii) letters dated as of (x) the effective date of the registration statement covering such Registrable Securities and (y) the closing date of the offering, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

(viii) **Listing.** Cause all such Registrable Securities registered pursuant to this Agreement to be listed on each securities exchange on which similar securities issued by the Company are then listed.

(ix) **Transfer Agent, Registrar and CUSIP.** Provide a transfer agent and registrar for all Registrable Securities registered pursuant hereunder and a CUSIP number for all such Registrable Securities, in each case no later than the effective date of such registration.

2.8 **Furnish Information.** It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2.3, 2.4 or 2.5 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to timely effect the Registration of their Registrable Securities.

2.9 **Indemnification.** In the event any Registrable Securities are included in a registration statement under Sections 2.3, 2.4 or 2.5:

(i) **By the Company.** To the extent permitted by Law, the Company will indemnify and hold harmless each Holder, its partners, officers, directors, legal counsel, any underwriter (as defined in the Securities Act) for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act, other United States federal or state Law or other applicable Law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a “Violation”):

(a) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto;

(b) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or

(c) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any United States Applicable Securities Laws or other applicable Law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, any United States Applicable Securities Law or other applicable Law in connection with the offering covered by such registration statement; and the Company will reimburse each such Holder, its partner, officer, director, legal counsel, underwriter or controlling Person for any legal or other expenses reasonably incurred by them, as such expenses are incurred, in connection with investigating or defending against such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 2.9(i) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be
(ii) **By Selling Holders.** To the extent permitted by Law, each selling Holder will, if Registrable Securities held by any Holder are included in the securities as to which such registration, qualification or compliance is being effected, indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each Person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder’s partners, directors, officers, legal counsel or any Person who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, controlling Person, underwriter or other such Holder, partner or director, officer or controlling Person of such other Holder may become subject under the Securities Act, the Exchange Act or other United States federal or state Law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling Person, underwriter or other Holder, partner, officer, director or controlling Person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this Section 2.9(ii) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided, further, that in no event shall any indemnity under this Section 2.9(ii) exceed the net proceeds received by such Holder in the registered offering out of which the applicable Violation arises.
(iii) **Notice.** Promptly after receipt by an indemnified party under this Section 2.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this Section 2.9 to the extent the indemnifying party is prejudiced as a result thereof, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.9.

(iv) **Contribution.** In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any indemnified party makes a claim for indemnification pursuant to this Section 2.9 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 2.9 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any indemnified party in circumstances for which indemnification is provided under this Section 2.9; then, and in each such case, the indemnified party and the indemnifying party will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that a Holder (together with its related Persons) is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of Law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case: (A) no Holder will be required to contribute any amount in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (B) no Person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person or entity who was not guilty of such fraudulent misrepresentation.
Survival; Consents to Judgments and Settlements. The obligations of the Company and Holders under this Section 2.9 shall survive the completion of any offering of Registrable Securities in a registration statement, regardless of the expiration of any statutes of limitation or extensions of such statutes. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional release by the claimant or plaintiff to such indemnified party from all liability in respect to such claim or litigation.

2.10 Termination of the Company’s Obligations. The Company shall have no obligations pursuant to Sections 2.3, 2.4 and 2.5 with respect to any Registrable Securities proposed to be sold by a Holder in a registration pursuant to Section 2.3, 2.4 or 2.5 more than five (5) years after taking effect of a registration statement for a Qualified IPO, or, if, in the opinion of counsel to the Company, all such Registrable Securities proposed to be sold by a Holder may then be sold without registration in any ninety (90) day period pursuant to Rule 144 promulgated under the Securities Act, whichever occurs first.

2.11 No Registration Rights to Third Parties. Without the prior written consent of the holders of a majority of the Preferred Shares then outstanding, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any Person or entity any registration rights of any kind (whether similar to the demand, “piggyback” or Form F-3 registration rights described in this Section 2, or otherwise) relating to any securities of the Company which are senior to, or on a parity with, those granted to the Holders of Registrable Securities.

2.12 Market Stand-Off. Each party agrees that, so long as it holds any voting securities of the Company, upon request by the Company or the underwriters managing the IPO of the Company’s securities, it will not sell or otherwise Transfer or dispose of any securities of the Company (other than those permitted to be included in the registration and other Transfers to Affiliates permitted by Law) without the prior written consent of the Company or such underwriters, as the case may be, for a period of time specified by the representative of the underwriters not to exceed one hundred and eighty (180) days from the effective date of the registration statement covering such IPO or the pricing date of such offering as may be requested by the underwriters. The foregoing provision of this Section 2.12 shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and shall only be applicable to the Holders if all officers, directors and holders of one percent (1%) or more of the Company’s outstanding share capital enter into similar agreements, and if the Company or any underwriter releases any officer, director or holder of one percent (1%) or more of the Company’s outstanding share capital from his or her sale restrictions so undertaken, then each Holder shall be notified prior to such release and shall itself be simultaneously released to the same proportional extent. The Company shall require all future acquirers of the Company’s securities holding at least one percent (1%) of the then outstanding share capital of the Company to execute prior to a Qualified IPO a market stand-off agreement containing substantially similar provisions as those contained in this Section 2.12.
2.13 **Rule 144 Reporting.** With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Registrable Securities to the public without registration or pursuant to a registration on Form F-3, after such time as a public market exists for the Ordinary Shares, the Company agrees to:

(i) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(ii) File with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(iii) So long as a Holder owns any Registrable Securities, to furnish to such Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the Company’s IPO), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or its qualification as a registrant whose securities may be resold pursuant to Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form F-3.

3. **Preemptive Right.**

3.1 **General.** The Company hereby grants to each Preferred Holder (the “Rights Holder”) the rights of first refusal to subscribe its share (as set forth in this Section 3) (and any oversubscription, as provided below), of all (or any part) of any New Securities (as defined below) that the Company may from time to time issue after the date of this Agreement (the “Preemptive Right”).

3.2 **New Securities.** For purposes hereof, “New Securities” shall mean any Equity Securities of the Company issued after the date hereof, except for:

(i) any Ordinary Shares and/or options or warrants therefor issued to employees, officers, directors, contractors, advisors or consultants of the Group Companies pursuant to the Company’s employee share option plans (“ESOP”) duly approved and amended from time to time in accordance with Section 15.2 and in compliance with Section 17.12;

(ii) any Equity Securities of the Company issued in connection with any share split, share dividend, reclassification or other similar event;

(iii) any Ordinary Shares issued upon the conversion of the Preferred Shares;

(iv) any Equity Securities of the Company issued pursuant to an IPO;
Ordinary Shares issued or issuable pursuant to an acquisition of another entity by the Company approved by the Board (including the affirmative vote of each Series E Director); and

Ordinary Shares issued or issuable pursuant to equipment lease and bank financing arrangement approved by the Board (including the affirmative vote of each Series E Director).

3.3 Procedures.

(i) **First Participation Notice.** In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to Tencent a written notice of its intention to issue New Securities (the “**First Participation Notice**”), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities. Tencent shall have twenty (20) Business Days from the date of receipt of the First Participation Notice (the “**First Participation Period**”) to agree in writing to subscribe up to eighty percent (80%) of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company in substantially the form attached hereto as **Exhibit C** hereto and stating therein the quantity of New Securities to be subscribed (not to exceed eighty percent (80%) of such New Securities) (the “**Super Right of Participation**”). Tencent can at its sole direction apportion its share of the News Securities among its Affiliates in any amounts.

(ii) **Second Participation Notice.** In the event that (a) Tencent fails to exercise fully its Super Right of Participation in accordance with subsection (i) above, or (b) there are still New Securities remaining after Tencent exercises its Super Right of Participation in accordance with subsection (i) above, the Company shall give to all the Preferred Holders a written notice of its intention to issue New Securities (the “**Second Participation Notice**”), describing the amount and the type of remaining New Securities and the price and the terms upon which the Company proposed to issue such remaining New Securities. Each Preferred Holder (excluding Tencent if its Super Right of Participation remains in effect) shall have ten (10) Business Days from the date of receipt of any such Second Participation Notice to agree in writing to purchase up to all of such holder’s Pro Rata Share of such remaining New Securities for the price and upon the terms and conditions specified in the Second Participation Notice by giving written notice to the Company in substantively the form attached hereto as **Exhibit C** hereto and stating therein the quantity of New Securities to be purchased (not to exceed such Preferred Holder’s Pro Rata Share of such remaining New Securities). If any Preferred Holder fails to so agree in writing within such ten (10) Business Days period to purchase such Preferred Holder’s full Pro Rata Share of an offering of New Securities, then such Preferred Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such remaining New Securities that it did not so agree to purchase. Each holder’s Pro Rata Share, for purposes of its Preemptive Rights under this subsection (ii), is equal to the ratio of (a) the number of Ordinary Shares owned by such Preferred Holder immediately prior to the issuance of New Securities (assuming full conversion of the Preferred Shares held by such Preferred Holder) to (b) the total number of Ordinary Shares then outstanding immediately prior to the issuance of the New Securities (assuming full conversion of the Preferred Shares). A Preferred Holder (excluding Tencent if its Super Right of Participation remains in effect) can at its sole discretion apportion its Pro Rata Share of such remaining New Securities among its Affiliates in any amounts.
(iii) Third Participation Notice: Oversubscription. If (a) any Preferred Holder fails to exercise its Preemptive Rights in accordance with subsections (i) and (ii) above, or (b) there are still New Securities remaining after the relevant Preferred Holders’ exercise of their Preemptive Rights in accordance subsections (i) and (ii) above, the Company shall promptly give notice (the “Third Participation Notice”) to the Preferred Holders (for the avoidance of doubt, including Tencent) who have exercised their Preemptive Rights (the “Right Participants”) in accordance with subsection (i) or (ii) above. The Right Participants shall have five (5) Business Days from the date of receipt of the Third Participation Notice (the “Third Participation Period”) to notify the Company of their desire to purchase more than their share of the New Securities, stating the number of the additional New Securities they propose to buy. Such notice may be made by telephone if confirmed in writing within two (2) days thereafter. If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, the oversubscribing Right Participants will be cut back by the Company with respect to their oversubscriptions to that number of remaining New Securities equal to the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction the numerator of which is the number of Ordinary Shares (on as-convertible basis) held by each oversubscribing Right Participant notified and the denominator of which is the total number of Ordinary Shares (on as-convertible basis) held by all of the oversubscribing Right Participants. Each oversubscribing Right Participant shall be entitled to buy such number of additional New Securities as determined by the Company pursuant to this subsection (iii) and the Company shall so notify the Right Participants within ten (10) Business Days of the date of the Third Participation Notice.

3.4 Failure to Exercise. In the event that all the New Securities proposed to be issued by the Company are not purchased by the Preferred Holders pursuant to Section 3.3, the Company shall have ninety (90) days thereafter to complete the sale of the remaining number of unsubscribed New Securities on terms no more favorable than those described in the First Participation Notice. In the event that the Company has not issued and sold such New Securities within such ninety (90) day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Rights Holders pursuant to this Section 3.

4. Restriction on Transfers.

4.1 Holders of Ordinary Shares. Subject to Section 4.2 and Section 4.4, each holder of Ordinary Shares (other than an Investor), the Founders and the FounderCos shall not Transfer with respect to all or any part of any interest in any Equity Securities of the Company now or hereafter owned or held by such holder prior to the consummation of a Qualified IPO without the prior written consent of Tencent.

4.2 Investors. For the avoidance of doubt, subject to Section 4.3 and Section 11, each of the Investors may freely Transfer any Equity Securities of the Company now or hereafter owned or held by it; provided that (i) such Transfer is in compliance with all applicable Laws, and (ii) the transferee shall execute and deliver an additional counterpart signature page to this Agreement, and agree in writing to be bound by the obligations of an “Investor” under this Agreement. The Company shall update its register of members upon the consummation of any such permitted Transfer. Subject to the confidentiality undertakings set out in Section 17.11, each of the Investors shall be entitled to disclose to any bona fide proposed transferee any information, documents or materials concerning the Company known to or in possession of such Investor, and the Company shall use commercially reasonable efforts to provide any assistance or cooperation reasonably requested by such Investor or the proposed transferee in connection with such proposed transferee’s due diligence investigation of the Company; provided that prior to the disclosure of any Confidential Information, such Investor shall procure such proposed transferee to have undertaken to the Company in writing to keep any such information, documents or materials as disclosed in strict confidence, on terms and conditions reasonably acceptable to the Company.
4.3 **Restriction on Transfers to Company Competitor.** Notwithstanding anything to the contrary in this Agreement, without the prior written consent of the Founders (provided that this Section 4.3 shall terminate if (A) the Founders cease to collectively hold a majority of the Ordinary Shares that they hold as of the date of the Closing, (B) Founder I resigns from the position as the chief executive officer of the Company, or (C) Founder I is involuntarily terminated or dismissed as the chief executive officer of the Company for Cause or Leave/Disability), none of the Shareholders may Transfer, or permit the Transfer of, any Equity Securities to any entities listed in Schedule IV-2 hereof.

4.4 **Prohibited Transfers Void.** Any Transfer of Equity Securities of the Company not made in compliance with this Agreement shall be null and void as against the Company, shall not be recorded on the books of the Company and shall not be recognized by the Company or any other Party.

4.5 **No Indirect Transfers.** Each of the holders of Ordinary Shares and Preferred Holders agrees not to circumvent or otherwise avoid the transfer restrictions or intent thereof set forth in this Agreement, whether by holding the Equity Securities of the Company indirectly through another Person or by causing or effecting, directly or indirectly, the Transfer or issuance of any Equity Securities by any such Person, or otherwise. Any purported Transfer, sale or issuance of any Equity Securities of any such Person in contravention of this Agreement shall be void and ineffective for any and all purposes and shall not confer on any transferee or purported transferee any rights whatsoever, and no Party (including without limitation, the Founders and the FounderCos) shall recognize any such Transfer, sale or issuance.

4.6 **Performance.** Each Founder irrevocably agrees to cause and guarantee the performance by its FounderCo of all of their respective covenants and obligations under this Agreement.

4.7 **Cumulative Restrictions.** For the avoidance of doubt, the restrictions on Transfer set forth in this Agreement on a Party are cumulative with, and in addition to, the restrictions set forth in each other agreement imposing restrictions on the Transfer of Equity Securities of the Company by such Person (collectively, the “**Other Restriction Agreements**”), including the Articles of Association, and not in lieu thereof.

4.8 **Legend.** Each existing or replacement certificate for Equity Securities of the Company now owned or hereafter acquired by a holder of Ordinary Shares or an Investor and his/her/its respective permitted transferees shall bear the following legend:

“The sale, pledge, hypothecation, assignment or transfer of these securities is subject to the terms and conditions of a certain shareholders agreement (as amended from time to time) by and between the Shareholder, the Company and certain other parties thereto.”
The Company may annotate its register of members with an appropriate, corresponding legend. At such time as the related Equity Securities are no longer subject to this Agreement, the Company shall, at the request of the holder of such Equity Securities, issue replacement certificates for such Equity Securities without such legend.

In order to ensure compliance with the terms of this Agreement, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and, if the Company acts as transfer agent for its own securities, it may make appropriate notations to the same effect in its own records.

5. Rights of First Refusal.

5.1 Transfer Notice. To the extent Tencent has consented to a Transfer by a holder of Ordinary Shares (other than an Investor), a Founder or a FounderCo (the “Transferor”) in accordance with Section 4.1, if the Transferor proposes to Transfer any Shares to one or more third party purchasers (the “Prospective Purchaser”), then the Transferor shall (or in the case a Key Employee is the Transferor, the Company shall procure such Key Employee to) give the Company, upon the expiration of the Company Exercise Period to each Series E Preferred Holder, and upon the expiration of the Series E Exercise Period to each Prior Preferred Holder (as defined below) (each a “ROFR Holder”), a written notice of the Transferor’s intent to make the Transfer (the “Transfer Notice”), which shall include (i) a description of the number and type of Shares to be Transferred (the “Offered Shares”), (ii) the identity and address of the Prospective Purchaser and (iii) the bona fide cash price or, in reasonable detail, other consideration (the “Offered Price”) and the material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Transferor has received a definitive offer from the Prospective Purchaser on the terms set forth in the Transfer Notice.

5.2 Option of Company. The Company shall have an option for a period of fifteen (15) days following receipt of the Transfer Notice (the “Company Exercise Period”) to elect to purchase all or any portion of the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice, by notifying the Transferor in writing before expiration of the Company Exercise Period as to the number of such Offered Shares that it wishes to purchase. Within five (5) days after the expiration of the Company Exercise Period, the Transferor shall promptly deliver written notice (the “Series E Notice”) to each Series E Preferred Holder advising them whether the Company has exercised its Rights of First Refusal with respect to all or portion of the Offered Shares and informing them regarding their rights in purchasing in the aggregate all or any part of the Offered Shares not purchased by the Company pursuant to this Section 5.2 (the “Company Unsubscribed Shares”).

5.3 Option of Series E Preferred Holders.

(i) Within fifteen (15) days (the “Series E Exercise Period”) after the receipt of the Series E Notice, each Series E Preferred Holder shall have the right to purchase all or any part of the Company Unsubscribed Shares on the terms and conditions set forth in this Section 5.3. In order to exercise its right hereunder, each Series E Preferred Holder must deliver written notice to the Transferor (the “Series E ROFR Notice”) within the Series E Exercise Period.

(ii) To the extent that the aggregate number of Shares that the Series E Preferred Holders desire to purchase (as evidenced in the written notices delivered to the Transferor) exceeds the Company Unsubscribed Shares, each Series E Preferred Holder so exercising will be entitled to purchase its pro rata share of the Company Unsubscribed Shares, which shall be equal to the product obtained by multiplying (x) the number of the Company Unsubscribed Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on as-converted basis) held by such Series E Preferred Holder on the date of the Transfer Notice and (ii) the denominator of which shall be the number of Ordinary Shares (on as-converted basis) held by all the Series E Preferred Holders so exercising (“Series E Pro Rata ROFR Share”).
(iii) Within five (5) days after the expiration of the Series E Exercise Period, Transferor will give written notice to each Series E Preferred Holder specifying the number of Company Unsubscribed Shares to be purchased by each Series E Preferred Holder exercising its Rights of First Refusal (the “Series E ROFR Confirmation Notice”). The Series E ROFR Confirmation Notice shall also specify the number of Company Unsubscribed Shares not purchased by the Series E Preferred Holders, if any, pursuant to Sections 5.3(i) and 5.3(ii) hereof (“Series E Unsubscribed Shares”) and shall list each Participating Series E Preferred Holder’s (as defined in Section 5.3(iv) hereof) Subsequent Series E Pro Rata Share (as defined in Section 5.3(iv)) of any such Series E Unsubscribed Shares.

(iv) To the extent that there remain any Series E Unsubscribed Shares, each Series E Preferred Holder electing to exercise its right to purchase at least its full Series E Pro Rata ROFR Share of the Offered Shares under Section 5.3(i) and Section 5.3(ii) hereof (a “Participating Series E Preferred Holder”) shall have a right to purchase all or any part of the Series E Unsubscribed Shares; however, to the extent that the aggregate number of Shares that the Participating Series E Preferred Holders desire to purchase (as evidenced in written notices delivered to the Transferor) exceeds the number of Series E Unsubscribed Shares, each Participating Series E Preferred Holder so exercising (an “Electing Participating Series E Preferred Holder”) will be entitled to purchase that number of the Series E Unsubscribed Shares equal to the product obtained by multiplying (x) the number of Series E Unsubscribed Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on as-converted basis) held on the date of the Transfer Notice by such Electing Participating Series E Preferred Holder and (ii) the denominator of which shall be the number of Ordinary Shares (on as-converted basis) held on the date of the Transfer Notice by all Electing Participating Series E Preferred Holders (“Subsequent Series E Pro Rata Share”). In order to exercise its rights hereunder, such Electing Participating Series E Preferred Holder must provide written notice to Transferor with a copy to the Company and the Transferor within seven (7) days after the receipt of the Series E ROFR Confirmation Notice (the “Subsequent Series E Exercise Period”).

(v) Within five (5) days after the expiration of the Series E Exercise Period and the Subsequent Series E Exercise Period (if applicable), the Transferor shall promptly deliver written notices to the Preferred Holders that are not Series E Preferred Holders, the Founders or FounderCos (the “Prior Preferred Holders”) advising them whether the Series E Preferred Holders have exercised their Rights of First Refusal with respect to all or a portion of the Company Unsubscribed Shares and informing them regarding their rights in purchasing the Remaining Shares (as described below) (the “Second Notice”).

5.4 Option of Prior Preferred Holders.

(i) Subject to the limitations of this Section 5.4, within fifteen (15) days of any Prior Preferred Holder’s receipt of the Second Notices (“Prior Holder Exercise Period”), the Prior Preferred Holders shall have the right to notify the Transferor with regard to their intent to purchase in the aggregate all or any part of the Offered Shares not purchased by the Series E Preferred Holders pursuant to Section 5.3 above and the Company pursuant to Section 5.2 above (the “Remaining Shares”) on the terms and conditions set forth in this Section 5.4. In order to exercise its rights hereunder, such Prior Preferred Holders must provide written notice delivered to Transferor within the Prior Holder Exercise Period.
Section 12 to the Rights of Co-Sale (set forth in Section 4.58 hereof ("Rights of Co-Sale."))

To the extent that the aggregate number of Shares that the Prior Preferred Holders desire to purchase (as evidenced in the written notices delivered to Transferor) exceeds the Remaining Shares, each Prior Preferred Holder so exercising will be entitled to purchase its pro rata share of the Remaining Shares, which shall be equal to the product obtained by multiplying (x) the number of Remaining Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on an as-converted basis) held by such Prior Preferred Holder on the date of the Transfer Notice and (ii) the denominator of which shall be the number of Ordinary Shares (on an as-converted basis) held by all Prior Preferred Holders so exercising ("Prior Holder Pro Rata ROFR Share").

Within five (5) days after the expiration of the Prior Holder Exercise Period, Transferor will give written notice to each Prior Preferred Holder specifying the number of Remaining Shares to be purchased by each Prior Preferred Holder exercising its Rights of First Refusal (the "Prior Holder ROFR Confirmation Notice"). The Prior Holder ROFR Confirmation Notice shall also specify the number of Remaining Shares not purchased by the Prior Preferred Holders, if any, pursuant to Section 5.4(i) and Section 5.4(ii) hereof ("Prior Holder Unsubscribed Shares") and shall list each Participating Prior Preferred Holder's (as defined in Section 5.4(iv) hereof) Subsequent Prior Holder Pro Rata Share (as defined in Section 5.4(iv)) of any such Prior Holder Unsubscribed Shares.

To the extent that there remain any Prior Holder Unsubscribed Shares, each Prior Preferred Holder electing to exercise its right to purchase at least its full Prior Holder Pro Rata ROFR Share of the Remaining Shares under Section 5.4(ii) hereof (a "Participating Prior Preferred Holder") shall have a right to purchase all or any part of the Prior Holder Unsubscribed Shares; however, to the extent that the aggregate number of Shares that the Participating Prior Preferred Holders desire to purchase (on as-converted basis) exceeds the number of remaining Prior Holder Unsubscribed Shares, each Participating Prior Preferred Holder so exercising (an "ELECTING Participating Prior Preferred Holder") will be entitled to purchase that number of the Prior Holder Unsubscribed Shares equal to the product obtained by multiplying (x) the number of Prior Holder Unsubscribed Shares by (y) a fraction, (i) the numerator of which shall be the number of Ordinary Shares (on as-converted basis) held on the date of the Transfer Notice by such Electing Participating Prior Preferred Holder and (ii) the denominator of which shall be the number of Ordinary Shares (on an as-converted basis) held on the date of the Transfer Notice by all Electing Participating Prior Preferred Holders ("Subsequent Prior Holder Pro Rata Share"). In order to exercise its rights hereunder, such Electing Participating Prior Preferred Holder must provide written notice to the Transferor with a copy to the Company and each Prior Preferred Holder within seven (7) days after the receipt of the Prior Holder ROFR Confirmation Notice (the "Subsequent Prior Holder Exercise Period").

5.5 Purchase Price. The purchase price for the Offered Shares, the Company Unsubscribed Shares, the Series E Unsubscribed Shares, the Prior Holder Unsubscribed Shares and Remaining Shares to be purchased by the Company or any Preferred Holder exercising its Rights of First Refusal under this Agreement will be the Offered Price, and will be payable as set forth in Section 5.6 hereof. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration will be determined by the Board of Directors of the Company (including the affirmative vote of each Series E Director) in good faith, which determination will be binding upon the Company, each Preferred Holder and Transferor, absent fraud or error.

5.6 Closing; Payment. Subject to compliance with Applicable Securities Laws, (i) the Company exercising its Rights of First Refusal shall effect the purchase of all or any portion of the Offered Shares, including the payment of the purchase price within five (5) days of the expiration of the Company Exercise Period, (ii) the Series E Preferred Holders exercising its Rights of First Refusal shall effect the purchase of all or any portion of the Offered Shares, including the payment of the purchase price within fifteen (15) days of the expiration of the Series E Exercise Period and the Subsequent Series E Exercise Period (if applicable), and (iii) the Prior Preferred Holders exercising their Rights of First Refusal shall effect the purchase of all or any portion of the Remaining Shares, including the payment of the purchase price, within fifteen (15) days after the expiration of the Prior Holder Exercise Period and the Subsequent Prior Holder Exercise Period (if applicable) (the "Rights of First Refusal Closing"). Payment of the purchase price will be made, at the option of the party exercising its Rights of First Refusal, (A) in cash (by check), (B) by wire transfer, (C) by cancellation of all or a portion of any outstanding Indebtedness of Transferor to the Preferred Holder, as the case may be, or (D) by any combination of the foregoing. At such Rights of First Refusal Closing, Transferor shall deliver to the Preferred Holders exercising their respective Rights of First Refusal one or more certificates, properly endorsed for transfer, representing such Offered Shares so purchased together with a dully executed and dated instrument of transfer.

5.7 Exclusion from Rights of First Refusal. This Rights of First Refusal shall not apply with respect to Preferred Shares (including Ordinary Shares issued or issuable upon conversion thereof) sold and to be sold by Preferred Holders pursuant to the Rights of Co-Sale (set forth in Section 6 below) and by any holder of the Equity Securities of the Company pursuant to Section 12 and Section 16.

6.1 To the extent a Preferred Holder (other than any of Founders and the FounderCos) does not exercise its Rights of First Refusal with respect to all or any part of the Offered Shares, the Company Unsubscribed Shares or the Remaining Shares (as applicable), such ROFR Holder (a “Co-Sale Holder”) shall have the Rights of Co-Sale to participate in such sale of such remaining Offered Shares not purchased pursuant to Section 5 (the “Residual Shares”) to the Prospective Purchaser on a pro rata basis with the Transferor and on the same terms and conditions as specified in the Transfer Notice (but in no event on terms and conditions less favorable than those offered to holder of Ordinary Shares or a Key Employee by the Prospective Purchaser). The Transferor shall promptly notify each Co-Sale Holder after the expiration of the Series E Exercise Period and the Prior Holder Exercise Period (if applicable) regarding their respective Rights of Co-Sale under this Section 6 (the “Co-Sale Notice”). To exercise its rights hereunder, each Co-Sale Holder must provide a written notice to the Transferor within ten (10) days of its receipt of the Co-Sale Notice indicating the number of Ordinary Shares (on an as-converted basis) it wishes to sell pursuant to this Section 6.1.

6.2 If the aggregate number of Ordinary Shares (on an as-converted basis) that the Co-Sale Holders desire to sell exceeds the number of Residual Shares, each Co-Sale Holder shall be entitled to sell up to its pro rata share of the Residual Shares, which shall be equal to the product of (i) the aggregate number of the Residual Shares, multiplied by (ii) a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) elected to be sold by such Co-Sale Holder and the denominator of which is the total number of Ordinary Shares (on an as-converted basis) elected to be sold by all the Co-Sale Holders.
6.3 Subject to Section 9, a Co-Sale Holder shall exercise its Rights of Co-Sale by promptly delivering to the
Prospective Purchaser one or more certificates, properly endorsed for transfer, representing the type and number of Shares which
such Co-Sale Holder elects to sell, which shall be Transferred to the Prospective Purchaser at the consummation of the sale of
Shares pursuant to the terms and conditions specified in the Transfer Notice. The Company shall update its register of members
upon the consummation of any such Transfer and provide such most updated register of members to each Preferred Holder as
soon as practicable.

6.4 The Rights of Co-Sale shall not apply to the Ordinary Shares sold or to be sold to the Preferred Holders
pursuant to the Rights of First Refusal. The Rights of Co-Sale and the Rights of First Refusal shall not apply to the Transfer of
Shares pursuant to Sections 12 and 16 hereof.


7.1 If the ROFR Holders do not elect to purchase all of the Offered Shares in accordance with the Rights of First
Refusal granted to each of them, and the Co-Sale Holders do not elect to exercise in full the Rights of Co-Sale granted to each of
them, the Transferor shall have a period of ninety (90) days from the date of the Transfer Notice to sell the remaining Residual
Shares to the Prospective Purchaser upon terms and conditions (including the purchase price) no more favorable than those
specified in the Transfer Notice, so long as any such sale is effected in accordance with all applicable Laws. The Parties agree that
the Prospective Purchaser, prior to and as a condition to the consummation of any sale, shall execute and deliver to the Parties a
Deed of Adherence in the form attached hereto as Exhibit B assuming the obligations of a holder of Ordinary Shares under this
Agreement with respect to the Residual Shares, and the Transfer shall not be effective and shall not be recognized by any Party
until such instruments are so executed and delivered.

7.2 In the event the Transferor does not consummate the sale of the Offered Shares within such ninety (90) day
period, the Rights of First Refusal and the Rights of Co-Sale shall be re-invoked and shall be applicable to each subsequent
disposition of any Shares by the Transferor until such rights lapse in accordance with the terms of this Agreement.

7.3 The exercise or non-exercise of the Rights of First Refusal and the Rights of Co-Sale in respect of a particular
proposed Transfer shall not adversely affect the Rights of First Refusal and the Rights of Co-Sale of subsequent proposed
Transfers.

8. Limitations to Restrictions on Transfer. Subject to the requirements of applicable Laws, the restrictions under Section
4, the Rights of First Refusal under Section 5 and Rights of Co-Sale under Section 6 shall not apply to (a) any sale of Equity
Securities of the Company pursuant to a Qualified IPO, or (b) any Transfer of any Equity Securities of the Company now or
hereafter held, directly or indirectly, by the FounderCos or a Key Employee to any of its respective wholly-owned Subsidiary or
his/her parents, children, spouse, or to a trustee, executor, or other fiduciary for the benefit of any Founder or such Key Employee,
or his/her parents, children, spouse for bona fide estate planning purposes (each such transferee pursuant to subsection (b) above, a
“Permitted Transferee”, and collectively, the “Permitted Transferees”); provided that (i) such Transfer is effected in
compliance with all applicable Laws, (ii) such Transfer will not result in a change of control of the Company and (iii) each such
Permitted Transferee, prior to the completion of the Transfer, shall have executed and delivered a Deed of Adherence in the form
attached hereto as Exhibit B assuming the obligations of a holder of Ordinary Shares under this Agreement and the applicable
Other Restriction Agreements with respect to the Transferred Equity Securities.
9. **Prohibited Transfers.** In the event that:

(i) a Transferor Transfers any Equity Securities in contravention of the Rights of Co-Sale but such Transfer is validly completed upon obtaining the consents set forth in Section 9.2; or

(ii) if a Co-Sale Holder elects to exercise its Rights of Co-Sale, and (x) the Prospective Purchaser refuses to purchase the class, series or type of Equity Securities of the Company held by such Co-Sale Holder or (y) the Prospective Purchaser refuses to purchase Equity Securities from such Co-Sale Holder,

(each of subsections (i) or (ii) above, a “Prohibited Transfer”), such Co-Sale Holder shall be entitled to exercise the put option set out in Section 9.1.

9.1 **Put Option.** If a Prohibited Transfer occurs, in respect of Section 9.1(i), each Co-Sale Holder, and in respect of Section 9.1(ii), such effected or relevant Co-Sale Holder, shall have the right to sell to the Transferor or the Shares such Co-Sale Holder would have been entitled to Transfer to the Prospective Purchaser pursuant to its Rights of Co-Sale but for the Prohibited Transfer (such Shares, the “Put Shares”). The foregoing sale to the Transferor shall be made on the following terms and conditions:

(i) the price per share of each Put Share shall be equal to the price per share specified in the Transfer Notice; provided that the Transferor shall reimburse such Co-Sale Holder any and all reasonable fees and expense, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Rights of Co-Sale and the rights under this Section 9; and

(ii) within ninety (90) days following the Prohibited Transfer, such Co-Sale Holder who has elected to exercise its put option under this Section 9 shall deliver to such Transferor an instrument of transfer and one or more certificates representing the Shares to be sold under this Section 9, each to be properly endorsed for transfer, or an affidavit of lost certificate representing the same. Such Transferor shall, upon receipt of the foregoing, pay the aggregate purchase price for the Put Shares set forth hereunder and the amount of reimbursable fees and expenses (if any), in cash by wire transfer of immediately available funds or by any other means acceptable to such Co-Sale Holder. The Company shall concurrently therewith record such transfer on its books and update its register of members and will promptly thereafter and in any event within five (5) days reissue certificates, as applicable, to such Transferor and such Co-Sale Holder representing the Shares held by each of them giving effect to the sale of the Put Shares to such Transferor contemplated in this Section 9.1.

9.2 **Void Prohibited Transfer.** Notwithstanding anything to the contrary contained herein, unless otherwise consented to in writing by the Majority Holders, any attempt by a Transferor to Transfer Equity Securities in violation of any of Sections 4 to 11 shall be null and void, and the Company shall not effect any such Transfer or deem the transferee of the Prohibited Transfer as a Shareholder in respect of the relevant Shares.
10. **Lock-Up.** In addition to but not in lieu of any other Transfer restriction contained herein, each FounderCo agrees that it will not during the period commencing on the date of the final prospectus relating to the first underwritten registered public offering of the Ordinary Shares and ending on the date specified by the Company and the managing underwriter (i) lend, offer, pledge, hypothecate, hedge, sell, make any short sale of, loan, 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, or otherwise transfer or dispose of, directly or indirectly, any Equity Securities of the Company (other than those included in such offering) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Equity Securities, whether any such transaction described in subsection (i) or (ii) above is to be settled by delivery of Equity Securities of the Company or other securities, in cash or otherwise. The underwriters in connection with such public offering are intended third party beneficiaries of this Section 10 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. To the extent requested by the underwriters, each of the Founders and the FounderCos agrees to execute and deliver to the underwriters a lock-up agreement containing substantially similar terms and conditions as those contained herein.

11. **Rights of First Refusal of Tencent.**

11.1 Except as otherwise provided in Section 9.2 and this Section 11, each of the Investors may freely Transfer any Equity Securities of the Company now or hereafter owned or held by it.

11.2 Each Investor (other than Tencent) (the “Investor Transferor”) shall not directly or indirectly Transfer and issue any Equity Securities with respect to all or any part of any interest in any Equity Securities of the Company now or hereafter owned or held by such Preferred Holder prior to the consummation of a Qualified IPO to a Person listed on Schedule IV-1 (the “Investor Restricted Transfer”) without the prior written consent of Tencent.

11.3 If an Investor Transferor proposes to Transfer any Shares of the Company to one or more third party purchaser (other than a Transfer pursuant to Section 12), then such Investor shall give Tencent a written notice (the “Investor Transfer Notice”) of its intent to make the Transfer, which shall include (i) a description of the Shares to be Transferred (“Investor Transfer Shares”), (ii) the identity of the third party purchaser and (iii) the consideration and the material terms and conditions upon which the proposed Transfer is to be made. The Investor Transfer Notice shall certify that the Investor has received a definitive offer from the purchaser on the terms set forth in the Investor Transfer Notice.

11.4 Tencent shall have a right for a period of fifteen (15) days (the “Tencent ROFR Period”) following receipt of the Tencent Transfer Notice to (i) decide whether it consents or not to such Transfer (in the case that such Transfer is an Investor Restricted Transfer), and (ii) elect to purchase all or any portion of the Tencent Transfer Shares at the same price and subject to the same terms and conditions as described in the Tencent Transfer Notice, in each case by giving written notice to such Investor Transferor.

11.5 If Tencent gives such Investor Transferor a written notice (the “Tencent Purchase Notice”) within the Tencent ROFR Period that it consents to such Transfer (in the case that such Transfer is an Investor Restricted Transfer), and desires to purchase the Investor Transfer Shares, then payment for the Investor Transfer Shares shall be by wire transfer in immediately available funds, against delivery of the Investor Transfer Shares within ninety (90) days following the Investor Transferor’s receipt of the Tencent Purchase Notice, or such other time as mutually agreed by such Investor Transferor and Tencent. The Company shall update its register of members upon consummation of any such Transfer.
11.6 Notwithstanding anything to the contrary contained in this Section 11, the Investor Transferor may at any time Transfer any Preferred Shares held by it to an Affiliate without the Tencent’s prior written consent or being required to comply with this Section 11.

11.7 If Tencent has consented to such Transfer (in the case that such Transfer is an Investor Restricted Transfer) and Tencent does not elect to purchase all of the Investor Transfer Shares in accordance with Section 11.3, the applicable Investor Transferor shall have a period of ninety (90) days from the expiration of the Tencent ROFR Period to sell the remaining Investor Transfer Shares to the transferee upon terms and conditions (including the purchase price) no more favorable than those specified in the Tencent Transfer Notice, provided that (i) such Transfer is effected in compliance with all applicable Laws, and (ii) the transferee shall execute and deliver an additional counterpart signature page to this Agreement, and agree in writing to be bound by the obligations of an “Investor” under this Agreement.

11.8 If Tencent has consented to such Transfer (in the case that such Transfer is an Investor Restricted Transfer) and Tencent does not elect to purchase all of the Investor Transfer Shares in accordance with this Section 11, such Transfer shall be null, void and without effect, and the Company shall not effect any such Transfer.


12.1 If the Founders (provided that the Founders’ right under this Section 12 shall terminate if (A) the Founders cease to collectively hold a majority of the Ordinary Shares that they hold as of the date of the Closing, (B) Founder I resigns from the position as the chief executive officer of the Company, or (C) Founder I is involuntarily terminated or dismissed as the chief executive officer of the Company for Cause or Leave/Disability) and the Majority Holders approved a Drag-Along Sale Event (as defined below), then the Majority Holders and the Founders (each a “Drag-Along Holder”) may, at their option, by delivery of a written notice (the “Drag-Along Notice”), require each of the other holders of Equity Securities of the Company (each a “Dragged Holder”) to, and whereupon each Dragged Holder shall:

(i) sell, together with such Drag-Along Holder, to the bona fide purchaser(s) as referred to in Section 12.2 below (an “Offeror”) (a) all of the Equity Securities held by such Dragged Holder if the Drag-Along Holder sells all of the Equity Securities held by it; or (b) a percentage of its Equity Securities equal to the percentage of the Equity Securities held by such Drag-Along Holder and proposed to be sold in the Trade Sale as referred to in Section 12.2 below (a “Drag-Along Sale”), in each case on the same terms and conditions agreed to by the Drag-Along Holder;

(ii) vote, or give its written consent with respect to, all of its Equity Securities in favor of the Drag-Along Sale, and in opposition of (a) any proposal that may reasonably be expected to delay, restrict, impair or otherwise adversely affect the consummation of the Drag-Along Sale and (b) any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the definitive agreement(s) related to such Drag-Along Sale or that will result in any of the conditions to the closing obligations under such agreement(s) not being fulfilled, and, in connection therewith, to be present (in person or by proxy) at all relevant meetings of the shareholders of the Company (or adjournments thereof) or to approve and execute all relevant written consents in lieu of a meeting;
(iii) refrain from exercising any dissenters’ or rights of appraisal under applicable Laws with respect to the Drag-Along Sale;

(iv) take all necessary actions in connection with the consummation of the Drag-Along Sale as reasonably requested by the Drag-Along Holders, including but not limited to the execution and delivery of any share transfer or other agreements prepared in connection with the Drag-Along Sale (provided however that (a) pursuant to the relevant transaction documents, liability of shareholders for indemnity is several and not joint and the liability of each shareholder is capped at the amount of consideration received and (b) the shareholders shall not be required to sign up to any non-compete, non-solicitation, general release (other than in its capacity as a shareholder) or other commercial agreements in connection with the acquisition), and the delivery, at the consummation of the Drag-Along Sale involving a sale of Shares, of all certificates representing Shares held or Controlled by such Dragged Holder, duly endorsed for transfer or accompanied by a duly executed share transfer form, or affidavits and indemnity undertakings with respect to lost certificates; and

(v) restructure such Drag-Along Sale, as and if reasonably requested by the Drag-Along Holders, as a merger, consolidation, restructuring or similar transaction, or a sale of all or substantially all of the assets of the Company, or otherwise.

12.2 For the purpose of Section 12.1, a “Drag-Along Sale Event” shall mean a Deemed Liquidation Event or Trade Sale with a valuation of the Group of not less than US$3,000,000,000.

12.3 Any proceeds, whether in cash or properties, resulting from the Drag-Along Sale shall be distributed in accordance with the terms of Article 8.2 of the Articles of Association.

12.4 In the event that any of the Dragged Holders (the “Defaulting Holder”) fails for any reason to take any of the actions set forth in Section 12.1 above within fifteen (15) days after receiving the Drag-Along Notice, each of the Drag-Along Holders shall have the right to sell to the Defaulting Holder the Shares such Drag-Along Holder would have Transferred to the Offeror but for the Defaulting Holder’s failure to take such actions (such Shares, the “Drag Default Shares”). The price per Drag Default Share shall be equal to the price per share specified in the Drag-Along Notice. The Defaulting Holder shall reimburse each Drag-Along Holder for any and all reasonable fees and expenses, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of its rights under this Section 12.4. A Drag-Along Holder who has elected to sell the Drag Default Shares shall deliver to the Defaulting Holder an instrument of transfer and one or more certificates representing the Drag Default Shares, each to be properly endorsed for transfer, or an affidavit of lost certificate representing the same. The Defaulting Holder shall, upon receipt of the foregoing, pay the aggregate purchase price for the Drag Default Shares and the amount of reimbursable fees and expenses, in cash by wire transfer of immediately available funds or by other means acceptable to the Defaulting Holder. The Company shall concurrently therewith record such transfer on its books and update its register of members and will, to the extent applicable, promptly thereafter and in any event within five (5) days reissue certificates to the Drag-Along Holders representing the Shares held by them giving effect to the sale of Drag Default Shares to the Defaulting Holder contemplated in this Section 12.4. For the avoidance of doubt, notwithstanding anything to the contrary contained herein and therein, none of the Transfer restrictions set forth in this Agreement or in the Other Restraint Agreements shall apply in connection with a Drag-Along Sale.

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12.5 In any Drag-Along Sale, (i) each Dragged Holder shall bear a proportionate share (based upon the relative proceeds received in such transaction) of the Drag-Along Holders’ reasonable fees and expenses incurred in the transaction, including without limitation, legal, accounting and investment banking fees and expenses, and (ii) each Dragged Holder shall severally, but not jointly, participate on a pro rata basis (based upon the relative proceeds received in such transaction) in any indemnification obligation that is part of the terms and conditions of such Drag-Along Sale (other than those that relate specifically to a particular holder, including without limitation, indemnification with respect to representations and warranties given by such holder in respect of such holder’s title to and ownership of Shares, due authorization, enforceability and no conflicts, which shall instead be given solely by such holder) but only up to the net proceeds received by such Dragged Holder in connection with such Drag-Along Sale.

12.6 If a Drag-Along Holder or Dragged Holder has received the purchase price for his/her/its Equity Securities of the Company in connection with the Drag-Along Sale, and has failed to deliver certificates evidencing his/her/its Equity Securities of the Company in accordance with this Section 12, he/she/it shall for all purposes be no longer deemed a holder of Equity Securities of the Company (with the Register of Members of the Company updated to reflect the foregoing), shall have no voting rights, shall not be entitled to any dividends or other distributions with respect to any Shares held, shall have no other rights or privileges as a holder of Equity Securities of the Company. Further, the Company shall not register any subsequent Transfer of any such Equity Securities of the Company held by such Drag-Along Holder or Dragged Holder described in the foregoing sentence.

13. Information and Inspection Rights.

13.1 Delivery of Financial Statements and Other Information. The Group Companies shall deliver to each holder of the Preferred Shares (other than the Founders and the FounderCos) the following documents or reports:

(i) within one hundred and twenty (120) days after the end of each fiscal year, a consolidated income statement and statement of cash flows for the Company for such fiscal year and a consolidated balance sheet for the Company as of the end of the fiscal year, audited and certified by an internationally reputable firm of independent certified public accountants acceptable to the Majority Holders, all prepared in English and in accordance with the Accounting Standards consistently applied throughout the period;

(ii) within thirty (30) days of the end of each fiscal quarter, an unaudited income statement and statement of cash flows for such quarter and a balance sheet for each Group Company as of the end of such quarter, and a comparison of the financial results of such quarter with the corresponding quarterly budget, all are consolidated and prepared in accordance with the Accounting Standards consistently applied throughout the period (except for customary year-end adjustments and except for the absence of notes);
within twenty (20) days after the end of each month, an unaudited income statement and statement of cash flows for such month and a balance sheet for each Group Company as of the end of such month, all prepared in accordance with the Accounting Standards consistently applied throughout the period (except for customary year-end adjustments and except for the absence of notes);

(iv) no later than thirty (30) days prior to the beginning of each fiscal year, the annual budget and operating plan of the Group Companies for such fiscal year, which shall set forth, among others, the maximum number of Shares (or options thereof) under the ESOP during such fiscal year;

(v) copies of all documents or other information sent to all other Shareholders and any report publicly filed by the Company with any relevant securities exchange, regulatory authority or governmental agency, no later than five (5) days after such documents or information are filed by the Company; and

(vi) as soon as practicable, any other information reasonably requested by any holder of Preferred Shares.

13.2 Inspection Rights and Audit Rights. Each Group Company shall, and each Founder shall cause such Group Company to, (i) permit each holder of the Preferred Shares (other than the Founders and the FounderCos) to inspect and review facilities, properties, records, books and accounts of such Group Company at any time, and to discuss the business, operation and conditions of such Group Company with such Group Company’s directors, officers, employees, accounts, legal counsels and investment bankers; provide that such inspection, review, or discussion shall not unreasonably and adversely impact the daily operation of the relevant Group Company and any information so obtained shall be kept confidential pursuant to Section 17.11 hereof; and (ii) cooperate with Tencent and its advisors (including accountants) upon Tencent’s request, in connection with Tencent’s audit of the Group Companies’ accounts. Solely with respect to the disclosure to be made by the Company in accordance with the applicable Laws, in the event that the results of the audit conducted by Tencent are different from the conclusion on the audit reports issued by the accounting firm engaged by the Board (subject to the approval and consent under Section 15), the conclusion on the audit reports issued by the accounting firm engaged by the Board shall prevail.


14.1 Board of Directors.

(i) The Company shall have, and the Parties agree to cause the Company to have, a Board consisting of eleven (11) Directors and the details of which are set forth as follows:

(a) the Founders (provided that the Founders’ right under this Section 14 shall terminate if (A) the Founders cease to collectively hold a majority of the Ordinary Shares that they hold as of the date of the Closing, (B) Founder I resigns from the position as the chief executive officer of the Company, or (C) Founder I is involuntarily terminated or dismissed as the chief executive officer of the Company for Cause or Leave/Disability) shall be entitled to nominate six (6) Directors of the Board (each a “Management Director”);
(b) Tencent shall be entitled to nominate at least two (2) Directors of the Board (each a “Series E Director”);
(c) Offshore Sequoia shall be entitled to nominate one (1) Director of the Board;
(d) Fenghuang Fuju shall be entitled to nominate one (1) Director of the Board; and
(e) Cai SPV shall be entitled to nominate one (1) Director of the Board.

(ii) Upon the request of any Series E Director, any Subsidiary of the Company shall, and the Parties shall cause such Subsidiary of the Company to have (a) a board of directors or similar governing body (the “Subsidiary Board”), (b) the authorized size of the Subsidiary Board at all times be the same authorized size as the Board and (c) the composition of the Subsidiary Board to at all times consist of the same Persons as directors (and observers, if any) as those then on the Board.

(iii) Upon the request of Tencent, each Domestic Company shall, and other Warrantors shall cause such Domestic Company to, promptly make at least one (1) Person appointed by Tencent to be the supervisor (観察員) of such Domestic Company.

14.2 Voting Agreements

(i) With respect to each election of Directors of the Board, each holder of voting securities of the Company shall vote at each meeting of Shareholders of the Company, or in lieu of any such meeting shall give such holder’s written consent with respect to, as the case may be, all of such holder’s voting securities of the Company as may be necessary (a) to keep the Board constituted in the manner provided in Section 14.1 and in addition, (b) as may be necessary to cause the election or re-election as members of the Board, and during such period to continue in office, each of the individuals designated pursuant to Section 14.1 and (c) against any nominees not designated pursuant to Section 14.1.

(ii) Any Director designated pursuant to Section 14.1 may be removed from the Board, either for or without cause, only upon the vote or written consent of the Person or group of Persons then entitled to nominate such Director pursuant to Section 14.1, and the Parties agree not to seek, vote for or otherwise effect the removal of any such Director without such vote or written consent. Any Person or group of Persons then entitled to designate any individual to be elected as a Director on the Board shall have the exclusive right at any time or from time to time to remove any such Director occupying such position and to fill any vacancy caused by the death, disability, retirement, resignation or removal of any Director occupying such position or any other vacancy therein, and each other Party agrees to cooperate with such Person or group of Persons in connection with the exercise of such right. Each holder of voting securities of the Company agrees to always vote such holder’s respective voting securities of the Company at a meeting of the members of the Company (and give written consents in lieu thereof) in support of the foregoing.

(iii) The Company agrees to take such action, and each other Party hereto agrees to take such action, as is necessary to cause the election or appointment to the Subsidiary Board of each Director designated to serve on the Board pursuant to Section 14.1. Upon a removal or replacement of such Director from the Board in accordance with Section 14.2(ii), the Company agrees to take such action, and each other Party hereto agrees to take such action, as is necessary to cause the removal of such director from the Subsidiary Board.
14.3 **Quorum.** The Board shall hold no less than one (1) Board meeting during each fiscal quarter. A quorum for a Board meeting shall consist of at least four (4) Directors (which shall include both Series E Directors). The Parties shall cause the foregoing to be the same quorum requirements for the HK Subsidiary Board.

14.4 **Expenses.** The Company shall promptly pay or reimburse each non-executive Director and each non-executive member of any Subsidiary Board for all reasonable out-of-pocket expenses incurred in connection with attending board or committee meetings and otherwise performing their duties as directors and committee members.

14.5 **Alternates.** Subject to applicable Laws, each Director shall be entitled to appoint an alternate to serve at any Board meeting, and such alternate shall be permitted to attend all Board meetings and vote on behalf of such Director for whom she or he is serving as an alternate.

14.6 **Establishment of Committees.** If and when the Company establishes a (i) compensation committee, (ii) audit committee, (iii) nomination committee or (iv) a strategy committee following the Closing, no less than one Series E Director shall be members of each of such committees. The compensation committee shall propose the terms of the Company’s share incentive plans, and all grants of awards thereunder (including the ESOP), to the Board for approval and adoption by the Board and the Shareholders, shall have the power and authority to administer the Company’s share incentive plans (including the ESOP) and to grant options thereunder, and approve all management compensation levels and arrangements, and shall have such other powers and authorities as the Board shall delegate to it. The audit committee shall select the auditors of the Company and approve the scope of the Company’s annual audit, and shall have such other powers and authorities as the Board shall delegate to it. The nomination committee shall determine candidates and make recommendations to the Board on the selection and appointment of executive officers of the Group Companies, and shall have such other powers and authorities as the Board shall delegate to it. The strategy committee shall consider investment proposals, including proposals for business expansion, and shall have such other powers and authorities as the Board shall delegate to it.

14.7 **D&O Insurance and Indemnification Agreements.** The Company shall, at the request of any Series E Director, purchase, and thereafter maintain, directors’ and officers’ insurance on commercially reasonable and customary terms approved by the Board (including the affirmative vote of each Series E Director), in relation to any Person who is or was a Series E Director. To the maximum extent permitted by the Law of the jurisdiction in which the Company is organized, the Company shall indemnify and hold harmless each of its Directors and shall comply with the terms of the Indemnification Agreements, and at the request of any Director who is not a party to an Indemnification Agreement, shall enter into an indemnification agreement with such Director in similar form to the Indemnification Agreements.

14.8 **Senior Management.** The Founders shall be entitled to nominate the chief executive officer, chief financial officer, chief operating officer, chief technology officer, chief strategy officer and chief market officer and submit such persons nominated to the Board.

15. **Protective Provisions.**

15.1 **Acts of the Group Companies requiring Approval of the Majority Holders.** Notwithstanding anything to the contrary contained herein or in the Charter Documents of any Group Company, any Group Company shall not, and the Parties (other than Tencent) shall cause each Group Company, not to take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless otherwise approved in writing by the Majority Holders:

(i) any repeal, amendment, modification, waiver or change of any provision of any Charter Documents of any Group Company;

(ii) any amendment, modification or change of any rights, preferences, privileges or powers of the Preferred Shares, or any clause stipulating the foregoing amendment, modification or change being added, or any amendment, modification or change of any rights, powers or benefit attached to the Ordinary Shares or other classes or series of shares having the effect of or may result in any rights, preferences, privileges or powers of the Preferred Shares being prejudiced;

(iii) creation, authorization, reclassification, repurchase, redemption or issuance of (A) any class or series of Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption, or otherwise, or any Equity Securities convertible into, exchangeable for, or exercisable into any Equity Securities having rights, preferences, privileges or powers superior to or on a parity with any Preferred Shares, whether as to liquidation, conversion, dividend, voting, redemption or otherwise, (B) any additional Preferred Shares, (C) any other Equity Securities of the Company except for (i) the Conversion Shares or (ii) the issuance or repurchase of...
Ordinary Shares (or options or warrants) under the ESOP approved by the Board, or (D) any Equity Securities of any other Group Company;

(iv) any increase or decrease in the authorized number of the Preferred Shares, or any series thereof, or the authorized number of Ordinary Shares;

(v) any Deemed Liquidation Event or Trade Sale;

(vi) the commencement of or consent to any proceeding seeking (i) to adjudicate it as bankrupt or insolvent, (ii) liquidation, winding up, dissolution, reorganization, or arrangement of any of the Group Companies under any Law relating to bankruptcy, insolvency or reorganization or relief of debtors, or (iii) the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property;

(vii) any sale, transfer, pledge, purchase, repurchase, redemption, retirements or otherwise disposal of any share capital, share or equity of any Group Company;

(viii) any increase, reduction, cancellation, redemption, repurchase or change of the authorized or issued share capital or capitalization of any Group Company, or issue or sale of any share, equity or depositary receipt of any Group Company;
(ix) the undertaking of any voluntary dissolution or liquidation thereof or any reclassification or recapitalization of the outstanding equity capital of any Group Company;

(x) any change of dividend policy of any Group Company, or any declaration, set aside or payment of any dividend by any Group Company;

(xi) the disposal of any material Intellectual Property or assets of any Group Company, and the disposal, license, sale or transfer of any material goodwill of any Group Company;

(xii) any change of the size or composition or the manner in which the directors are appointed of the board of directors of any Group Company;

(xiii) any amendment of the accounting policies, Accounting Standards or change to the financial year of any Group Company;

(xiv) initiate or settle any material litigation, arbitration or other legal proceeding;

(xv) any action that would hurt the rights or interests of the Preferred Holders (based on reasonable judgment of such Preferred Holders); and

(xvi) any action by a Group Company or any of its Affiliates to authorize, approve or enter into any agreement or obligation, or make any commitment to do so with respect to any action listed above.

Notwithstanding anything to the contrary contained herein, where any action listed in subsections (i) to (xvi) requires the approval of the Shareholders in accordance with the applicable Laws, and if the Shareholders vote in favor of such action but the approval of the Majority Holders has not yet been obtained (in each case where required), the Majority Holders shall have, in such vote, the voting rights equal to the aggregate voting power of all the Shareholders who voted in favor of the resolution plus one.

15.2 Acts of the Group Companies Requiring Approval of the Board. Regardless of anything else contained herein or in the Charter Documents of any Group Company, no Group Company shall, and the Parties (other than the Investors) shall cause each Group Company not to, take, permit to occur, approve, authorize, or agree or commit to do any of the following, whether in a single transaction or a series of related transactions, whether directly or indirectly, and whether or not by amendment, merger, consolidation, scheme of arrangement, amalgamation, or otherwise, unless otherwise approved in writing by at least a simple majority of the Board (including the affirmative consent of each Series E Director):

(i) establishment of or investment in any joint venture, its Subsidiary or its Affiliate or execution of any joint venture agreement or shareholders agreement;

(ii) any investment in, or divestiture or sale by any Group Company of an interest in another Person in excess of US$15,000,000 in the aggregate in a fiscal year;

(iii) any increase in compensation of any employee of any Group Company with monthly salary of at least US$25,000 by more than fifty percent (50%) in a twelve (12) month period;
(iv) acquisition, mortgage, pledge or disposal of any business or assets in a single transaction or a series of related transactions in excess of US$1,500,000;

(v) incurrence of any capital commitment or expenditure outside of the annual budget in a single transaction or a series of related transactions in excess of US$8,000,000 per month or US$30,000,000 in the aggregate in any fiscal year;

(vi) the incurrence of any Indebtedness in a single transaction or a series of related transactions in excess of US$5,000,000 other than in the ordinary course of business;

(vii) extension, cancellation or waiver of any Indebtedness or guarantee for Indebtedness in a single transaction or a series of related transactions in excess of US$1,500,000 to any third party;

(viii) cease to conduct or carry on its business substantially as now conducted by any Group Company, or change of any material part of its business or enter into business that is outside of the current business of Domestic Company I or Domestic Company II and their respective Subsidiaries;

(ix) any sale, transfer, license, or other disposal of, or the incurrence of any Lien on, any substantial part of the assets (including any Intellectual Property) of any Group Company or the grant of license of any Intellectual Property of any Group Company to a third party outside the ordinary course of business;

(x) purchase or lease any real property in excess of US$800,000;

(xi) any approval, modification or amendment of any transaction in excess of US$150,000 or a series of transactions in the aggregate in excess of US$800,000 in a fiscal year involving both any Group Company and a shareholder or any of such Group Company’s employees, officers, directors or shareholders or any Affiliate of a shareholder or any of its officers, directors or shareholders, except for the transactions contemplated by the Business Cooperation Agreement;

(xii) any appointment or change in the auditors of any Group Company (including the accounting firm as mentioned in Section 13 hereof), or any amendment to the approved or adopted accounting policies, Accounting Standards or procedures of any Group Company;

(xiii) any approval of the appointment, remuneration, dismiss and other employment terms of the general manager, chief executive officer, chairman, chief financial officer, the chief operating officer, the chief technology officer or other key positions of any Group Company (including any senior management nominated pursuant to Section 14.8);

(xiv) the adoption, amendment or termination of the ESOP or any other equity incentive, purchase or participation plan for the benefit of any employees, officers, directors, contractors, advisors or consultants of any of the Group Companies, and any increase of the total number of Equity Securities reserved for issuance thereunder any creation, adoption or amendment of any bonus or incentive plan, profit sharing mechanisms, employee stock option plan or any other stock option plan, or restricted stock plan of any Group Company and any grant thereunder;
approval of the IPO of any Group Company or a Listing Vehicle, including without limitation to the securities exchange, time and valuation;

(xvi) the approval of, or any deviation from or amendment of, the annual budget and business plan of any Group Company;

(xvii) any one or more actions or transactions that is out of ordinary course of business and involving an amount in excess of US$800,000, individually or in the aggregate;

(xviii) an exclusive relationship entered into by any Group Company, other than those with another Group Company;

(xix) selection of the listing exchange for an IPO and approval of the valuation and terms and conditions for the IPO (which shall be in compliance with applicable Laws and listing rules);

(xx) any other actions that would hurt the rights or interests of any Preferred Holder; and

(xxi) any action by a Group Company or any of its Affiliates to authorize, approve, effect, agree or enter into any agreement or obligation, or make any commitment to do so with respect to any action listed above.


16.1 Series E Redemption. Notwithstanding any provisions to the contrary in this Agreement, the Series E Preferred Shares shall, prior and in preference to any redemption of the Series A Preferred Shares, the Series B Preferred Shares, the Series C Preferred Shares and/or Series D Preferred Shares, be redeemable at the option of the Series E Preferred Holders as provided herein:

(i) Optional Redemption. Upon the earlier of (a) the Company has not consummated a Qualified IPO by December 31, 2022, (b) there is a material breach of this Agreement, the Series E Share Purchase Agreement, the Restructuring Agreement and/or the Articles of Association by any Group Company, any Founder, or any FounderCo and such breach has not been cured within sixty (60) days following the receipt of a written notice from any Series E Preferred Holder to the satisfaction of such Shareholder, (c) the creditworthiness of any Founder or any holder of Ordinary Shares (other than any Investor) is materially damaged, or there is any fraud, gross negligence or willful misconduct of any Founder or any holder of Ordinary Shares (other than any Investor), or there is any misconduct of any Founder or any Management Director, any of which results in damages to the Group Companies that cannot be cured, or (d) any event (other than force majeure) that result in the shutdown of the website (including the main website, IOS and Andriod apps) of the Group for more than 60 days, if requested by the Majority Series E Preferred Holders (the “Series E Request”) by a written notice delivered to the Company (the “Series E Redemption Notice”, and the date of Company’s receipt of such written notice, the “Series E Notice Date”), the Company shall redeem all or any number of the then outstanding Series E Preferred Shares in accordance with the Series E Request and the terms in this Section 16.

(ii) Redemption Price. The “Series E Redemption Price” for each Series E Preferred Share redeemed pursuant to Section 16.1 above shall be the sum of one hundred percent (100%) of the original issue price of the Series E Preferred Shares (adjusted for any share splits, share dividends, combinations, recapitalizations and similar transactions) and all dividends declared and unpaid with respect to per Series E Preferred Share then held by such Series E Shareholder, plus eight percent (8%) compounded annual interest of the combined above thereof commencing from the date of the Closing.
Additional Procedure. Within three (3) days upon receipt of any Series E Redemption Notice, the Company shall give a written notice to each other Series E Preferred Holder who has not requested the Company to redeem the Series E Preferred Shares held by it stating the existence of the Series E Request, the Series E Redemption Price, and the mechanics of redemption. Each of these non-requesting Series E Preferred Holders may also elect to require the Company to redeem all or a portion of their Series E Preferred Shares by delivering a separate redemption notice to the Company within ten (10) days (the “Series E Redemption Period”) of the receipt of such written notice from the Company (each holder so electing to require redemption and the Series E Preferred Holder who elects to exercise its redemption right pursuant to this Section 16.1(iii), a “Series E Participation Redeeming Holder”). The Company shall not redeem any Series E Preferred Shares under the Series E Request during the Series E Redemption Period.

16.2 Series A, Series B, Series C and Series D Redemption. The Series A Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series C-1 Preferred Shares and the Series D Preferred Shares shall, after the Company satisfies redemption rights of all the Series E Preferred Shares, be redeemable at the option of the applicable Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, Series B-3 Preferred Holders, the Series C-1 Preferred Holders or the Series D Preferred Holders as provided herein:

(i) Optional Redemption. Upon the earlier of (a) the Company has not consummated a Qualified IPO by December 31, 2022, (b) there is a material breach of this Agreement, the Series E Share Purchase Agreement, the Restructuring Agreement and/or the Articles of Association by any Group Company, any Founder, or any FounderCo and such breach has not been cured within sixty (60) days following the receipt of a written notice from any Series E Preferred Holder to the satisfaction of such Shareholder, (c) the creditworthiness of any Founder or any holder of Ordinary Shares (other than any Investor) is materially damaged, or there is any fraud, gross negligence or willful misconduct of any Founder or any holder of Ordinary Shares (other than any Investor), or there is any misconduct of any Founder or any Management Director, any of which results in damages to the Group Companies that cannot be cured, or (d) any event (other than force majeure) that result in the shutdown of the website (including the main website, IOS and Andriod apps) of the Group for more than 60 days, if requested by any of Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, Series B-3 Preferred Holders, Series C-1 Preferred Holders and Series D Preferred Holders (the “Series A to D Request”) by a written notice delivered to the Company (each a “Series A to D Redemption Notice” , and the date of the Company’s receipt of such written notice, the “Series A to D Notice Date”), the Company shall redeem all or any number of the then outstanding Preferred Shares in accordance with the request provided in the Series A to D Redemption Notice and the terms in this Section 16.2.

(ii) Redemption Price.

(a) The “Series A Redemption Price” for each Series A Preferred Share redeemed pursuant to Section 16.2 above shall be the sum of (A) one hundred percent (100%) of the Original Series A Issue Price, (B) eight percent (8%) compounded annual interest of the Original Series A Issue Price commencing from December 30, 2014 and (C) all dividends declared and unpaid with respect to per Series A Preferred Share then held by such Series A Shareholder.
(b) The “Series B Redemption Price” for each of Series B-1 Preferred Shares, Series B-2 Preferred Shares and Series B-3 Preferred Shares redeemed pursuant to Section 16.2 above shall be the sum of (A) one hundred percent (100%) of the applicable Original Series B Issue Price, (B) eight percent (8%) simple annual interest of the Original Series B-2 Issue Price in the case of Series B-2 Preferred Holders, or eight percent (8%) compounded annual interest of the Original Series B-1 Issue Price and the Original Series B-3 in the case of Series B-1 Preferred Holders and Series B-3 Preferred Holders, each of which commencing from February 3, 2016, and (C) all dividends declared and unpaid with respect to per Series B Preferred Share then held by such Series B Shareholder.

(c) The “Series C Redemption Price” for each Series C-1 Preferred Share redeemed pursuant to Section 16.2 above shall be the sum of (A) one hundred percent (100%) of the Original Series C-1 Issue Price, (B) eight percent (8%) compounded annual interest of the Original Series C-1 Issue Price commencing from August 8, 2016 and (C) all dividends declared and unpaid with respect to per Series C Preferred Share then held by such Series C Shareholder.

(d) The “Series D Redemption Price” for each Series D Preferred Share redeemed pursuant to Section 16.2 above shall be the sum of (A) one hundred percent (100%) of the Original Series D Issue Price, (B) eight percent (8%) compounded annual interest of the Original Series D Issue Price commencing from June 30, 2017 and (C) all dividends declared and unpaid with respect to per Series D Preferred Share then held by such Series C Shareholder.

(iii) Additional Procedures. Within three (3) days upon receipt of any Series A to D Redemption Notice, the Company shall give a written notice to each of the Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, Series B-3 Preferred Holders, Series C-1 Preferred Holders and Series D Preferred Holders who has not requested the Company to redeem the Preferred Shares held by it stating the existence of the Series A to D Request, the Series A to D Redemption Price, and the mechanics of redemption. Each of such non-requesting Preferred Holders may also elect to require the Company to redeem all or a portion of their Preferred Shares by delivering a separate redemption notice in writing to the Company within ten (10) days (the “Series A to D Redemption Period”) of the receipt of such written notice from the Company (each holder so electing to require redemption and the Preferred Holder who elects to exercise its redemption right pursuant to this Section 16.2(iii), a “Series A to D Participation Redeeming Holder”). The Company shall not redeem any Preferred Shares under the Series A to D Request during the Series A to D Redemption Period.

16.3 Procedure. The closing of the redemption of any Preferred Shares pursuant to Section 16.1 and Section 16.2 (the “Redemption Closing”) will take place within fifty (50) days of the date of the Series E Redemption Notice or the Series A to D Redemption Notice (as the case may be) at the offices of the Company, provided, however, that in any event Series E Preferred Shares shall be redeemed prior and in preference to Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series C-1 Preferred Shares and Series D Preferred Shares. At the relevant Redemption Closing, subject to applicable Law, the Company will pay in cash the full amount of the Redemption Price. From and after the relevant Redemption Closing, subject to the Company having made full payment of the Series E Redemption Price or the Series A to D Redemption Price to the Series A Preferred Holders, Series B-1 Preferred Holders, Series B-2 Preferred Holders, Series B-3 Preferred Holders, Series C-1 Preferred Holders, Series D Preferred Holders or Series E Preferred Holders (as the case may be), all rights of the holder of such Preferred Shares (except the right to receive the Series E Redemption Price or the Series A to D Redemption Price therefor if applicable) will cease with respect to such Preferred Shares, and such Preferred Shares will not thereafter be transferred on the books of the Company or be deemed outstanding for any purpose whatsoever.
16.4 Insufficient Funds. If, on the date of the relevant Redemption Closing (the “Redemption Date”), the number of Preferred Shares that may then be redeemed by the Company is less than the number of all Preferred Shares to be redeemed, the Company’s assets or funds shall be (i) first utilized to settle any redemption payments due to the holders of Series E Preferred Shares, and no redemption payments shall become due to holders of Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares, Series C-1 Preferred Shares and Series D Preferred Shares unless and until the redemption payments have been paid in full as to all the Series E Preferred Shares requested to be redeemed, (ii) second utilized to settle any redemption payments due to the holders of Series D Preferred Shares, and no redemption payments shall become due to the holders of Series A Preferred Shares, Series B-1 Preferred Shares, Series B-2 Preferred Shares, Series B-3 Preferred Shares and Series C-1 Preferred Shares, (iii) third utilized to redeem any Series C-1 Preferred Shares requested to be redeemed, (iv) fourth utilized to redeem any of Series B-1 Preferred Shares, Series B-2 Preferred Shares and Series B-3 Preferred Shares requested to be redeemed, and (v) then utilized to redeem any Series A Preferred Shares requested to be redeemed, and any remaining Preferred Shares to be redeemed (the “Unredeemed Preferred Shares”) shall be carried forward and redeemed as soon as the Company has legally available funds to do so. The redemption price payable by the Company with respect to each such Unredeemed Preferred Shares shall carry an annual simple interest of seven and one-half percent (7.5%) per annum over such period (the “Adjusted Redemption Price”).

16.5 Without limiting any rights of the Preferred Holders which are set forth in this Agreement and the Articles of Association, or are otherwise available under applicable 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.

16.6 If (i) any Preferred Holder requests the Company to redeem any Preferred Shares held by it pursuant to this Section 16, and (ii) for any reason the Company is unable to redeem part or all of the issued and outstanding Preferred Shares as required by such Preferred Holders, then such Preferred Holder shall have a put option to sell to the Founders and the FounderCos, and the Founders and the FounderCos, jointly and severally, shall purchase all or any portion of the remaining Preferred Shares held by it which have not been redeemed by the Company at the Series E Redemption Price or Series A to D Redemption Price (including the Adjusted Redemption Price if any) (as applicable). Notwithstanding the foregoing, the obligations of the Founders and the FounderCos provided hereunder shall be solely limited to the value of the Shares directly or indirectly owned or acquired by the Founders and the FounderCos. In the event that the Founders and the FounderCos fail to make the full payment for the redemption as requested by relevant Preferred Holders, the Founders and the FounderCos shall use their respective commercially reasonable effort to find a purchaser to purchase the remaining Preferred Shares, if such purchaser purchases the remaining Preferred Shares at a price lower than the Series E Redemption Price or the Series A to D Redemption Price (including the Adjusted Redemption Price if any) (as applicable), the Founders and the FounderCos shall then offer to sell the Shares held by them and pay the proceeds received from such sale to such holder of Preferred Shares, such that the consideration received by such Preferred Holder shall equal to the amount of the Series E Redemption Price or the Series A to D Redemption Price (including the Adjusted Redemption Price if any) (as applicable). If the aforesaid purchaser is unable to purchase part or all of the Preferred Shares as requested, such Preferred Holder shall be entitled to require the Founders and the FounderCos to Transfer part or all the Shares directly or indirectly held by them to such Preferred Holder at the lowest price permitted by applicable Law, any relevant tax and charges thereof shall be borne by the Founders and the FounderCos.
17. **Additional Covenants.**

17.1 **Business of the Group Companies.** The business of each Group Company shall, and each Founder shall cause the business of each Group Company to, be restricted to the Business, except otherwise approved by the Board (including the affirmative consent of each Series E Director).

17.2 **SAFE Registration.** If any holder or beneficial owner of any Share of the Company (each a “Security Holder”) is a “Domestic Resident” as defined in Circular 37 and is subject to the SAFE registration or reporting requirements under Circular 37, such holder shall use his/her/its reasonable best efforts to promptly obtain a Power of Attorney in the form attached hereto as Exhibit A from such Security Holder, and shall use his/her/its reasonable best efforts to cause the designated representative under such Power of Attorney to promptly take such actions and execute such instruments on behalf of such Security Holder to comply with the applicable SAFE registration or reporting requirements under SAFE Rules and Regulations. If a Security Holder fails to comply with the applicable SAFE registration or reporting requirements under SAFE Rules and Regulations, the Parties (other than the Investors) shall use their reasonable best efforts to promptly cause such Security Holder to cease to be a holder or beneficial owner of Shares of the Company.

17.3 **Control of Subsidiaries.** The Company shall, and each Founder shall cause the Company to, institute and keep in place such arrangements as are reasonably satisfactory to the Majority Holders such that the Company (i) will at all times Control the operations of each other Group Company and (ii) will at all times be permitted to properly consolidate the financial results for each other Group Company in the consolidated financial statements for the Company prepared under the Accounting Standards.

17.4 **Compliance with Laws; Registrations.**

   (i) The Group Companies shall, and each Founder shall cause the Group Companies to, conduct their respective business in compliance in all material respects with all applicable Laws, including but not limited to Laws regarding foreign investment, corporate registration and filing, foreign exchange, Intellectual Property rights, labor and social welfare, and taxation, and obtain, make and maintain in effect, all consents, approvals, authorizations from the relevant Governmental Authority or other Person required in respect of the due and proper establishment and operations of each Group Company as now conducted, or to be conducted in accordance with applicable Laws. Without limiting the generality of the foregoing, none of the Group Companies shall, and the Parties (other than the Investors) shall cause each Group Company not to, and the Parties shall ensure that its and their respective Affiliates and its respective officers, directors, and representatives shall not, directly or indirectly, (a) offer or give anything of value to any Public Official with the intent of obtaining any improper advantage, affecting or influencing any act or decision of any such Person, assisting any Group Company in obtaining or retaining business for, or with, or directing business to, any Person, or constituting a bribe, kickback or illegal or improper payment to assist any Group in obtaining or retaining business, (b) take any other action, in each case, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (as if it were a US Person), or any other applicable similar anti-corruption, recordkeeping and internal controls Laws or (c) establish or maintain any fund or assets in which any Group Company has proprietary rights that have not been recorded in its books and records of Group Company.
(ii) Without limiting the generality of the foregoing, each Founder and each Group Company shall ensure that all filings and registrations with the Governmental Authorities of the PRC so required by them shall be duly completed in accordance with the relevant rules and regulations, including without limitation any such filings and registrations with the Ministry of Commerce, the Ministry of Information Industry, the State Administration of Industry and Commerce, the State Administration for Foreign Exchange, tax bureau and the local counterpart of each of the aforementioned Governmental Authorities, in each case, as applicable.

17.5 Insurance. If requested by the Majority Series E Preferred Holders, the Group Companies shall, and each Founder shall cause the Group Companies to, promptly purchase and maintain in effect, worker’s injury compensation insurance, key man insurance, and other insurance, in any case with respect to the Group’s properties, employees, products, operations, and/or business, each in the amount not less than that is customarily obtained by companies of similar size, in a similar line of business, and with operations in the PRC.

17.6 Intellectual Property Protection. Except with the written consent of the Majority Holders, the Group Companies shall, and each Founder shall cause the Group Companies to, take all reasonable steps to protect their respective material Intellectual Property rights, including without limitation (a) registering their material respective trademarks, brand names, domain names and copyrights and (b) requiring each employee and consultant of each Group Company to enter into an employment agreement in form and substance reasonably acceptable to the Majority Holders, a confidential information and Intellectual Property assignment agreement and a non-competition and non-solicitation agreement requiring such Persons to protect and keep confidential such Group Company’s confidential information, Intellectual Property and trade secrets, prohibiting such Persons from competing with such Group Company for a reasonable time after their termination of employment with any Group Company, and requiring such Persons to assign all ownership rights in their work product to such Group Company, in each case in form and substance reasonably acceptable to the Majority Holders.

17.7 Internal Control System. The Group Companies shall, and each Founder shall cause the Group Companies to, maintain their books and records in accordance with sound business practices and implement and maintain an adequate system of procedures and controls with respect to finance, management and accounting that meets international standards of good practice and is reasonably satisfactory to the Majority Holders to provide reasonable assurance that (i) transactions by it are executed in accordance with management’s general or specific authorization, (ii) transactions by it are recorded as necessary to permit preparation of financial statements in conformity with the Accounting Standards and to maintain asset accountability, (iii) access to assets of it is permitted only in accordance with management’s general or specific authorization, (iv) the recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any material differences, (v) segregating duties for cash deposits, cash reconciliation, cash payment, proper approval is established and (vi) no personal assets or bank accounts of the employees, directors, officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, officers thereof during the operation of the business.
17.8 Non-competition; non-solicitation. Unless the Majority Holders otherwise consent in writing, so long as any Founder or a Key Employee is a director, officer, employee, consultant or a direct or indirect holder of any Equity Securities of a Group Company and until the later of (a) the consummation of a Qualified IPO, or (b) two (2) years after he/she is no longer a director, officer, employee, consultant, or a direct or indirect holder of any Equity Securities of a Group Company, such Founder shall not, and the Company and such Founder shall cause their respective Affiliates and each Key Employee not to, directly or indirectly:

(i) own, manage, engage 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 related to the business or otherwise competes with the Group Companies’ business (each a “Restricted Business”); provided, however, the restrictions contained in subsection (i) shall not restrict the acquisition by a Founder or a Key Employee, directly or indirectly, of less than one percent (1%) of the outstanding share capital of any publicly traded company engaged in a Restricted Business;

(ii) solicit any Person who is or has been at any time a customer of the Group for the purpose of offering to such customer goods or services similar to or competing with those offered by any Group Company, or canvass or solicit any Person who is or has been at any time a supplier or licensor or customer of any Group Company for the purpose of inducing any such Person to terminate its business relationship with such Group Company; or

(iii) solicit or entice away or endeavor to solicit or entice away any director, officer, consultant or employee of any Group Company.

Each of the Founders and the Key Employees (to the extent he/she is a party to this Agreement) expressly agrees that the limitations set forth in this Section 17.8 are reasonably tailored and reasonably necessary in light of the circumstances. Furthermore, if any provision of this Section 17.8 is more restrictive than permitted by the Laws of any jurisdiction in which a Party seeks enforcement thereof, then this Section 17.8 will be enforced to the greatest extent permitted by Law. Each of the undertakings contained in this Section 17.8 shall be enforceable by each of the Group Companies and the Investors separately and independently.

17.9 No Avoidance; Voting Trust. The Company will not, and the Founders shall cause the Company not to, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be performed hereunder by the Company, and the Company will at all times in good faith assist and take action as appropriate in the carrying out of all of the provisions of this Agreement. Each Shareholder agrees that it shall not enter into any other agreements or arrangements of any kind with respect to the voting of any Shares or deposit any Shares in a voting trust or other similar arrangement.

17.10 United States Tax Matters.

(i) The Company shall (and the Founders shall cause the Company to) use its best effort to avoid future status of the Company or any of its Subsidiaries as a PFIC. Within forty-five (45) days from the end of each taxable year of the Company, the Company shall, determine, in consultation with a reputable accounting firm, whether the Company or any of its Subsidiaries was a PFIC in such taxable year (including whether any exception to PFIC status may apply). If the Company determines that the Company or any of its Subsidiaries was a PFIC in such taxable year (or if a Governmental Authority or any Investor informs the Company that it has so determined), it shall, within sixty (60) days from the end of such taxable year, provide the following information to each holder of Preferred Shares that is a United States Person (“Direct US Investor”) and each United States Person that holds either direct or indirect interest in such holder (“Indirect US Investor”)(hereinafter, collectively referred to as a “PFIC Shareholder”): (i) all information reasonably available to the Company to permit such PFIC Shareholder to (a) accurately prepare its US tax returns and comply with any other reporting requirements, if any, arising from its investment in the Company and relating to the Company or any of its Subsidiaries’ classification as a PFIC and (b) make any election (including, without limitation, a “qualified electing fund” election under Section 1295 of the Code), with respect to the Company (or any of its Subsidiaries); and (ii) a completed “PFIC Annual Information Statement” as described under Treasury Regulation Section 1.1295-1(g). The Company shall be required to provide the information described above to an Indirect US Investor only if the relevant holder of Preferred Share requests in writing that the Company provide such information to such Indirect US Investor.

(ii) Each Founder represents that he is not a United States Person. Each Founder shall provide prompt written notice to the Company of any subsequent change in its United States Person status. The Company shall use its best efforts to avoid future status of the Company or any of its Subsidiaries as a CFC. Upon written request of a holder of Preferred Shares from time to time, the Company will promptly provide in writing such information concerning its Shareholders and the direct and indirect interest holders in each Shareholder sufficient for such holder of Preferred Shares to determine whether the Company is a CFC. In the event that the Company does not have in its possession all the information necessary for the holder of Preferred Shares to make such determination, the Company shall promptly procure such information from its Shareholders. The Company
shall, (i) upon written request of a holder of Preferred Shares, furnish on a timely basis all information requested by such holder to satisfy its (or any Indirect US Investor’s) US federal income tax return filing requirements, if any, arising from its investment in the Company and relating to the Company or any of its Subsidiaries’ classification as a CFC. In the event that a Group Company is determined by its tax advisors or by counsel or accountants for an Investor to be a CFC with respect to the securities held by such Investor, the Company agrees to use commercially reasonable efforts to avoid generating Subpart F income.

(iii) The Company shall (and the Founders shall cause the Company to) comply and cause each of its Subsidiaries to comply with all record-keeping, reporting, and other requirements that a holder of Preferred Shares inform the Company are necessary to enable such holder to comply with any applicable US tax rules. The Company shall also provide each holder of Preferred Shares with any information reasonably requested by such holder of Preferred Shares to enable such holder to comply with any applicable US tax rules.
17.11 **Confidentiality.** The terms and conditions of the Transaction Documents (collectively, the “Confidential Information”), including their existence, shall be considered confidential information and shall not be disclosed by any of the Parties to any other Person except that (i) each Party, as appropriate, may disclose any of the Confidential Information to its current or bona fide prospective investors, prospective permitted transferees, employees, investment bankers, lenders, accountants and attorneys, in each case only where such Persons are under appropriate nondisclosure obligations; (ii) each Investor may disclose any of the Confidential Information to its fund manager, its Affiliates and the employees thereof so long as such Persons are under appropriate nondisclosure obligations; and (iii) if any Party is requested or becomes legally compelled (including without limitation, pursuant to securities Laws) to disclose the existence or content of any of the Confidential Information in contravention of the provisions of this Section 17.11, such Party shall promptly provide the other Parties with written notice of that fact so that such other Parties may seek a protective order, confidential treatment or other appropriate remedy and in any event shall furnish only that portion of the information that is legally required and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information.

17.12 **ESOP.** As of the date hereof, the Company has reserved 2,106,321 Ordinary Shares for issuance to employees, officers, directors, contractors, advisors or consultants of a Group Company, all of which are to be approved by the Board in accordance with Section 15.2, for the purpose of administering and implementing the foregoing ESOP.

17.13 **Series E’s Most Favoured Nation Treatment.** If the Company has granted any rights (including the preferences of excising any rights) to any other holders of Shares that are more favourable than the terms granted a holder of Series E Preferred Shares under the Transaction Documents, such holder shall, with respect to the Series E Preferred Shares held by it, be immediately and automatically entitled to such more favourable terms of treatment. The Company shall take, and the Founders shall cause the Company to take, all necessary actions in order to effect the foregoing provisions of this Section 17.13.

17.14 **Restriction on Founders’ Shares.**

(i) **Prohibition on Transfer.** None of Founders or FounderCos (each a “Restricted Person”) shall directly or indirectly Transfer all or any part of any interest in any Restricted Shares. Subject to any restrictions set forth in this Agreement, any Restricted Person may Transfer Vested Shares held by it.

(ii) **Repurchase Right.** In the event of (i) the voluntary termination by any Founder of his employment with any Group Company, or (ii) the termination by any Group Company of such Founder’s employment with such Group Company (each a “Repurchase Event”), then, in each such event, subject to other provisions of this Section 17.14, the Company shall have the right to repurchase (the “Repurchase Right”) up to all of the Restricted Shares then held by such Founder and his FounderCo, solely to the extent such Restricted Shares have not been released from the Repurchase Right as provided below as of the applicable termination date, at a repurchase price of par value per Share.
(iii) Vesting.

(a) Vesting Schedule. Unless otherwise approved in writing by the Majority Holders, subject to Section 17.14(iii)(b), as long as such Founder is continuously an employee of a Group Company, an equal portion of the Restricted Shares held by such Founder and his FounderCo shall vest and be released from the Repurchase Right at the end of each month between Closing Date and December 31, 2018.

(b) Accelerated Vesting Upon Qualified IPO or Deemed Liquidation Event. Notwithstanding anything to the contrary contained in this Section 17.14, all then unvested Restricted Shares of such Founder or his FounderCo shall be released from the Repurchase Right and therefore become Vested Shares and shall no longer be deemed Restricted Shares upon the earlier to occur of (i) a Qualified IPO, and (ii) a Deemed Liquidation Event.

18. Miscellaneous.

18.1 Termination. This Agreement and all rights and covenants herein (with the exception of Section 2 and Section 13, which shall, notwithstanding subsection (ii) below, survive the consummation of a Qualified IPO in accordance with its terms), shall terminate on the earlier of: (i) the mutual consent of the Parties or (ii) the consummation of a Qualified IPO. Any rights of a Party set forth hereunder (other than the relevant Group Company) shall cease if such Party no longer holds, directly or indirectly, any Equity Securities of the Company. If this Agreement terminates, the Parties shall be released from their obligations under this Agreement, except in respect of any obligation stated, explicitly or otherwise, to continue to exist after the termination of this Agreement (including without limitation those under Sections 2 and 17). If any Party breaches this Agreement before its termination, he/she/it shall not be released from his/her/its obligations arising from such breach.

18.2 Further Assurances. Upon the terms and subject to the conditions herein, each of the Parties agrees to use its reasonable best efforts to take or cause to be taken all action, to do or cause to be done, to execute such further instruments, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

18.3 Assignments and Transfers; No Third Party Beneficiaries. Except as otherwise provided herein, this Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, their respective successors, assigns and legal representatives, but shall not otherwise be for the benefit of any third party. The rights of each Investor hereunder (including, without limitation, the arrangements in respect of registration rights set out in Section 2) are assignable, and the obligations of each Investor hereunder are transferable, in each case, to an Affiliate, or to a third party in connection with the Transfer of the Equity Securities of the Company held by such Investor to such third party but only to the extent of such Transfer. This Agreement and the rights and obligations of each other Party hereunder shall not otherwise be assigned or Transferred without the mutual written consent of the other Parties except as expressly provided herein.

18.4 Governing Law. This Agreement is governed by, and shall be construed in accordance with, the Laws of Hong Kong, without regard to the principles of conflict of laws thereunder that would permit or require the application of the Laws of another jurisdiction.

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18.5 Dispute Resolution.

(i) Any dispute, controversy or claim arising in any way out of or in connection with this Agreement (including, without limitation: (1) any issue regarding contractual, pre-contractual or non-contractual rights, obligations or liabilities; and (2) any issue as to the existence, validity, breach or termination of this Agreement) (a “Dispute”) shall be referred to and finally resolved by binding arbitration administered by the Hong Kong International Arbitration Centre ("HKIAC") in accordance with the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted in accordance with such Rules (the “Rules”), which Rules are deemed to be incorporated by reference into this Section 18.5(i) and as may be amended by the rest of this Section 18.5(i).

(ii) The arbitration tribunal (“Tribunal”) shall consist of three arbitrators to be appointed in accordance with the Rules.

(iii) The seat of the arbitration shall be Hong Kong. The language of the arbitration proceedings shall be English. Any award of the Tribunal shall be made in writing and shall be final and binding on the parties from the day it is made. The parties undertake to carry out any award without delay.

18.6 Notices. Any notice required or permitted pursuant to this Agreement shall be given in writing and shall be given either personally or by sending it by next-day or second-day courier service, fax, electronic mail or similar means to the address of the relevant Party as shown on Schedule III hereto (or at such other address as such Party may designate by fifteen (15) days’ advance written notice to the other Parties to this Agreement given in accordance with this Section). 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 electronic 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.

18.7 Rights Cumulative; Specific Performance. Each and all of the various rights, powers and remedies of a Party hereto will be considered to be cumulative with and in addition to any other rights, powers and remedies which such Party may have at Law or in equity in the event of the breach of any of the terms of this Agreement. The exercise or partial exercise of any right, power or remedy will neither constitute the exclusive election thereof nor the waiver of any other right, power or remedy available to such Party. Without limiting the foregoing, the Parties acknowledge and agree irreparable harm may occur for which money damages would not be an adequate remedy in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement without bond or other security being required.
18.8 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Articles of Association, or elsewhere, as the case may be.

18.9 Severability. In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. If, however, any provision of this Agreement shall be invalid, illegal, or unenforceable under any such applicable Law in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such Law, or, if for any reason it is not deemed so modified, it shall be invalid, illegal, or unenforceable only to the extent of such invalidity, illegality, or limitation on enforceability without affecting the remaining provisions of this Agreement, or the validity, legality, or enforceability of such provision in any other jurisdiction.

18.10 Amendments and Waivers. Any provision in 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 by the written consent of (i) the Company; and (ii) the Majority Holders; provided, however, (a) no amendment or waiver shall be effective or enforceable in respect of a holder of any particular series of Preferred Shares of the Company if such amendment or waiver affects the holder materially and adversely differently from the other holders of the same series of Preferred Shares, unless such holder consents in writing to such amendment or waiver, and (b) any provision that specifically and expressly gives a right to an Investor shall not be amended or waived without the prior written consent of such Investor. Notwithstanding the foregoing, any Party hereunder may waive any of its/his rights hereunder without obtaining the consent of any other Party. Any amendment or waiver effected in accordance with this Section shall be binding upon all the Parties.

18.11 No Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right, power or remedy hereunder at any one or more times be deemed a waiver or relinquishment of such right, power or remedy at any other time or times.

18.12 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Party under this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

18.13 No Presumption. The Parties acknowledge that any applicable Law that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it has no application and is expressly waived. If any claim is made by a Party relating to any conflict, omission or ambiguity in the provisions of this Agreement, no presumption or burden of proof or persuasion will be implied because this Agreement was prepared by or at the request of any Party or its counsel.
18.14  **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures shall be deemed to be originals for purposes of the effectiveness and delivery of this Agreement.

18.15  **Entire Agreement.** This Agreement, together with the Transaction Documents, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof.

18.16  **Control.** In the event of any conflict or inconsistency between any of the terms of this Agreement and any of the terms of any of the Charter Documents for any of the Group Companies, or in the event of any dispute related to any such Charter Document, the terms of this Agreement shall prevail in all respects. The Parties shall give full effect to and act in accordance with the provisions of this Agreement over the provisions of the Charter Documents, and the Parties shall exercise all voting and other rights and powers (including to procure any amendment to such Charter Documents to resolve such conflict or inconsistency) to make the provisions of this Agreement effective, and not to take any actions that impair any provisions in this Agreement.

18.17  **Aggregation of Shares.** All Shares held or acquired by any Affiliates shall be aggregated together for the purpose of determining the availability of any rights of the Shareholders under this Agreement.

18.18  **Adjustments for Share Splits, Etc.** Wherever in this Agreement there is a reference to a specific number or percentage of shares, then, upon the occurrence of any subdivision, consolidations or share dividends of the relevant class or series of the shares, the specific number or percentage of shares so referenced in this Agreement shall automatically be proportionally adjusted, as appropriate, to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, consolidation or share dividend.

18.19  **Grant of Proxy.** Upon the failure of any Founder to vote the Equity Securities of the Company held thereby, to implement the provisions of and to achieve the purposes of this Agreement, such Founder hereby grants to a Person designated by the Company a proxy coupled with an interest in all Equity Securities of the Company held by such Founder, which proxy shall be irrevocable until this Agreement terminates pursuant to its terms or this Section is amended to remove such grant of proxy in accordance with Section 18.10 hereof, to vote all such Equity Securities to implement the provisions of and to achieve the purposes of this Agreement.

18.20  **Future Significant Holders.** If so requested by the Majority Series E Preferred Holders, the Company shall cause a future holder of more than one percent (1%) of the Company’s Ordinary Shares (on a fully-diluted and as-converted basis) to become a party to this Agreement as a “holder of Ordinary Shares” and a “Shareholder” in respect of the Shares held by executing and delivering an additional counterparty signature page to this Agreement. Such holder shall thereafter be deemed a “holder of Ordinary Shares” and a “Shareholder” in respect of the Shares held for all purposes hereunder, and no action or consent by the Parties shall be required for such joinder to this Agreement, provided however, that such holder has agreed in writing to be bound by all of the obligations as a “Ordinary Shareholder” and a “Shareholder” in respect of the Shares held hereunder.
18.21 **Use of English Language.** This Agreement has been executed and delivered in the English language. Any translation of this Agreement into another language shall have no interpretive effect. All documents or notices to be delivered pursuant to or in connection with this Agreement shall be in the English language or, if any such document or notice is not in the English language, accompanied by an English translation thereof, and the English language version of any such document or notice shall control for purposes thereof.

18.22 **No Recourse.** Notwithstanding anything that may be expressed or implied in this Agreement to the contrary, and notwithstanding the fact that certain of the Investors may be corporations, partnerships, limited liability companies or trusts, each Party covenants, agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee, general or limited partner, member, manager or trustee of any Investor or of any partner, member, manager, trustee, Affiliate or assignee thereof, as such, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Investor or any current or future member of any Investor or any current or future director, officer, employee, partner, member, manager or trustee of any Investor or of any Affiliate or assignee thereof, as such, for any obligation of any Investor under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

*The remainder of this page has been intentionally left blank.*
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

THE COMPANY:

DouYu International Holdings Limited

By: /s/ CHEN Shaojie
Name: CHEN Shaojie (陈少杰)
Title: Director

THE BVI SUBSIDIARY:

DouYu Network Inc.

By: /s/ CHEN Shaojie
Name: CHEN Shaojie (陈少杰)
Title: Director

THE HONG KONG SUBSIDIARY:

Douyu Hongkong Limited (DouYu Hongkong Limited)

By: /s/ CHEN Shaojie
Name: CHEN Shaojie (陈少杰)
Title: Director

EXECUTION PAGE TO SHAREHOLDERS AGREEMENT
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

PRC COMPANIES:

_Wuhan Douyu Internet Technology Co., Ltd. (武汉斗鱼互联网技术有限公司)_

/s/ Seal of Wuhan Douyu Internet Technology Co., Ltd.

By: /s/ CHEN Shaojie
Name: CHEN Shaojie (陈超杰)
Title: Legal Representative

_Wuhan Ouyue Online TV Co., Ltd. (武汉御岳在线电视有限公司)_

/s/ Seal of Wuhan Ouyue Online TV Co., Ltd.

By: /s/ CHEN Shaojie
Name: CHEN Shaojie (陈超杰)
Title: Legal Representative

_Wuhan Douyu Yule Internet Technology Co., Ltd. (武汉斗鱼娱乐互联网技术有限公司)_

/s/ Seal of Wuhan Douyu Yule Internet Technology Co., Ltd.

By: /s/ CHEN Shaojie
Name: CHEN Shaojie (陈超杰)
Title: Legal Representative

EXECUTION PAGE TO SHAREHOLDERS AGREEMENT
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

PRC COMPANIES:

Wuhan Yuxing Tianxia Culture Media Co., Ltd. (武汉旭星天夏文化媒体有限公司)  
/s/ CHENG Chao  
Name: CHENG Chao  
Title: Authorized Signatory

Wuhan Yu Leyou Internet Technology Co., Ltd. (武汉裕来互联网技术有限公司)  
/s/ CHENG Chao  
Name: CHENG Chao  
Title: Authorized Signatory

Wuhan Yuyin Raoliang Culture Media Co., Ltd. (武汉玉音理发文化媒体有限公司)  
/s/ CHENG Chao  
Name: CHENG Chao  
Title: Authorized Signatory

Wuhan Douyu Education Consulting Co., Ltd. (武汉斗鱼教育咨询有限公司)  
/s/ CHENG Chao  
Name: CHENG Chao  
Title: Authorized Signatory

Wuhan Yuwan Culture Media Co., Ltd. (武汉玉万文化媒体有限公司)  
/s/ CHENG Chao  
Name: CHENG Chao  
Title: Authorized Signatory

Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd. (武汉小鱼北海互联网技术有限公司)  
/s/ WEI Yuanxun  
Name: WEI Yuanxun  
Title: Authorized Signatory

FOUNDERS:

By: /s/ CHEN Shaojie  
Name: CHEN Shaojie (陈少杰)

EXECUTION PAGE TO SHAREHOLDERS AGREEMENT
EXECUTION PAGE TO
SHAREHOLDERS AGREEMENT
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

The undersigned (a) understands that this Agreement imposes obligations on him, (b) has read and understands the terms of this Agreement or has had this Agreement translated and explained to him, and (c) has considered this Agreement with his own tax and legal advisors and has relied solely on such advisors for tax and legal advice and will be responsible for his own liabilities resulting from this Agreement.

FOUNDERS:

By: /s/ ZHANG Wenming
Name: ZHANG Wenming (张文明)

FOUNDERCOS:

Starry Zone Investments Limited

By: /s/ ZHANG Wenming
Name: ZHANG Wenming (张文明)
Title: Director
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

CMBI Private Equity Series SPC on behalf of and for the account of Entertainment Fund I SP

By:  /s/ JIANG Rongfeng
Name: JIANG Rongfeng
Title: Director
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

NECTARINE INVESTMENT LIMITED

By: /s/ MA Huateng
Name: MA Huateng
Title: Director
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

PHOENIX FUJU LIMITED

By: /s/ WANG Yijun
Name: WANG Yijun
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

VICTOR TALENT LIMITED

By: /s/ XU Guozheng
Name: XU Guozheng
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

Youran Holdings Limited

By: /s/ HE Jia
Name: HE Jia
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

AODONG INVESTMENTS LIMITED

By: /s/ CAI Dongqing
Name: CAI Dongqing
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

GOLD-FINANCE (HONG KONG) ASSET MANAGEMENT LIMITED

/s/ Seal of Gold-Finance

By: /s/ WEI Jie

Name: WEI Jie

Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

Hui Yuan Holdings Limited

By: /s/ Peng Chao
Name: Peng Chao
Title: Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

SCGC Capital Holding Company Limited

By: /s/ NI Zewang
Name: NI Zewang
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

ZY Entertainment Holding Limited

By: /s/ ZHU Ye
Name: ZHU Ye
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

INVESTOR:

SEQUOIA CAPITAL GLOBAL GROWTH FUND II, L.P.
SEQUOIA CAPITAL GLOBAL GROWTH II PRINCIPALS FUND, L.P.

Each a Cayman Islands exempted limited partnership

By: SC GLOBAL GROWTH II MANAGEMENT, L.P., a Cayman Islands exempted limited partnership
   General Partner of Each

By: SC US (TTGP), LTD., a Cayman Islands exempted company, its General Partner

By:

/s/ Douglas W. Leone
Name: Douglas W. Leone
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives on the day and year first above written.

**INVESTORS:**

**SCC Growth IV 2018-D, L.P.**

By: SC China Growth IV Management, L.P.
a Cayman Islands Exempted Limited partnership

By: SC China Holding Limited
a Cayman Islands limited liability company
its General Partner

By:

/s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory

**SCC Growth IV 2018-F, L.P.**

By: SC China Growth IV Management, L.P.
a Cayman Islands Exempted Limited partnership

By: SC China Holding Limited
a Cayman Islands limited liability company
its General Partner

By:

/s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory
Dear Sirs

DouYu International Holdings Limited

We have acted as Cayman Islands legal advisers to DouYu International Holdings Limited (the “Company”) in connection with the Company’s registration statement on Form F-1, including all amendments or supplements thereto (the “Registration Statement”), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American depositary shares (the “ADSs”) representing the Company’s ordinary shares of par value US$0.0001 each (the “Shares”).

We are furnishing this opinion as Exhibits 5.1, 8.1 and 23.2 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents and such other documents as we have deemed necessary in order to render the opinions below:

1.1 The certificate of incorporation of the Company dated 5 January 2018.

1.2 The second amended and restated memorandum and articles of association of the Company adopted by a special resolution passed on 29 May 2018 (the “Pre-IPO Memorandum and Articles”).
The third amended and restated memorandum and articles of association of the Company as conditionally adopted by a special resolution passed on 18 April 2019 and effective immediately prior to the completion of the Company’s initial public offering of the ADSs representing the Shares (the “IPO Memorandum and Articles”).

The unanimous written resolutions of the directors of the Company dated 18 April 2019 (the “Directors’ Resolutions”).

The unanimous written resolutions of the shareholders of the Company dated on 18 April 2019 (the “Shareholders’ Resolutions”).

A certificate from a director of the Company, a copy of which is attached hereto (the “Director’s Certificate”).

A certificate of good standing with respect to the Company issued by the Registrar of Companies dated 22 March 2019 (the “Certificate of Good Standing”).

The Registration Statement.

Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving the following opinions, we have relied (without further verification) upon the completeness and accuracy, as at the date of this opinion letter, of the Director’s Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.

All signatures, initials and seals are genuine.

There is nothing under any law (other than the laws of the Cayman Islands) which would or might affect the opinions set out below.

Opinions

Based upon, and subject to, the foregoing assumptions and the qualifications set out below, and having regard to such legal considerations as we deem relevant, we are of the opinion that:

The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.

The authorised share capital of the Company, with effect immediately prior to the completion of the Company’s initial public offering of the ADSs representing the Shares, will be US$100,000 divided into (i) 500,000,000 Ordinary Shares of a nominal or par value of US$0.0001 each, and (ii) 500,000,000 shares of a par value of US$0.0001 as the Board of Directors may determine in accordance with Article 8 of the IPO Memorandum and Articles.
3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman law, a share is only issued when it has been entered in the register of members (shareholders).

3.4 The statements under the caption “Taxation” in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

In this opinion the phrase “non-assessable” means, with respect to shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder, be liable for additional assessments or calls on the shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings “Enforceability of Civil Liabilities”, “Taxation” and “Legal Matters” and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP

Maples and Calder (Hong Kong) LLP

3
April 22, 2019

DouYu International Holdings Limited
Building F4, Optical Valley Software Park
Guanshan Avenue,
Donghu Development Area, Wuhan, 430073
The People’s Republic of China

Ladies and Gentlemen:

We are acting as United States counsel to DouYu International Holdings Limited, a company incorporated in the Cayman Islands (the “Company”), in connection with the preparation of the registration statement on Form F-1 (the “Registration Statement”) and the related prospectus (the “Prospectus”) with respect to the Company’s American depositary shares representing the Company’s ordinary shares to be offered in the Company’s initial public offering (the “ADSs”). The Company is filing the Registration Statement with the Securities and Exchange Commission under the Securities Act of 1933, as amended.

We have examined such matters of fact and law as we have deemed necessary or advisable for the purpose of our opinion.

We hereby confirm that our opinion as to the material U.S. federal income tax consequences to U.S. Holders of an investment in the ADSs is set forth in full under the caption “Taxation—Material U.S. Federal Income Tax Considerations” in the Prospectus.

We are members of the Bar of the State of New York, and we express no opinion as to the laws of any jurisdiction other than the laws of the State of New York and the federal laws of the United States.

We hereby consent to the use of our name under the caption “Taxation” and “Legal Matters” in the Prospectus included in the Registration Statement and to the filing, as an exhibit to the Registration Statement, of this letter.

In giving such consent we do not admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended.

Very truly yours,

/s/ Davis Polk & Wardwell LLP
DOUYU INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

________________________________________

AMENDED AND RESTATED RESTRICTED SHARE UNIT SCHEME

________________________________________

Adopted by DOUYU INTERNATIONAL HOLDINGS LIMITED on April 8, 2019
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1 DEFINITIONS AND INTERPRETATION

1.1 In this Scheme the following expressions have the following meanings:

“Adoption Date” means April 8, 2019, being the date on which the Scheme was adopted by the Company.

“Award” means an award of RSUs granted to a Participant pursuant to this Scheme; an award may include, if so specified by the Board in its entire discretion, cash and non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares from the date that the Award is granted to the date that it vests.

“Board” means the board of directors of the Company or a duly authorized administration committee thereof or such other committee as the Board may authorize.

“Board Lot” means the board lot in which Shares are traded on a Qualified Stock Exchange from time to time.

“Business Day” means any day (excluding Saturdays, Sundays and public holidays) on which a Qualified Stock Exchange is open for trading after the occurrence of a Qualified IPO and on which banks are open for normal banking business in Hong Kong, U.S. and the PRC.

“Cause” means, with respect to a Grantee, the summary termination of employment or office on any one or more of the following grounds: the Grantee has been guilty of misconduct, has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board in its absolute discretion) on any other ground on which the relevant member in the Group would be entitled to terminate his employment or office summarily under a Competing Circumstance (as defined below), at common law or pursuant to any applicable laws or under the Grantee’s service contract with the relevant company in the Group. Notwithstanding the foregoing, a resolution of the Board or the board of directors of the relevant Related Entity to the effect that the employment or office of a Grantee has or has not been terminated on one or more of the grounds specified herein shall be conclusive.

“Change of Control” means the occurrence of any one or more of the following events:

1
(a) any person, other than an employee benefit plan or trust maintained by the Company, becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors;

(b) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board;

(c) the consummation of (i) a merger or consolidation of the Company or any of its subsidiaries with any other corporation or entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) at least 50% of the combined voting power and total fair market value of the securities of the Company or such surviving entity or parent outstanding immediately after such merger or consolidation or (ii) any sale, lease, exchange or other transfer to any person of assets of the Company and/or any of its subsidiaries, in one transaction or a series of related transactions, having an aggregate fair market value of more than 50% of the fair market value of the Company and its subsidiaries immediately prior to such transaction(s); or

(d) any analogous situation as determined by the Board solely at its discretion; provided that, in the case of each of (a), (b) and (c), a Change of Control shall not be deemed to have occurred until the Board has determined by resolution of the Board that such event has occurred; provided further that change of control will not occur for purposes of Awards that are subject to Section 409A of the Code unless the event also constitutes a change of control under 409A of the Code.

“Code” means the Internal Revenue Code of 1986 of the United States, as amended
“Competing Circumstance” The Participant is involved in either of the following situations: (i) the Participant becomes a shareholder, director, Employee, consultant or partner of any competitor of the Company or a Related Entity; or (ii) the Participant is involved in any actions which may place a competitor in an advantageous position

“Company” means DOUYU INTERNATIONAL HOLDINGS LIMITED, an exempted company incorporated under the laws of the Cayman Islands with limited liability

“Control” means the possession, direct or indirect, of the power to direct, or cause the direction of, the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise

“Disability” means a disability, whether temporary or permanent, partial or total as determined by the Board

“Employee” means a person who has Employment Relationship with the Company or a Related Entity

“Employment Relationship” means the labor or employment relationship with the Company or a Related Entity

“Fair Market Value” means the fair market value of the Company as reasonably determined by the Committee in good faith

“Grant” means the offer of the grant of an Award made in accordance with this Scheme

“Grantee” means any Participant who accepts a Grant in accordance with the terms of the Scheme, or (where the context so permits) any person who is entitled to any Award in consequence of the death of the original Grantee

“Group” means the Company and its Related Entities

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange” means The Stock Exchange of Hong Kong Limited

“Original Adoption Date” April 1, 2018

“Original Scheme” means the DouYu International Holdings Limited Restricted Share Unit Scheme, adopted on the Original Adoption Date
“Original Trustee” means Maples Trustee Services (Cayman) Limited

“Participant” includes the Employees or any persons as determined by the Board to be eligible to participate in the Scheme

“PRC” means the People’s Republic of China, excluding, for the purpose of this document, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Qualified IPO” means a firm commitment underwritten public offering of the Shares of the Company (or depositary receipts or depositary shares thereof) in the United States on the New York Stock Exchange or NASDAQ pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or on Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange or another internationally recognized stock exchange approved by Nectarine Investment Limited or its permitted assigns and successors (the “Qualified Stock Exchange”), in any case, with the valuation of the Company being not less than US$3,000,000,000 and the proceeds of the offering being not less than US$300,000,000; provided that the definition of the “Qualified IPO” may be amended or revised by the holders of more than fifty percent (50%) of the voting power of the then issued outstanding Series E Preferred Shares (voting together as a single class and calculated on as-converted basis) (the “Majority Holders”) and any other shareholder shall, and shall cause the Director(s) appointed by such shareholder to, vote for such amendment or revision made by the Majority Holders

“Related Entity” means any entity that, directly or indirectly, Controls the Company or is Controlled by the Company through shareholding relationship or contractual arrangements, or is under common Control with the Company (directly or indirectly), or in which the Company has a significant equity interest, as determined by the Board

“RSU” means a restricted shares unit conferring the Grantee a conditional right upon vesting of the Award to obtain either Shares or an equivalent value in cash with reference to the market value of the Shares on or about the date of vesting, as determined by the Board in its absolute discretion, less any tax, fees, levies, stamp duty and other charges applicable

“Scheme” means this Amended and Restated Restricted Share Unit Scheme in its present form or as amended from time to time

“Shares” means ordinary shares of US$0.0001 each in the share capital of the Company (including securities representing the shares), or if
there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares (including securities representing the shares) forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction

“Shareholders” means holders of Shares

“Trust” means the trust established by the Trust Deed

“Trust Deed” means the deed of settlement dated May 16, 2018 and made between (1) the Company and (2) the Original Trustee (as restated, supplemented and amended from time to time) by which was established a trust known as the Douyu Employee Benefit Trust

“Trust Fund” has the meaning as set out in the Trust Deed

“Trustee” means the Original Trustee or the trustees of the Trust for the time being

“U.S.” means United States of America, its territories, its possessions and all areas subject to its jurisdiction

1.2 In this Scheme, save where the context otherwise requires:

(a) the headings and index are inserted for reference only and shall not affect the construction of any provisions of the Scheme;

(b) any reference to a clause is a reference to a clause of the Scheme;

(c) any reference to a person includes a body corporate or an unincorporated body;

(d) any reference to a statutory body includes the organization or body established to replace such statutory body or for performing the functions of such statutory body;

(e) expressions in the singular include the plural and vice versa;

(f) expressions in any gender shall include other genders; and

(g) any reference to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), shall include any subsidiary enacted under the relevant statute.

2 PURPOSE OF THE SCHEME

2.1 Reference is made to the Original Scheme, dated as of the Original Adoption Date. The Original Scheme is amended and restated in its entirety by this Scheme.

2.2 The purpose of this Scheme is to recognize and reward Participants for their contribution to the Group, to attract suitable personnel and to provide incentives to them to remain with and further contribute to the Group.

3 EFFECTIVENESS AND DURATION

Subject to any early termination as may be determined by the Board pursuant to Clause 15 of the Scheme, the Scheme shall be valid and effective for a period of 10 years commencing the Adoption Date, after which no Awards will be granted.

4 RSU LIMIT

The Board is authorized to issue up to 2,106,321 Shares in accordance with this Scheme, including the Shares issued under the Original Scheme, accounting for approximately 6.98% of the total issued shares of the company as of the Adoption Date.
5.1 This Scheme shall be subject to the administration of the Board and the Trustee in accordance with this Scheme and the Trust Deed. The rights of the Board shall include, but are not limited to, the right to:

(a) interpret and construe the provisions of this Scheme;

(b) determine the persons who will be granted Awards under this Scheme, the terms and conditions on which Awards are granted (see also Clause 6.3) and when the RSUs granted pursuant to this Scheme may vest;

(c) make such appropriate and equitable adjustments to the terms of the Awards granted under the Scheme as it deems necessary; and

(d) make such other decisions or determinations as it shall deem appropriate in the administration of the Scheme, including certain transfer or conversion restrictions pursuant to arrangements to be entered into by the Company with any depositary bank and/or underwriters.

The Board may by resolution delegate any or all of its powers in the administration of the Scheme to the administration committee or any other committee as authorized by the Board for such purpose. All the decisions, determinations and interpretations made by the Board shall be final, conclusive and binding on all parties.

5.2 Subject to any applicable laws, regulations and rules, the powers and obligations of the Trustee will be limited as set forth in the Trust Deed. The Trustee shall hold the Trust Funds upon the terms of the Trust Deed.

5.3 To the extent that the Board determines that any Award may become subject to Section 409A of the Code, the Award shall incorporate the terms and conditions required by Section 409A of the Code. In the event that following the Adoption Date the Board
determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Adoption Date), the Board may adopt such amendments to the Scheme or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Board determines are necessary or appropriate to:

(a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award; or

(b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

6  GRANT OF AWARDS

6.1 On and subject to the terms of this Scheme and the terms and conditions that the Board imposes pursuant to Clause 5.1, the Board shall be entitled at any time during the term of this Scheme to make a Grant to any Participant, as the Board may in its absolute discretion determine.

6.2 The amount of an Award may be determined at the sole and absolute discretion of the Board and may differ among selected Participants.

6.3 Awards may be granted on such terms and conditions (e.g., by linking the vesting of their RSU to the attainment or performance by any member of the Group, the Grantee or any group of Grantees) as the Board may determine, provided such terms and conditions shall be consistent with any other terms and conditions of this Scheme.

6.4 After the Board has selected the Participants, it will notify the Trustee of the person(s) selected, the number of Shares underlying the RSUs to be granted to each of them, the vesting schedule, the lock-up arrangements upon vesting and other terms and conditions that the Award is subject to as determined by the Board (if any).

6.5 Subject to limitations and conditions of this Scheme, the Board may direct the Trustee in writing to notify each of the selected Participants by way of a letter or any such notice or document in such form as the Board may from time to time determine, an offer of grant of Award ("Notice of Grant"), which shall attach an acceptance notice.

6.6 If the selected Participant intends to accept the Grant as specified in the Notice of Grant, he or she is required to sign an acceptance notice, and return it to the Trustee directly or indirectly through the Company within the time period and in a manner prescribed in the Notice of Grant. Upon the receipt from the selected Participant of a duly executed acceptance notice, the RSUs are granted to such Participant in respect of a Board Lot or an integral multiple thereof, who becomes a Grantee pursuant to this Scheme. For the avoidance of doubt, in the event that the Grant is not accepted by any selected Participant within the time period or in a manner prescribed in the Notice of Grant, such Grant shall not be affected.

6.7 Upon completion of the Qualified IPO, where any Award is proposed to be granted by the Board to any selected Participant, it shall not be granted:
(a) where the Company has, or reasonably believes there is, material non-public information or insider information that must be disclosed under the applicable laws and regulations, until such information has been published on the website of the Company and the relevant Qualified Stock Exchange;

(b) within any black-out period or equivalent period of time restricting and/or prohibiting the dealing of Shares by Employees before the publication of financial statements of the Company as provided in the rules of the applicable Qualified Stock Exchange; or

(c) in any other circumstances where dealings by any selected Participant (including directors of any member of the Group) are prohibited under any applicable law or regulation or where the requisite approval from any applicable regulatory authorities has not been granted.

6.8 The Board may not grant any Awards to any Participants in any of the following circumstances:

(a) the requisite approvals for that Grant from any applicable regulatory authorities have not been obtained

(b) the securities laws or regulations require that a prospectus or other offering documents be issued in respect of the Grant or in respect this Scheme, unless the Board determines otherwise

(c) where the Grant would result in a breach of any applicable securities laws, rules or regulations by any member of the Group or any of its directors; or

(d) the Grant would result in breach of the RSU Limit or other rules of this Scheme.

6.9 The Board shall notify the Trustee in writing if:

(a) any terms and conditions relating to any Awards and Grants are varied; and

(b) any of the Awards and Grants previously notified to the Trustee lapses.

7 VESTING OF AWARDS

7.1 Subject to the terms of the Scheme and the specific terms and conditions applicable to each Award, the RSUs granted in an Award shall be subject to a vesting period (if any) and to the satisfaction of performance and/or other conditions to be determined by the Board (if any) in its absolute discretion. If such conditions are not satisfied, the RSU shall automatically lapse on the date on which such conditions are not satisfied, as determined by the Board in its absolute discretion.

7.2 Upon fulfillment or waiver of the vesting period and vesting criteria (if any) applicable to a Grantee, a vesting notice will be sent to the Grantee by the Board or, at the written direction of the Board, the Trustee. The Grantee is required to execute, after receiving the vesting notice, certain documents set out in the vesting notice that the Board considers necessary (which may include, without limitation, a certification to the Group that he or
she has complied with all the terms and conditions set out in this RSU Scheme and the Notice of Grant). For the avoidance of doubt, in the event that the Grantee fails to execute the required documents as specified in the vesting notice, the vesting of relevant Award shall not be affected.

7.3 Subject to the delivery of the vesting notice to the Grantee, the Board may transfer or direct the Trustee to transfer (or procure the transfer of) the Shares underlying the Award (and, if applicable, the cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions in respect of those Shares) to the Grantee, subject to any applicable transfer or conversion restrictions pursuant to arrangements entered into by the Company with any depositary bank and/or underwriters.

7.4 In the event a general offer by way of voluntary offer, takeover or otherwise (other than by way of scheme of arrangement pursuant to Clause 7.5 below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person Controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the vesting date of any RSU, the Board shall, prior to the offer becoming or being declared unconditional, determine at its absolute discretion matters that include, but are not limited to, whether such RSU shall vest, the percentage of vested RSUs granted to each Grantee and the period within which such RSU shall vest. If the Board determines that such RSU shall vest and that the percentage of vested RSUs is met, it shall notify the Grantee that the RSU shall vest, the percentage of RSUs to be vested and the period within which such RSU shall vest.

7.5 In the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders, the Board shall, prior to such meetings, determine at its absolute discretion matters that include, but are not limited to, whether such RSU shall vest, the percentage of vested RSUs granted to each Grantee and the period within such RSU shall vest. If the Board determines that such RSU shall vest and that the percentage of vested RSUs is met, it shall notify the Grantee and the Trustee that the RSU shall vest, the percentage of RSUs to be vested and the period within which such RSU shall vest.

7.6 In the event a notice is given by the Company to its Shareholders to convene a Shareholders’ meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the vesting date of any RSU, the Board shall determine at its discretion matters that include, but are not limited to, whether such RSU shall vest, the percentage of vested RSUs granted to each Grantee and the period when such RSU shall vest. If the Board determines that such RSU shall vest and that the percentage of vested RSUs is met, it shall notify the Grantee and the Trustee that the RSU shall vest, the percentage of RSUs to be vested and the period within which such RSU shall vest.

7.7 In the event a compromise or arrangement, other than a scheme of arrangement contemplated in Clause 7.5 above, between the Company and its Shareholders and/or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Board shall determine at its discretion whether such RSU shall vest and the period when such RSU shall vest. If
the Board determines that such RSU shall vest, it shall notify the Grantee and the Trustee that the RSU shall vest and the period within which such RSU shall vest.

7.8 Any Shares to be transferred to a Grantee or his or her wholly-owned entity upon the vesting of RSUs granted pursuant to this Scheme shall be subject to all the provisions of the memorandum and articles of association of the Company and shall rank \textit{pari passu} in all respects with the existing fully paid Shares in issue on the date of transfer, or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer, or if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members.

8 SPECIAL TREATMENT OF AWARDS

8.1 When a Participant cancels or terminates his employment relationship with the company such Participant is employed by:

(a) regardless of the reasons for the termination of the employment relationship with such company or the expiration of the employment relationship (except for paragraphs (b) and (c) of this Clause), the unvested RSUs held by the Participant shall be invalidated without any compensation from the company;

(b) if the Participant retires after the service of the company for more than five years and reaches the statutory retirement age, or if the Participant prematurely retires/departs/dies due to a work-related injury resulting in incapacity, the RSUs granted but unvested may continue to be held by the Participant or, if the Board in its sole discretion so determines, his or her heirs; and

(c) if the Participant prematurely retires/departs/dies due to a work-related injury resulting in incapacity, the Participant or, if the Board in its sole discretion so determines, his heirs may continue to hold all vested RSUs; unvested RSUs are to be voided without any compensation from the company.

8.2 Notwithstanding the foregoing, in the event of the death due to a work-related injury of a selected Participant who is a U.S. taxpayer by reference to the Code, any relevant RSUs of such selected Participant that vest pursuant to this Clause, shall be transferred to the heirs or other personal representative of such deceased selected Participant on the earlier to occur of a Qualified IPO or a Change of Control.

8.3 Notwithstanding the above, the Board may in its sole discretion determine the special treatment of Awards, and such determination by the Board shall be final and conclusive.

9 TRANSFERABILITY

9.1 Any Award granted pursuant to this Scheme shall be personal to the Grantee and shall not be assignable or transferable. For the avoidance of doubt, after the listing of the Shares on a Qualified Stock Exchange, the underlying Shares in respect of the RSUs held by a Grantee, once vested and transferred to such Grantee, shall be equally transferrable as the remaining Shares subject to any applicable transfer or conversion restrictions pursuant to
arrangements entered into by the Company with any depositary bank and/or underwriters and applicable laws.

9.2 If a Grantee dies as a result of Clause 8.1(b) or 8.1(c), and the Board determines that the participant’s heir can continue to hold the vested RSU after exercising the powers of the Board in its sole discretion, the heir may assign such RSU by will or related inheritance distribution law. This Scheme and the terms of the granting of the notice shall be binding on the executor of the estate, the administrator of the estate, the heir and the designated representatives of the heir and the Grantee.

9.3 Notwithstanding the above, no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber, hedge or create any interest in favor of any other person over or in relation to any RSU or any other property held by the Trustee on trust for the Grantees, Awards, Shares underlying any Awards or any interest or benefits therein.

10 LAPSE

10.1 The unvested RSUs shall automatically lapse upon the earliest of:

(a) the date of the termination of Grantee’s employment or service by any member of the Group;
(b) the date on which the offer (or, as the case may be, revised offer) referred to in Clause 7.4 closes;
(c) the record date for determining entitlements under the scheme of arrangement referred to in Clause 7.5;
(d) the date of the commencement of the winding-up of the Company;
(e) the date on which the Grantee commits a breach of Clause 9.2;
(f) the date on which it is no longer possible to satisfy any outstanding conditions to vestings; or
(g) the Board has decided that the unvested RSUs shall not be vested in the Grantee in accordance with the rules of this Scheme and the terms and conditions as set out in the Notice of Grant.

10.2 The Board shall have the right to determine what constitutes Cause, whether the Grantee’s employment has been terminated for Cause and the effective date of such termination, and such determination by the Board shall be final and conclusive.

10.3 If the Grantee’s employment or service with the Company or any of the Subsidiaries or Related Entity is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, Disability or non-renewal of the employment or service agreement upon its expiration for any reason other than for Cause), the Board shall determine at its absolute discretion and shall notify the Grantee whether any unvested RSUs granted to such Grantee shall vest and the period within which such RSU shall vest. If the Board determines that such RSUs shall not vest, such RSUs shall automatically
lapse with effect from the date on which the Grantee’s employment or service is terminated and the Board shall notify the Trustee in writing accordingly.

10.4 Notwithstanding the aforesaid, in each case, the Board may in its absolute discretion decide that any RSU shall not lapse or shall be subject to such conditions or limitations as the Board may decide.

11 REORGANIZATION OF CAPITAL STRUCTURE

11.1 In the event of any alteration in the capital structure of the Company, such as capitalization issue, rights issue, consolidation, sub-division and reduction of the share capital of the Company, the Board may make equitable adjustments that it considers appropriate, at its sole discretion, including:

(a) make arrangements for the grant of substitute RSUs of equivalent fair value to an Award in the purchasing or surviving company;

(b) reach such compromise with the Grantee as it considers appropriate, including the payment of cash compensation to the Grantee equivalent to the fair value to any RSU to the extent not vested;

(c) waive any conditions to vesting of any RSU to the extent not already vested; or

(d) permit the continuation of an Award in accordance with its original terms.

12 SHARE CAPITAL

The RSUs do not carry any right to vote at general meetings of the Company. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award pursuant to this Scheme, unless and until such Shares underlying the Award are actually transferred to the Grantee upon the vesting of the RSU. Unless otherwise specified by the Board in its entire discretion in the Notice of Grant, the Grantees do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Shares underlying a unvested RSU.

13 COMPLIANCE

13.1 No discretion shall be exercised as to the grant and vesting pursuant to the Scheme and no instructions to deal with any Shares underlying any Award shall be given to the Trustee under the Scheme where such exercise of discretion or giving of instructions (as applicable) is prohibited under the applicable laws, regulations and rules from time to time (and such prohibition has not been waived in respect of the Company). Where such prohibition causes a deadline under the Scheme or the Trust Deed (including but not limited to the vesting date or the exercise of any discretion by the Board) to be missed, such deadline shall be treated as extended until as soon as practicable after the first date on which the prohibition no longer prevents the relevant action or event, or as soon as
practicable after a decision has been made as to whether the discretion should or should not be exercised, as the case may be.

13.2 The Company shall comply with all applicable disclosure requirements in connection with the administration and operation of the Scheme including, but not limited to, the requirements imposed by the rules of a Qualified Stock Exchange from time to time.

14 ALTERATION OF THIS SCHEME

The terms of this Scheme may be altered, amended or waived in any respect by the Board provided that such alteration, amendment or waiver shall not affect any subsisting rights of any Grantee thereunder. The Board shall have the right to determine whether any proposed alteration, amendment or waiver is material and such determination shall be conclusive.

15 TERMINATION

This Scheme may be terminated at any time prior to the expiry of its term by the Board provided that such termination shall not affect any subsisting rights of any Grantee hereunder. For the avoidance of doubt, no further Awards shall be granted after this Scheme is terminated but in all other respects the provisions of this Scheme shall remain in full force and effect. All RSUs granted prior to such termination and not vested on the date of termination shall remain valid. In such event, the Board shall notify the Trustee and all Grantees of such termination and how other interests or benefits in relation to the outstanding RSUs shall be dealt with.

16 MISCELLANEOUS

16.1 This Scheme shall not form part of any contract of employment or engagement of services between the Group and any Participant and the rights and obligations of any Participant under the terms of his office, employment or engagement in services shall not be affected by the participation of the Participants in this Scheme or any rights which he may have to participate in it and this Scheme shall afford such a Participant no additional rights to compensation or damages in consequence of the termination of such office, employment or engagement for any reason.

16.2 This Scheme shall not confer on any person any legal or equitable right (other than those rights constituting the RSUs themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

16.3 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or personal delivery to, in the case of the Company, its principal place of business in Hong Kong or such other address as notified to the Grantee from time to time and, in the case of a Grantee, his address as notified to the Company from time to time. Notices may also be sent electronically to Grantees by sending it to the e-mail address notified by the Grantee to the Company from time to time.

16.4 Except as otherwise expressly provided under the Scheme,

(a) any notice or other communication served by post:
(i) by the Company shall be deemed to have been served 24 hours after the same was put in the post; and

(ii) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company;

(b) any notice or other communication served by hand shall be deemed to have been served at the time of delivery; and

(c) any notice or other communication served by electronic means by the Company or the Grantee shall be deemed to have been served if the sender did not receive a failure of receipt notification.

16.5 Any notice or other communication shall not be withdrawn once it is delivered by the Grantee, except for those which shall only become effective upon a confirmation of the receipt by the Company.

16.6 The acceptance of an Award by and the transfer of Shares to a Grantee may be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong, the PRC, the United States and the Cayman Islands, and a Grantee shall be responsible for obtaining any governmental or other official consent or approval and going through any other governmental or other official procedures that may be required by any country or jurisdiction in these regards. The Group and its affiliates may coordinate or assist the Grantee in complying with such applicable requirements and taking any other actions as may be required by any applicable laws, regulations or rules. However, neither the Group and its affiliates nor the Trustee shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. The Board shall be entitled to establish such arrangements as it deems reasonably necessary with respect to the mechanisms to implement the vesting of RSUs, the remittance of the proceeds therefrom to Grantees and related registration, recordation and reporting matters to ensure that the Grantee, the Trustee and the Company can comply with all applicable securities, foreign exchange and tax regulations of all relevant jurisdictions, including without limitation, the PRC. Each Grantee shall authorise the Company and, to the extent required, the Trustee, to establish all necessary brokerage and other accounts on the Grantee’s behalf and shall provide to the Company and the Trustee such information as the Board deems necessary in connection with the Company’s, the Trustee’s and the Grantee’s compliance with the foregoing obligations.

17 **GOVERNING LAW**

17.1 The Scheme and all RSUs operate subject to the memorandum and articles of association of the Company and any applicable law to which the Company is subject.

17.2 This Scheme and all RSUs granted hereunder shall be governed by and construed in accordance with the laws of the Cayman Islands.
DOUYU INTERNATIONAL HOLDINGS LIMITED

2019 SHARE INCENTIVE PLAN

Section 1. Purpose.

The purpose of the DouYu International Holdings Limited (“Company”) 2019 Share Incentive Plan (“2019 Plan”) is to enhance the ability of Company to attract and retain exceptionally qualified individuals and to encourage them to acquire a proprietary interest in the growth and performance of the Company.

Section 2. Structure.

Each Award (as defined below) granted by the Company pursuant to the terms of this 2019 Plan, shall be granted to each participant, and the corresponding Shares issuable upon the exercise of such Award (the “Award Shares”) shall be issued to the participants or an entity designated by the participants.

Section 3. Definitions.

As used in this 2019 Plan and any Award Agreement (as defined below), the following terms shall have the meanings set forth below:

(a) “2019 Plan” shall mean this share incentive plan, as amended from time to time.

(b) “Affiliate” shall mean (i) any entity that, directly or indirectly, is controlled by the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Administrator.

(c) “Applicable Laws” shall mean all laws, statutes, regulations, ordinances, rules or governmental requirements that are applicable to this 2019 Plan or any Award granted pursuant to this 2019 Plan, including but not limited to applicable laws of the People’s Republic of China (“PRC”), the United States and the Cayman Islands, and the rules and requirements of any applicable securities exchange.

(d) “Award” shall mean any Option, award of Restricted Share, Restricted Share Unit or Other Share-Based Award granted under this 2019 Plan.

(e) “Award Agreement” shall mean any written agreement, contract or other instrument or document evidencing any Award granted under this 2019 Plan.

(f) “Board” shall mean the board of directors of the Company.
(g) "Cause" shall mean an act or acts on the part of the Participant constituting (i) indictment or conviction for, or confession of, a felony or any crime involving moral turpitude under the laws of the United States or any State thereof, or under the laws of China or Hong Kong; (ii) engagement in conduct constituting larceny, theft, embezzlement, fraud, dishonesty, conversion or any other act involving the misappropriation of Company funds and/or assets; (iii) deliberate disregard of the rules or policies of the Company or any of its direct or indirect subsidiaries which results in material loss, damage or injury to the Company or any of its direct or indirect subsidiaries, whether directly or indirectly; (iv) the willful or prolonged absence from work (other than due to disability); (v) the willful refusal or failure to carry out specific directions of the management or the Company, or perform the Participant’s duties and responsibilities hereunder; (vi) the Participant’s committing any act of gross negligence or intentional misconduct in the performance or nonperformance of his duties as an Employee or Consultant of the Company; (vii) habitual drug or alcohol abuse which impairs the Participant’s ability to perform his duties or (viii) any material breach by the Participant of any provision of any agreement with the Company or any of its direct or indirect subsidiaries and any non-competition, non-solicitation, confidential information and work product agreement between the Participant and the Company or any of its direct or indirect subsidiaries; and (ix) (if so determined by the Board in its absolute discretion) on any other ground on which the Company would be entitled to terminate his employment or office summarily under a Competing Circumstance (as defined below), at common law or pursuant to any applicable laws or under the Participant’s service contract.

Notwithstanding the foregoing, a resolution of the Board to the effect that the employment or office of a Participant has or has not been terminated on one or more of the grounds specified herein shall be conclusive.

(h) “Change in Control” shall mean the consummation of any of the following transactions:

(i) The sale of all or substantially all of the Company’s assets;

(ii) The merger of the Company with or into another corporation in which securities possessing more than 50% of the total combined voting power of the Company are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction; or

(iii) The acquisition, directly or indirectly, by any person or related group of persons (other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities of the Company representing more than 50% of the total combined voting power of the Company’s
then outstanding securities. For purposes of this paragraph, the term “person” shall not include: (1) a trustee of other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate; or (2) corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the Ordinary Shares.

A transaction shall not constitute a Change in Control if its sole purpose is to change the place of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately before such transactions.


(j) “Committee” shall mean a compensation committee of the Board designated by the Board to administer this 2019 Plan. In the absence of any compensation committee or any other related designation by the Board, the Board shall assume all of the powers and responsibilities under this 2019 Plan.

(k) “Company” shall mean DouYu International Holdings Limited, a company incorporated under the laws of the Cayman Islands, together with any successor thereto.

(l) “Competing Circumstance” shall mean that the Participant is involved in any of either of the following situations: (i) the Participant becomes a shareholder, director, employee, consultant or partner of any competitor of the Company; or (ii) the Participant is involved in any actions which may place a competitor in an advantageous position.

(m) “Consultant” shall mean any individual, including an advisor, who is engaged by the Company or an Affiliate to render services and is compensated for such services, and any director of the Company whether or not compensated for such services.

(n) “Discharge” shall mean that the relationship between the Participant and the Company or an Affiliate, whether it is employment or consultancy, is terminated due to economic layoffs or restructuring of the Company or an Affiliate, as the case may be.

(o) “Effective Date” shall mean the date as of which the 2019 Plan is approved by the Board.

(p) “Fair Market Value” shall mean (i) with respect to Shares, the closing price of a Share as stated in the daily quotations sheet of the relevant stock exchange on which the Shares are traded, or if Shares are not so traded, the fair market value of a Share as determined by such methods or procedures as
shall be established from time to time by the Administrator, and (ii) with respect to any property other than Shares, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Administrator.

(q) “Option” shall mean an option granted under Section 7 hereof.

(r) “Other Share-Based Award” shall mean a right granted under Section 9 hereof.

(s) “Participant” shall mean an individual granted an Award under this 2019 Plan.

(t) “Qualified IPO” shall mean a firm commitment underwritten public offering of the ordinary shares of the Company (or depositary receipts or depositary shares thereof) in the United States on the New York Stock Exchange or the Nasdaq Global Market pursuant to an effective registration statement under the United States Securities Act of 1933, as amended, or on Hong Kong Stock Exchange, Shanghai Stock Exchange, Shenzhen Stock Exchange or another internationally recognized stock exchange approved by Nectarine Investment Limited or its permitted assigns and successors, in any case, with the valuation of the Company being not less than US$3,000,000,000 and the proceeds of the offering being not less than US$300,000,000; provided that the definition of the “Qualified IPO” may be amended or revised by the holders of more than fifty percent (50%) of the voting power of the then issued outstanding Series E Preferred Shares (voting together as a single class and calculated on as-converted basis) (the “Majority Holders”) and any other shareholder shall, and shall cause the Director(s) appointed by such shareholder to, vote for such amendment or revision made by the Majority Holders.

(u) “Restricted Share” shall mean any Share granted under Section 8 hereof.

(v) “Restricted Share Unit” shall mean a contractual right granted under Section 8 hereof that is denominated in Shares, each of which represents a right to receive the value of a Share (or a percentage of such value, which percentage may be higher than 100%) upon the terms and conditions set forth in this 2019 Plan and the applicable Award Agreement.

(w) “Shares” shall mean ordinary shares of the Company, par value $0.0001 per share (including any securities representing the Shares).

(x) “Substitute Awards” shall mean Awards granted in assumption of, or in substitution for, outstanding Awards previously granted by, or held by the employees of, a company or other entity or business acquired (directly or indirectly) by the Company or with which the Company combines.
“Termination of Service” means, in the case of a Participant who is an employee of the Company or an Affiliate, cessation of the employment relationship such that the Participant is no longer an employee of the Company or Affiliate, or, in the case of a Participant who is an independent contractor or other service provider, the date the performance of services for the Company or an Affiliate has ended; provided, however, that in the case of an employee, the transfer of employment from the Company to an Affiliate, from an Affiliate to the Company, from one Affiliate to another Affiliate, or, unless the Administrator determines otherwise, the cessation of employee status but the continuation of the performance of services for the Company or an Affiliate as a Director of the Board or an independent contractor shall not be deemed a cessation of service that would constitute a Termination of Service; provided, further, that a Termination of Service will be deemed to occur for a Participant employed by an Affiliate when an Affiliate ceases to be an Affiliate unless such Participant’s employment continues with the Company or another Affiliate.

Section 4. Eligibility.

(a) Employees, directors and officers (each, an “Employee”) and the Consultants of the Company or an Affiliate are eligible to participate in this 2019 Plan. An Employee or Consultant who has been granted an Award may, if he or she is otherwise eligible, be granted additional Awards; provided, however, that the aggregate amount of Award(s) to be granted to any Participant under this 2019 Plan shall not exceed 1% of the maximum aggregate number of Shares that may be issued pursuant to all Awards as set forth in Section 6(a) hereof.

(b) An individual who has agreed to accept employment by, or to provide services to, the Company or an Affiliate shall be deemed to be eligible for Awards hereunder as of the date of such agreement.

Section 5. Administration.

(a) Before the Company’s Qualified IPO, this 2019 Plan shall be administered by the Board or individuals authorized by the Board. After the Company’s Qualified IPO, this 2019 Plan shall be administered by the Committee formed in accordance with applicable stock exchange rules, unless otherwise determined by the Board. The term “Administrator” shall refer to the Board or individuals authorized by the Board, or the Committee, as applicable. The Administrator may delegate its duties and powers under this 2019 Plan in whole or in part to a person or committee designated by it.

(b) Subject to the terms of this 2019 Plan and Applicable Laws, including (i) the maximum aggregate amount of Award(s) to be granted to any Participant as set forth in Section 4(a) hereof; and (ii) the maximum aggregate number of Shares that may be issued pursuant to all Awards as set forth in Section 6(a) hereof, the Administrator shall have full power and authority to:
(1) designate Participants;

(2) determine the type or types of Awards (including Substitute Awards) to be granted to each Participant under this 2019 Plan;

(3) determine the number of Shares to be covered by (or with respect to which payments, rights, or other matters are to be calculated in connection with) Awards;

(4) determine the terms and conditions of any Award;

(5) determine whether, when, to what extent, and under what circumstances Awards may be settled or exercised in cash, Shares, other securities, other Awards or other property, or canceled, forfeited or suspended, and the method or methods by which Awards may be settled, exercised, canceled, forfeited or suspended, any vesting acceleration or waiver of forfeiture or repurchase restrictions and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, will determine;

(6) determine whether, when, to what extent and under what circumstances cash, Shares, other securities, other Awards, other property and other amounts payable with respect to an Award under this 2019 Plan shall be deferred either automatically or at the election of the holder thereof or of the Administrator;

(7) interpret and administer this 2019 Plan and any instrument or agreement relating to, or Award made under, this 2019 Plan;

(8) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of this 2019 Plan;

(9) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of this 2019 Plan; and

(10) determine the Fair Market Value of the Shares as needed;

c) All decisions of the Administrator shall be final, conclusive and binding upon all persons, including the Company, the shareholders of the Company and the Participants and their beneficiaries.

Section 6. Shares Available for Awards.

(a) Subject to adjustment as provided below, the maximum aggregate number of Shares that may be issued pursuant to all Awards shall not exceed
10% of the total number of Shares of the Company issued and outstanding immediately after 30 days of the date of the Qualified IPO.

(b) If, after the Effective Date of this 2019 Plan, any Shares covered by an Award, or to which such an Award relates, are forfeited, cancelled or if such an Award otherwise terminates without the issue or transfer of Shares or delivery of other consideration, then the Shares covered by such Award, or to which such Award relates, to the extent of any such forfeiture or termination, shall again be, or shall become, available for issuance under this 2019 Plan.

(c) In the event that any Option or other Award granted hereunder (other than a Substitute Award) is exercised through the issue or transfer of Shares, and the withholding tax liabilities arising from the exercise of such Option or Award are satisfied by certain number of Shares withheld by the Company which are otherwise issuable to a Participant under an Award (such number of Shares withheld for issuance to be determined by the Company with reference to the Fair Market Value equal to the sum of the tax liabilities required to be withheld), the number of Shares available for Awards under this 2019 Plan shall be increased by the number of Shares withheld by the Company which are otherwise issuable.

(d) In the event that the Administrator shall determine that any dividend or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event affects the Shares such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this 2019 Plan, then the Administrator shall, in such manner as it may deem equitable, adjust any or all of (i) the number and type of Shares (or other securities or property) which thereafter may be made the subject of Awards, (ii) the number and type of Shares (or other securities or property) subject to outstanding Awards, (iii) the grant, purchase or exercise price with respect to any Award or, if deemed appropriate, make provision for a cash payment to the holder of an outstanding Award, and (iv) the minimum number of Shares which may be purchased by the holder of an outstanding Award at any one time; provided, however, that such adjustment shall be subject to the terms of this 2019 Plan and Applicable Laws, including (x) the maximum aggregate amount of Award(s) to be granted to any Participant as set forth in Section 4(a) hereof; and (y) the maximum aggregate number of Shares that may be issued pursuant to all Awards as set forth in Section 6(a) hereof, and (z) the number of Shares subject to any Award denominated in Shares shall always be a whole number.
(e) Shares underlying Substitute Awards shall not reduce the number of Shares remaining available for issuance under this 2019 Plan.

Section 7. Options.

The Administrator is hereby authorized to grant Options to Participants with the following terms and conditions and with such additional terms and conditions, in either case not inconsistent with the provisions of this 2019 Plan, as the Administrator shall determine and set forth in the Award Agreement:

(a) The purchase price per Share under an Option shall be determined by the Administrator.

(b) The term of each Option shall be fixed by the Administrator.

(c) The Administrator shall determine the time or times at which an Option may be exercised in whole or in part, and the method or methods by which, and the form or forms, including, without limitation, cash, Shares, other Awards or other property, or any combination thereof, having a Fair Market Value on the exercise date equal to the relevant exercise price, in which, payment of the exercise price with respect thereto may be made or deemed to have been made.

Section 8. Restricted Shares and Restricted Share Units.

(a) The Administrator is hereby authorized to grant Awards of Restricted Shares and Restricted Share Units to Participants.

(b) Restricted Shares and Restricted Share Units shall be subject to such restrictions as the Administrator may impose (including, without limitation, any limitation on the right to vote a Restricted Share or the right to receive any dividend or other right or property), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Administrator may deem appropriate.

(a) Any Restricted Share granted under this 2019 Plan may be evidenced in such manner as the Administrator may deem appropriate including, without limitation, book-entry registration, in the case of (i) creation of a new class of shares or (ii) amendment of the Memorandum and/or Articles of Association of the Company, each of (i) and (ii) shall be subject to the approval required under the Memorandum and/or Articles of Association of the Company.

Section 9. Other Share-Based Awards.

The Administrator is hereby authorized to grant to Participants such other Awards (including, without limitation, share appreciation rights and rights to dividends and dividend equivalents) that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Shares (including, without limitation,
Section 10. General Provisions Applicable to Awards.

(a) All Awards shall be evidenced by an Award Agreement between the Company and each Participant.

(b) Awards shall be granted for no cash consideration or for such minimal cash consideration as may be required by Applicable Laws.

(c) Awards may, in the discretion of the Administrator, be granted either alone or in addition to or in tandem with any other Award or any award granted under any other plan of the Company. Awards granted in addition to or in tandem with other Awards, or in addition to or in tandem with awards granted under any other plan of the Company, may be granted either at the same time as or at a different time from the grant of such other Awards or awards.

(d) Subject to the terms of this 2019 Plan, payments or transfers to be made by the Company upon the grant, exercise or payment of an Award may be made in such form or forms as the Administrator shall determine including, without limitation, cash, Shares, other securities, other Awards or other property, or any combination thereof, and may be made in a single payment or transfer, in installments, or on a deferred basis, in each case in accordance with rules and procedures established by the Administrator. Such rules and procedures may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of dividend equivalents in respect of installment or deferred payments.

(e) Unless the Administrator shall otherwise determine, no Award and no right under any such Award, shall be assignable, alienable, saleable or transferable by a Participant otherwise than by will or by the laws of descent and distribution; provided, however, that, if so determined by the Administrator, a Participant may, in the manner established by the Administrator, designate a beneficiary or beneficiaries to exercise the rights of the Participant, and to receive any property distributable, with respect to any Award upon the death of the Participant. Each Award, and each right under any Award, shall be exercisable during the Participant’s lifetime only by the Participant or, if permissible under Applicable Laws, by the Participant’s guardian or legal representative. No Award and no right under any such Award, may be pledged, charged, mortgaged, alienated, attached, or otherwise encumbered, and any
purported pledge, charge, mortgage, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company. The provisions of this paragraph shall not apply to any Award which has been fully exercised, earned or paid, as the case may be, and shall not preclude forfeiture of an Award in accordance with the terms thereof.

(f) All Shares or other securities issued or transferred under this 2019 Plan pursuant to any Award or the exercise, sale, transfer and disposition thereof shall be subject to such stop transfer orders and other transfer or conversion restrictions as the Administrator may deem advisable under this 2019 Plan or the rules, regulations and other requirements of the United States Securities and Exchange Commission, any stock exchange upon which such Shares or other securities are then listed, any Applicable Laws, and any arrangement to be entered into by the Company with any depositary bank and/or underwriters, and the Administrator may make appropriate reference to such restrictions, including inclusion of a legend or legends where necessary.

(g) No Shares shall be issued or transferred under the 2019 Plan to any Participant until such Participant has made arrangements acceptable to the Administrator for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any of its subsidiaries shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company or its subsidiaries, an amount sufficient to satisfy all applicable taxes (including the Participant’s payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of the 2019 Plan. The Administrator may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sum required to be withheld. Notwithstanding any other provision of the 2019 Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Administrator, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

Section 11. Amendment and Termination.

(a) Except to the extent prohibited by Applicable Laws and subject to the terms and conditions otherwise expressly provided in an Award Agreement or in this 2019 Plan, including (i) the maximum aggregate amount of Award(s)
to be granted to any Participant as set forth in Section 4(a) hereof; and (ii) the maximum aggregate number of Shares that may be issued pursuant to all Awards as set forth in Section 6(a) hereof, the Administrator may amend, alter, suspend, discontinue or terminate this 2019 Plan, or any Award Agreement hereunder or any portion hereof or thereof at any time; provided, however, that no such amendment, alteration, suspension, discontinuation or termination shall be made without (x) required approval if such approval is necessary to comply with any tax or regulatory requirement for which or with which the Administrator deems it necessary or desirable to qualify or comply and (y) with respect to any Award Agreement, the consent of the affected Participant, if such action, as reasonably determined by the Administrator, would materially and adversely affect the rights of such Participant under any outstanding Award.

(b) The Administrator may waive any conditions or rights under, amend any terms of, or amend, alter, suspend, discontinue or terminate, any Award theretofore granted, prospectively or retroactively, without the consent of any relevant Participant or holder or beneficiary of an Award; provided, however, that no such action shall, as reasonably determined by the Administrator, materially and adversely affect the rights of any affected Participant or holder or beneficiary under any Award theretofore granted under this 2019 Plan; and provided further that, except as provided in Section 6(e) hereof, no such action shall reduce the exercise price of any Option established at the time of grant thereof.

(c) The Administrator shall be authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events (including, without limitation, the events described in Section 6(e) hereof affecting the Company, the financial statements of the Company or changes in Applicable Laws or accounting principles); whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under this 2019 Plan.

(d) Subject to Section 6(e), any provision of this 2019 Plan or any Award Agreement to the contrary notwithstanding, with the affected Participant’s consent, the Administrator may cause any Award granted hereunder to be canceled or repurchased in consideration of a cash payment or alternative Award made to the holder of such canceled Award equal in value to the Fair Market Value of such canceled or repurchased Award as of the time of the cancellation or repurchase.

(e) The Administrator may correct any defect, supply any omission or reconcile any inconsistency in this 2019 Plan or any Award in the manner and to the extent it shall deem desirable to carry this 2019 Plan into effect.
Section 12. **Withholding Taxes.** Subject to Section 10(g), the exercise of each Award granted under this 2019 Plan shall be subject to the condition that, if at any time, the Administrator shall determine that the satisfaction of withholding tax is necessary or desirable in respect of such exercise, such exercise shall not be effective unless such withholding has been effected to the satisfaction of the Administrator. In such circumstances, the Administrator may require the exercising Participant to pay to the Company, in addition to and in the same manner as the Exercise Price for the Award Shares, such amount as the Company or any Affiliate is obliged to remit to the relevant taxing authority in respect of the exercise of the Awards. Alternatively, the Administrator may direct the Company or an Affiliate thereof to withhold the appropriate amount of tax from the applicable Participant’s salary in connection with a requested exercise. Any such additional payment shall be due no later than the date as of which any amount with respect to the Award exercised first becomes includable in the gross income of the exercising Participant for tax purposes.

Section 13. **Effect of Termination of Service or a Change in Control.**

(a) The Administrator may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, the circumstances in which, and the extent to which, an Award may be exercised, settled, vested, paid or forfeited, including by way of repurchase by the Company, in the event of a Participant’s Termination of Service prior to the vesting, exercise or settlement of such Award.

(b) The Administrator may set forth the treatment of an Award upon Termination of Service or a Change of Control in the applicable Award Agreement.

(c) In the event that the Company is a party to a Change in Control, or upon a merger or consolidation involving the Company or any other event with respect to which the Administrator deems it appropriate, in all cases without the consent of the Participant, the Administrator may cause the Award to be:

(i) assumed by the surviving corporation or its parent;

(ii) continued by the Company if it is the surviving corporation;

(iii) accelerated to become vested and exercisable, in full or in part, as the Administrator deems appropriate;

(iv) cancelled with or without consideration; or

(v) exchanged or replaced with a substitute award, in each case with or without additional consideration.
(d) To the extent not previously exercised, vested or settled, the Awards shall terminate immediately prior to the dissolution or liquidation of the Company.

Section 14 Miscellaneous.

(a) No employee, independent contractor, Participant or other person shall have any claim to be granted any Award under this 2019 Plan, and there is no obligation for uniformity of treatment of employees, independent contractors, Participants or holders or beneficiaries of Awards under this 2019 Plan. The terms and conditions of Awards need not be the same with respect to each recipient.

(b) Nothing contained in this 2019 Plan shall prevent the Company from adopting or continuing in effect other or additional compensation arrangements, and such arrangements may be either generally applicable or applicable only in specific cases.

(c) The grant of an Award shall not be construed as giving a Participant the right to be retained in the employ or service of the Company or any Affiliate. Further, the Company or the applicable Affiliate may at any time dismiss a Participant from employment or terminate the services of an independent contractor, free from any liability or any claim under this 2019 Plan, unless otherwise expressly provided in this 2019 Plan or in any Award Agreement or in any other agreement binding the parties.

(d) If any provision of this 2019 Plan or any Award is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any person or Award, or would disqualify this 2019 Plan or any Award under any Applicable Laws, such provision shall (to the fullest extent permitted by Applicable Laws) be construed or deemed amended to conform to Applicable Laws, or if it cannot be so construed or deemed amended without, in the determination of the Administrator, materially altering the intent of this 2019 Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of this 2019 Plan and any such Award shall remain in full force and effect.

(e) Awards payable under this 2019 Plan shall be payable in Shares or from the general assets of the Company, and no special or separate reserve, fund or deposit shall be made to assure payment of such awards. No Participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset (including Shares, except as expressly otherwise provided) of the Company or one of its subsidiaries by reason of any award hereunder.

(f) Neither this 2019 Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant. To the extent that any person acquires a right to
receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(g) No fractional Shares shall be issued or transferred pursuant to this 2019 Plan or any Award, and the Administrator shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional Shares, or whether such fractional Shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

(h) To the extent that the Administrator determines that any Award granted under this 2019 Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, this 2019 Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this 2019 Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance as may be issued after the Effective Date, the Administrator may adopt such amendments to the 2019 Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (x) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (y) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

(i) This 2019 Plan shall be submitted to the competent foreign exchange regulatory authority and tax authority of the PRC for registration if Applicable Laws require, and shall be implemented in accordance with the applicable rules of these authorities with respect to Participants who are PRC residents.

(j) In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Administrator may, in its sole discretion, provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Administrator may approve such supplements to, amendments, restatements or alternative versions of this 2019 Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this 2019 Plan as in effect for any other purpose; provided, however, that no such supplements, restatements or alternative versions shall increase the share limitations contained in Section 6 hereof. Notwithstanding the foregoing, the
Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

(k) The Company shall not be obligated to grant any Awards, permit the exercise of any Awards, issue any Award Shares upon the exercise of any Awards, make any payments or take any other action pursuant to this 2019 Plan if, in the opinion of the Administrator, such action would conflict or be inconsistent with any Applicable Law, the Company’s trading policies or would result in any delay or other issues in connection with an Qualified IPO, and the Administrator reserves the right to refuse to take such action for so long as such conflict or inconsistency or issue remains outstanding.

(l) The Company shall maintain a register of Awards granted to the Participants and Award Shares issued to the Participants or an entity designated by the Participants, including the dates of grant of such Awards and the exercise of such Awards and any other details as the Administrator may deem appropriate.

(m) This 2019 Plan and all Award Agreements shall be governed by and construed in accordance with the laws of the Cayman Islands.

Section 15. Effective Date of 2019 Plan.
This 2019 Plan shall be effective as of the Effective Date.

No Award shall be granted under this 2019 Plan after the 10-year anniversary of the Effective Date.
FORM OF INDEMNIFICATION AGREEMENT

DOUYU INTERNATIONAL HOLDINGS LIMITED

This Indemnification Agreement (this “Agreement”), made and entered into as of the day of , by and between DouYu International Holdings Limited, an exempted company with limited liability under the laws of Cayman Islands (the “Company”) and (“Indemnitee”).

W I T N E S S E T H:

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or executive officers unless they are provided with adequate protection through insurance or adequate indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities.

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

WHEREAS, this Agreement is a supplement to and in furtherance of the Third Amended and Restated Memorandum and Articles of Association of the Company (as may from time to time be supplemented and amended) (the “Memorandum and Articles”) and any resolutions adopted pursuant thereto and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

WHEREAS, Indemnitee does not regard the protection available under the Memorandum and Articles and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director of the Company without adequate
protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and take on additional service for or on behalf of the Company on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

(a) As used in this Agreement:

“Change of Control” means any one of the following circumstances occurring after the date hereof: (i) there shall have occurred an event required to be reported with respect to the Company in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item or any similar schedule or form) under the Exchange Act, regardless of whether the Company is then subject to such reporting requirement; (ii) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) shall have become, without prior approval of the Company’s Board by approval of at least two-thirds of the Continuing Directors, the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company’s then outstanding voting securities (provided that, for purposes of this clause (ii), the term “person” shall exclude (x) the Company, (y) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (z) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company); (iii) there occurs a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity; (iv) all or substantially all the assets of the Company are sold or disposed of in a transaction or series of related transactions; (v) the approval by the stockholders of the Company of a complete liquidation of the Company; or (vi) the Continuing Directors cease for any reason to constitute at least a majority of the members of the Board.

“Continuing Director” means (i) each director on the Board on the date hereof or (ii) any new director whose election or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors on the date hereof or whose election or nomination was so approved.
“Corporate Status” means the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, board of directors’ committee member, employee or agent of the Company or of any other Enterprise.

“Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

“Enterprise” means (i) the Company, (ii) any of the Company’s subsidiaries and affiliates, and (iii) any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, board of directors’ committee member, employee or agent.


“Expenses” means all direct and indirect costs (including attorneys’ fees, retainers, court costs, transcripts, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses) reasonably incurred in connection with (i) prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or (ii) establishing or enforcing a right to indemnification under this Agreement, the Memorandum and Articles, applicable law or otherwise. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. For the avoidance of doubt, Expenses, however, shall not include any Liabilities.

“Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporate law and neither currently is, nor in the five years previous to its selection or appointment has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement or of other indemnitees under similar indemnification agreements) or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

“Liabilities” means any losses or liabilities, including any judgments, fines, penalties and amounts paid in settlement, arising out of or in connection with any Proceeding (including all interest, assessments and other charges paid or payable in connection with or in respect of any such judgments, fines, penalties or amounts paid in settlement).
“Proceeding” means any threatened, pending or completed action, derivative action, suit, claim, counterclaim, cross claim, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil (including intentional and unintentional tort claims), criminal, administrative or investigative, including any appeal therefrom, and whether instituted by or on behalf of the Company or any other party, or any inquiry or investigation that Indemnitee in good faith believes might lead to the institution of any such action, suit or other proceeding hereinafter listed in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of any Corporate Status of Indemnitee, or by reason of any action taken (or failure to act) by him or her or of any action (or failure to act) on his or her part while serving in any Corporate Status.

(b) For the purposes of this Agreement:

References to “Company” shall include, in addition to the resulting or surviving corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents, so that if Indemnitee is or was a director, officer, employee, or agent of such constituent corporation or is or was serving at the request of such constituent corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust or other enterprise, then Indemnitee shall stand in the same position under the provisions of this Agreement with respect to the resulting or surviving corporation as Indemnitee would have with respect to such constituent corporation if its separate existence had continued.

Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to any of the Company’s subsidiaries, affiliates, an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Company” as referred to in this Agreement.

Reference to “including” shall mean “including, without limitation,” regardless of whether the words “without limitation” actually appear, references to the words “herein,” “hereof” and “hereunder” and other words of similar import shall refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection or other subdivision.
ARTICLE 2
SERVICES BY INDEMNITEE

Section 2.01. Services By Indemnitee. Indemnitee hereby agrees to serve or continue to serve as [for directors] a director of the Company, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed. [for officers] an officer of the Company until such time as Indemnitee’s employment is terminated for any reason.

ARTICLE 3
INDEMNIFICATION

Section 3.01. General. (a) The Company hereby agrees to and shall indemnify Indemnitee and hold Indemnitee harmless from and against any and all Expenses and Liabilities, in either case, actually and reasonably incurred by Indemnitee or on Indemnitee’s behalf by reason of Indemnitee’s Corporate Status, to the fullest extent permitted by applicable law. The Company’s indemnification obligations set forth in this Section 3.01 shall apply (i) in respect of Indemnitee’s past, present and future service in any Corporate Status and (ii) regardless of whether Indemnitee is serving in any Corporate Status at the time any such Expense or Liability is incurred.

For purposes of this Agreement, the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

(i) to the fullest extent permitted by any provision of the applicable company law (the “Companies Law”) or the corresponding provision of any successor statute, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the Companies Law adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

(b) Witness Expenses. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection therewith.

(c) Expenses as a Party Where Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her 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, to the fullest extent permitted by applicable law, indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on his or her behalf in connection with each successfully resolved claim, issue or matter. All such indemnification against Expenses shall be offset by the amount of cash, if any, received by the Indemnitee resulting from his/her success therein. For purposes of this Section and without limitation, 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 3.02. Exclusions. Notwithstanding any provision of this Agreement and unless Indemnitee ultimately is successful on the merits with respect to any such claim, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law, regardless of whether the securities are subject to the requirements of such provisions; or (ii) any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act);

(b) except as otherwise provided in Sections 6.01(e), prior to a Change of Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law;

(c) to the extent that Indemnitee is indemnified and actually received such payment other than pursuant to this Agreement;

(d) in connection with a judicial action by or in the right of the Company, in respect of any claim, issue or matter as to which the Indemnitee shall have been adjudicated by final judgment in a court of law to be liable for fraud or willful default in the performance of his duty to the Company unless and only to the extent that any court in which such action was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, the Indemnitee is
fairly and reasonably entitled to indemnification for such Expenses as such court shall deem proper; or

(e) for any judgment, fine or penalty which the Company is prohibited by applicable law from paying as indemnification.

ARTICLE 4
ADVANCEMENT OF EXPENSES; DEFENSE OF CLAIMS

Section 4.01. Advances. Notwithstanding any provision of this Agreement to the contrary, the Company shall advance any Expenses actually and reasonably incurred by Indemnitee in connection with any Proceeding within 30 business days after the receipt by the Company of each statement in writing requesting such advance from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee’s ability to repay such amounts and without regard to Indemnitee’s ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements in writing to the Company to support the advances claimed. Any excess of the advanced Expenses over the actual Expenses will be promptly repaid to the Company. To the extent Indemnitee has not requested any advanced payment of Expenses from the Company, Indemnitee shall be entitled to receive reimbursement for the Expenses incurred in connection with a Proceeding from the Company as soon as practicable after Indemnitee makes a written request to the Company for reimbursement.

Section 4.02. Repayment of Advances or Other Expenses. Indemnitee agrees that Indemnitee shall reimburse the Company for all Expenses advanced by the Company pursuant to Section 4.01, in the event and only to the extent that it shall be determined by final judgment or other final adjudication under the provisions of any applicable law (as to which all rights of appeal therefrom have been exhausted or lapsed) that Indemnitee is not entitled to be indemnified by the Company for such Expenses.

Section 4.03. Defense of Claims. The Company will be entitled to participate in the Proceeding at its own expense. Upon the delivery of written notice by the Company to Indemnitee, the Company shall be entitled to assume the defense of any Proceeding brought by the Company or as to which the Indemnitee has reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee. After delivery of such notice, consent to such counsel by Indemnitee and the retention of such counsel by the Company, the Company will not be liable to Indemnitee under this Agreement for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to such Proceeding; provided that (i) Indemnitee shall have the right to employ separate counsel in respect of any Proceeding at Indemnitee’s expense and (ii) if (A) the employment of counsel by Indemnitee has been previously authorized in writing by the Company or (B) Indemnitee shall have reasonably
concluded upon the advice of counsel that there is a conflict of interest between the Company and Indemnitee in the conduct of
the defense of such Proceeding, then in each such case the fees and expenses of Indemnitee’s counsel shall be at the Company’s
expense. Neither party to this Agreement shall settle any Proceeding in any manner that would impose any Expense, judgment,
fine, damages, penalty or limitation on Indemnitee without the other party’s written consent. Neither the Company nor Indemnitee
shall unreasonably withhold its consent to any proposed settlement.

ARTICLE 5  PROCEDURES FOR NOTIFICATION OF AND DETERMINATION OF ENTITLEMENT TO
INDEMNIFICATION

Section 5.01. Notification; Request For Indemnification. (a) As soon as reasonably practicable after receipt by
Indemnitee of written notice that he is a party to or a participant (as a witness or otherwise) in any Proceeding or of any other
matter in respect of which Indemnitee intends to seek indemnification or advancement of Expenses hereunder, Indemnitee shall
provide to the Company written notice thereof, including the nature of and the facts underlying the Proceeding. The omission by
Indemnitee to so notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder
or otherwise.

(b) As a condition precedent to an Indemnitee’s right to obtain indemnification under this Agreement, Indemnitee shall
deliver to the Company a written request for indemnification, including therewith such information as is reasonably available to
Indemnitee and reasonably necessary to determine Indemnitee’s entitlement to indemnification hereunder and such information as
reasonably requested by the Company. Such request(s) may be delivered from time to time and at such time(s) as Indemnitee
deems appropriate in his or her sole discretion. Indemnitee’s entitlement to indemnification shall be determined according to
Section 5.02 of this Agreement and applicable law.

Section 5.02. Determination of Entitlement. (a) Where there has been a written request by Indemnitee for
indemnification pursuant to Section 5.01(b), then as soon as is reasonably practicable (but in any event not later than 60 days)
after final disposition of the relevant Proceeding, a determination, if required by applicable law, with respect to Indemnitee’s
entitlement thereto shall be made in the specific case: (i) if a Change of Control shall not have occurred, (A) by a majority vote of
the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors
designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such
Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a
copy of which shall be delivered to Indemnitee; or (ii) if a Change of Control shall have occurred, by Independent Counsel in a
written opinion to the Board, a copy of which shall be delivered to Indemnitee. If it is so determined that Indemnitee is entitled to
indemnification, payment to Indemnitee shall be made within ten (10) business days after such determination. Indemnitee shall
reasonably cooperate with the person, persons or entity making such determination with respect to Indemnitee’s entitlement to

indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or
information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and
reasonably necessary to such determination. Any costs or expenses (including attorneys’ fees and disbursements) actually and
reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne
by the Company (irrespective of the determination as to Indemnitee’s entitlement to indemnification).

(b) If entitlement to indemnification is to be determined by Independent Counsel pursuant to Section 5.02(a)(ii), such
Independent Counsel shall be selected by Indemnitee, and Indemnitee shall give written notice to the Company advising it of the
identity of the Independent Counsel so selected. If entitlement to indemnification is to be determined by Independent Counsel
pursuant to Section 5.02(a)(i)(C) (or if Indemnitee requests that such selection be made by the Board), such Independent Counsel
shall be selected by the Company in which case the Company shall give written notice to Indemnitee advising him or her of the
identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten
(10) business days after such written notice of selection shall have been received, deliver to the Company or to Indemnitee, as the
case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that
the Independent Counsel so selected does not meet the requirements of “Independent Counsel” as defined in Section 1 of this
Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely
objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the
Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of
competent jurisdiction has determined that such objection is without merit. If, within 20 days after the submission by Indemnitee
of a written request for indemnification pursuant to Section 5.01(b) hereof, no Independent Counsel shall have been selected and
not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection
which shall have been made by the Company or Indemnitee to the other’s selection of Independent Counsel and/or for the
appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the
person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under
Section 5.02(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 6.01(a) of this
Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) The Company agrees to pay the reasonable fees and expenses of any Independent Counsel serving under this Agreement.

Section 5.03. Presumptions and Burdens of Proof; Effect of Certain Proceedings. (a) In making any determination with respect to entitlement to
indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 5.01(b) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of any person, persons or entity to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by any person, persons or entity that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 5.02 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within the sixty (60) day period referred to in Section 5.02(a), the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee’s action is in good faith reliance on the records or books of account of any Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of such Enterprise in the course of their duties, or on the advice of legal counsel for such Enterprise or on information or records given or reports made to such Enterprise by an independent certified public accountant or by an appraiser or other expert selected by such Enterprise. The provisions of this Section 5.03(d) shall not be deemed to be exclusive or to limit in any way the
other circumstances in which Indemnitee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, trustee, partner, managing member, fiduciary, officer, agent or employee of any Enterprise shall not be imputed to Indemnitee for purposes of determining any right to indemnification under this Agreement.

ARTICLE 6
REMEDIES OF INDEMNITEE

Section 6.01. Adjudication or Arbitration. (a) In the event of any dispute between Indemnitee and the Company hereunder as to entitlement to indemnification or advancement of Expenses (including where (i) a determination is made pursuant to Section 5.02 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 4.01 of this Agreement, (iii) payment of indemnification pursuant to Section 3.01 of this Agreement is not made within ten (10) business days after a determination has been made that Indemnitee is entitled to indemnification, (iv) no determination as to entitlement to indemnification is timely made pursuant to Section 5.02 of this Agreement and no payment of indemnification is made within ten (10) business days after entitlement is deemed to have been determined pursuant to Section 5.03(b)) or (v) a contribution payment is not made in a timely manner pursuant to Section 8.04 of this Agreement, then Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification, contribution or advancement. Alternatively, in such case, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by the Hong Kong International Arbitration Centre. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 6.01 shall be conducted in all respects as a de novo trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 6.01 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 5.02(a) of this Agreement adverse to Indemnitee for any purpose. If Indemnitee commences a judicial proceeding or arbitration pursuant to this Section 6.01, Indemnitee shall not be required to reimburse the Company for any advances pursuant to Section 4.02 until a final determination is made with respect to Indemnitee’s entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 5.02(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be
bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 6.01, absent (i) a 
misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee’s statement not 
materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under 
applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant 
to this Section 6.01 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall 
stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify Indemnitee to the fullest extent permitted by law against all Expenses and, if 
requested by Indemnitee, shall (within ten (10) business days after the Company’s receipt of such written request) advance such 
Expenses to Indemnitee, which are reasonably incurred by Indemnitee in connection with any judicial proceeding or arbitration 
brought by Indemnitee for (i) indemnification or advances of Expenses by the Company (or otherwise for the enforcement, 
interpretation or defense of his or her rights) under this Agreement or any other agreement, including any other indemnification, 
contribution or advancement agreement, or any provision of the Memorandum and Articles now or hereafter in effect or 
(ii) recovery or advances under any directors’ and officers’ liability insurance policy maintained by the Company, regardless of 
whether Indemnitee ultimately is determined to be entitled to such indemnification, contribution, advancement or insurance 
recovery, as the case may be.

ARTICLE 7
DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE

Section 7.01. D&O Liability Insurance. To the extent that the Company maintains a policy or policies of insurance 
(“D&O Liability Insurance”) providing liability insurance for directors and officers of the Company in their capacities as such 
(and for any capacity in which any director or officer of the Company serves any other Enterprise at the request of the Company), 
in respect of acts or omissions occurring while serving in such capacity, Indemnitee shall be covered by such policy or policies, in 
accordance with its or their terms, to the maximum extent of the coverage available for any other director or officer under such 
policy or policies.

Section 7.02. Evidence of Coverage. Upon request by Indemnitee, the Company shall provide copies of all policies of 
D&O Liability Insurance obtained and maintained in accordance with Section 7.01 of this Agreement. The Company shall 
promptly notify Indemnitee of any changes in such insurance coverage.
ARTICLE 8
MISCELLANEOUS

Section 8.01. Non-exclusivity of Rights. The rights of indemnification, contribution and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Memorandum and Articles, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

Section 8.02. Insurance and Subrogation. (a) If, at the time the Company receives notice of a claim hereunder, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies. The failure or refusal of any such insurer to pay any such amount shall not affect or impair the obligations of the Company under this Agreement.

(b) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(c) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided) hereunder if and to the extent that Indemnitee has actually received such payment under any insurance policy or other indemnity provision.

Section 8.03. The Company’s obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, board of directors’ committee member, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such Enterprise.

Section 8.04. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such
Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving rise to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s). The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 8.04 were determined by pro rata allocation or any other method of allocation which does not take account of the foregoing equitable considerations.

Section 8.05. Amendment. This Agreement may not be modified or amended except by a written instrument executed by or on behalf of each of the parties hereto. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit, restrict or reduce any right of Indemnitee under this Agreement in respect of any act or omission, or any event occurring, prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision limits rights with respect to indemnification, contribution or advancement of Expenses, it is the intent of the parties hereto that the rights with respect to indemnification, contribution or advancement of Expenses in effect prior to such change shall remain in full force and effect to the extent permitted by applicable law.

Section 8.06. Waivers. The observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce such term only by a writing signed by the party against which such waiver is to be asserted. Unless otherwise expressly provided herein, no delay on the part of any party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party hereto of any right, power or privilege hereunder operate as a waiver of any other right, power or privilege hereunder nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

Section 8.07. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and any other prior or contemporaneous oral or written understandings or agreements with respect to the matters covered hereby are superseded by this Agreement, provided that this Agreement is a supplement to and in furtherance of the Memorandum and Articles and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 8.08. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including each
portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 8.09. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing (which may be by facsimile transmission). All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. in the place of receipt and such day is a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding business day in the place of receipt. The address for notice to a party is as shown on the signature page of this Agreement, or such other address as any party shall have given by written notice to the other party as provided above.

Section 8.10. Binding Effect. (a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company, spouses, heirs, and executors, administrators, personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all, or a substantial part of the business or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(c) The indemnification, contribution and advancement of Expenses provided by, or granted pursuant to this Agreement shall continue during the period Indemnitee is an officer and/or a director of the Company or is or was serving at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding by reason of his former or current capacity at the Company or any other enterprise at the Company’s request, whether or not he is acting or serving in any such capacity at the time any Expense is incurred for which indemnification can be
provided under this Agreement. This Agreement shall inure to the benefit of the heirs, executors, administrators, legatees and assigns of such Indemnitee.

Section 8.11. Governing Law. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, Hong Kong laws, without regard to its conflict of laws rules.

Section 8.12. Consent to Jurisdiction. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 6.01(a) of this Agreement, each of the parties to this Agreement irrevocably agrees that the courts of Hong Kong shall have nonexclusive jurisdiction to hear and determine any claim, suit, action or proceeding, and to settle any disputes, which may arise out of or are in any way related to or in connection with this Agreement, and, for such purposes, irrevocably submits to the nonexclusive jurisdiction of such courts.

Section 8.13. Headings. The Article and Section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

Section 8.14. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 8.15. U.S. Federal Preemption. Notwithstanding the foregoing, both the Company and Indemnitee acknowledge that in certain instances, U.S. federal law or public policy may override applicable law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. Such instances include, but are not limited to, the U.S. Securities and Exchange Commission’s (the “SEC”) prohibition on indemnification for liabilities arising under certain U.S. federal securities laws. Indemnitee also understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company’s right under public policy to indemnify Indemnitee.

Section 8.16. No Employment Rights. Nothing in this Agreement is intended to create in Indemnitee any right to continued employment with the Company.

Section 8.15. Use of Certain Terms. As used in this Agreement, the words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular paragraph, subparagraph, section, subsection, or other subdivision. Whenever the context may require, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered to be effective as of the date first above written.

DOUYU INTERNATIONAL HOLDINGS LIMITED

By: ________________________________
   Name: ________________________________
   Title: ________________________________

Address: ________________________________
Facsimile: ________________________________
Attention: ________________________________

With a copy to:

Address: ________________________________
Facsimile: ________________________________
Attention: ________________________________

INDEMNITEE

Address: ________________________________
Facsimile: ________________________________

With a copy to:

Address: ________________________________
Facsimile: ________________________________
Attention: ________________________________
EMPLOYMENT AGREEMENT

This Employment Agreement (the “Agreement”), dated as of ___ (the “Effective Date”), is entered between DouYu International Holdings Limited, a company incorporated in the Cayman Islands (the “Company”) and ___ (the “Executive”).

WHEREAS, the Company and the Executive wish to enter into an employment agreement whereby the Executive will be employed by the Company in accordance with the terms and conditions stated below;

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE 1
EMPLOYMENT, DUTIES AND RESPONSIBILITIES

Section 1.01. Employment. The Executive shall serve as the ___ of the Company. The Executive hereby accepts such employment and agrees to devote substantially all of the Executive’s time and efforts to promoting the interests of the Company.

Section 1.02. Duties and Responsibilities. Subject to the supervision of and direction by the Board of Directors of the Company, the Executive shall perform such duties as are similar in nature to those duties and services customarily associated with the positions set forth above.

Section 1.03. Base of Operation. The Executive’s principal base of operation for the performance of his duties and responsibilities under this Agreement shall be the offices of the Company in Wuhan, the People’s Republic of China (“PRC”), and at such other places as shall from time to time be reasonably necessary to fulfill the Executive’s obligations hereunder.

ARTICLE 2
TERM

Section 2.01. Term. (a) The term of this Agreement (the “Term”) shall be specified in a separate agreement between the Executive and the Company’s designated subsidiary or affiliate entity (the “PRC Agreement”). The Term and this Agreement will be renewed automatically thereafter for successive three-year terms unless a prior notice of non-renewal is given by one party to the other.

(b) The Executive represents and warrants to the Company that neither the execution and delivery of this Agreement nor the performance of the Executive’s duties hereunder violates or will violate the provisions of any other agreement to which the Executive is a party or by which the Executive is bound.
If the PRC Agreement is terminated pursuant to the terms therein, the employment between the Executive and the Company pursuant to this Agreement shall also be terminated unless mutually agreed by both parties.

ARTICLE 3
COMPENSATION AND EXPENSES

Section 3.01. Salary And Benefits. The Executive’s salary and benefits shall be determined by the Company and shall be specified in the PRC Agreement. Unless otherwise provided in such PRC Agreement, the Executive’s salary and benefits are subject to annual review and adjustment by the Company or the Company’s designated subsidiary or affiliate entity.

Section 3.02 Expenses. The Company or the Company’s designated subsidiary or affiliate entity will reimburse the Executive for reasonable documented business-related expenses incurred by the Executive in connection with the performance of the Executive’s duties hereunder during the Term, subject, however, to the policies relating to business-related expenses of the Company or the Company’s designated subsidiary or affiliate entity as in effect from time to time during the Term, provided that, the Executive shall provide to the Company with all appropriate receipts and vouchers.

Section 3.03 Payer of Compensation. Subject to the terms and conditions as set forth in the PRC Agreement, all compensation, salary, benefits and remuneration in this Agreement may be paid by the Company or any of its subsidiaries or affiliated entities, as decided by the Company in its sole discretion.

ARTICLE 4
EXCLUSIVITY, NON-COMPETE, CONFIDENTIALITY AND NO SOLICITATION

Section 4.01. Exclusivity. The Executive agrees to perform his duties, responsibilities and obligations hereunder efficiently and to the best of his ability. The Executive agrees that the Executive will devote substantially all of the Executive’s working time, care and attention and best efforts to such duties, responsibilities and obligations throughout the Term. The Executive agrees that all of his activities as an employee of the Company shall be in conformity with all present and future policies, rules and regulations and directions of the Company not inconsistent with this Agreement and the PRC Agreement.

Section 4.02. Non-Compete, Confidentiality and No Solicitation.

(a) Non-compete. During Executive’s employment with the Company and until two (2) years after Executive’s termination of employment with the Company for any reason, Executive shall not, directly or indirectly, own, manage, engage in, operate, control, work for, consult with, render services for, provide Company information to, 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 related to the business or otherwise competes with the Company’s business in any geographic location in which the
Company conducts or is reasonably expected to conduct its business; provided, however, that such restrictions shall not restrict the acquisition by an Executive, directly or indirectly, of less than one percent (1%) of the outstanding share capital of any publicly traded company engaged in business that is related to or otherwise competes with the Company’s business.

(b) Confidentiality. Throughout the course of the Executive’s employment with the Company and thereafter, the Executive shall keep in strict confidence and not to use all non-public information relating to the business, financial condition and other aspects of the Company, including but not limited to trade secrets, business methods, products, processes, procedures, development or experimental projects, plans, service providers, customers and users and such non-public information of the customers, users and suppliers of the Company, and except as authorized by the Company, may not disclose or provide to any person, firm, corporation or entity such non-public information, and may not use such non-public information for any purpose other than to fulfill his responsibilities in the best interest of the Company. The Executive shall also comply with the Company’s corporate policies and any other agreements on confidentiality that the Executive may enter into with the Company or any of its subsidiaries or affiliated entities. This provision and such other confidentiality policies and agreements are hereinafter collectively referred to as the “Confidentiality Terms.” The Executive shall comply with the Confidentiality Terms throughout the course of the Executive’s employment with the Company pursuant to this Agreement and at all times thereafter.

(c) No Solicitation. During Executive’s employment with the Company and until two (2) years after Executive’s termination of employment with the Company for any reason, Executive shall not, directly or indirectly, solicit or entice away or endeavor to solicit or entice away (a) any person who is or has been at any time a streamer of the Company or any of its subsidiaries or affiliated entities, including streamers managed through talent agencies, (b) any person who is or has been at any time a customer of the Company or any of its subsidiaries or affiliated entities for the purpose of offering to such customer goods or services similar to or competing with those offered by the Company or any of its subsidiaries or affiliated entities, (c) any person who is or has been at any time a supplier or licensor or customer of the Company or any of its subsidiaries or affiliated entities for the purpose of inducing any such person to terminate its business relationship with the Company or any of its subsidiaries or affiliated entities, or (d) any director, officer, consultant or employee of the Company or any of its subsidiaries or affiliated entities.

(d) Notwithstanding anything to the foregoing, nothing in this agreement shall be construed as limiting or affecting the non-compete, confidentiality and no solicitation clause in the PRC Agreement.

ARTICLE 5
TERMINATION

Section 5.01. Termination by the Company. The Company shall have the right to terminate the Executive’s employment at any time with “Cause” without any advance
For purposes of this Agreement, “Cause” shall have the meanings ascribed to it in the PRC Agreement. For purposes of this Section 5.01, no act or failure to act, on the part of the Executive shall be deemed “willful” unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the act or omission of the Executive was in the best interest of the Company. The Company may also terminate the Executive’s employment at any time with or without Cause by giving a 30 days’ advance notice in writing.

Section 5.02. **Termination by the Executive.** The Executive shall have the right to terminate this Agreement at any time by giving a 60 days’ advance notice in writing pursuant to the terms hereof. If the Executive terminates the employment under this Section 5.02, the Company is not obliged to pay to the Executive any financial compensation for such termination.

Section 5.03. **Death.** In the event the Executive passes away during the Term, this Agreement shall automatically terminate, such termination to be effective on the date of the Executive’s death.

Section 5.04. **Effect of Termination.** (a) In the event of termination of the Executive’s employment, whether before or after the Term, by either party for any reason, or by reason of the Executive’s death, the Company shall pay to the Executive (or his beneficiary in the event of his death) any base salary or other compensation earned but not paid to the Executive prior to the effective date of such termination. All other benefits due the Executive following the Executive’s termination of employment shall be determined in accordance with the plans, policies and practices of the Company.

(b) In the event of termination of the Executive’s employment by the Company other than for Cause, the Company shall pay to the Executive any additional amount as provided by applicable law.

**ARTICLE 6**

**MISCELLANEOUS**

Section 6.01. **Benefit Assignment; Assignment; Beneficiary.** This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including, without limitation, any corporation or person which may acquire all or substantially all of the Company’s assets or business, or with or into which the Company may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, the Executive and the Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to the Executive hereunder if the Executive had continued to live, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive’s beneficiary, devisee, legatee or other designee, or if there is no such designee, to the Executive’s estate.

Section 6.02. **Notices.** Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by registered or certified
mail, national overnight courier, or email. In the case of the Company, to the office or email account of the Head of Human Resources; and in the case of the Executive, to the address or email account appearing on the employment records of the Company, from time to time. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given.

Section 6.03. Entire Agreement; Amendment. This Agreement contains the entire agreement and understanding between the Executive and the Company with respect to the terms and conditions of the Executive’s employment with the Company during the Term and supersedes any and all prior agreements and understandings, other than the PRC Agreement, whether written or oral, between the parties hereto with respect to compensation due for services rendered hereunder. Notwithstanding anything in the foregoing to the contrary, nothing in this agreement shall be construed as limiting or affecting the validity and effectiveness of any clause in the PRC Agreement. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

Section 6.04. Waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

Section 6.05. Headings. The article and section headings herein are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

Section 6.06. Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of New York.

Section 6.07. Agreement To Take Actions. Each party hereto shall execute and deliver such documents, certificates, agreements and other instruments, and shall take such other actions, as may be reasonably necessary or desirable in order to perform his or its obligations under this Agreement or to effectuate the purposes hereof.

Section 6.08. Arbitration. Any dispute between the parties hereto respecting the meaning and intent of this Agreement or any of its terms and provisions shall be submitted to arbitration in Hong Kong, in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules then in effect, and the arbitration determination resulting from any such submission shall be final and binding upon the parties hereto. The arbitrator shall have no authority to award reasonable attorney’s fees to any party in any dispute subject to this Section 6.08. Judgment upon any arbitration award may be entered in any court of competent jurisdiction.

Section 6.09. Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

Section 6.10. Severability. The invalidity or unenforceability of any particular provision or provisions of this Agreement shall not affect the validity or enforceability of any other
provision or provisions of this Agreement, which shall remain in full force and effect. Notwithstanding the foregoing, if any such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid or unenforceable in any jurisdiction in which enforcement of such provision is sought, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.11. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

Section 6.12. Corporate Authorization. The Company hereby represents that the execution, delivery and performance by the Company of this Agreement are within the corporate powers of the Company, and that the Chairman of its Board of Directors has the requisite authority to bind the Company hereby.

Section 6.13. Withholding. All payments to the Executive hereunder shall be subject to withholding to the extent required by applicable law.
IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement as of the date first above written.

DOUYU INTERNATIONAL HOLDINGS LIMITED

By: ________________________________
    Name: ________________________________
    Title: ________________________________

EXECUTIVE

______________________________
    Name: ________________________________
    Title: ________________________________

7
SERIES E PREFERRED SHARE PURCHASE AGREEMENT

THIS SERIES E PREFERRED SHARE PURCHASE AGREEMENT (this “Agreement”) is made as of March 8, 2018 by and among:

(1) DouYu International Holdings Limited, an exempted limited liability company organized under the laws of the Cayman Islands (the “Company”);

(2) DouYu Network Inc., a company incorporated under the laws of the British Virgin Islands (the “BVI Subsidiary”);

(3) Donyu Hongkong Limited, a company organized under the laws of Hong Kong (the “Hong Kong Subsidiary”);

(4) Wuhan Douyu Internet Technology Co., Ltd., a company organized under the laws of the PRC (“Domestic Company I”);

(5) Wuhan Ouyue Online TV Co., Ltd., a company organized under the laws of the PRC (“Domestic Company II” and, together with Domestic Company I, each a “Domestic Company” and collectively “Domestic Companies”);

(6) each of the companies listed on Schedule A attached hereto (together with the WFOE and the Domestic Companies, the “PRC Companies” and each a “PRC Company”);

(7) Mr. Shaojie Chen, a PRC citizen with the PRC ID number of [ ] (”Founder I”), and Warrior Ace Holding Limited, an exempted company organized and existing under the Laws of the British Virgin Islands and wholly owned by Founder I (“FounderCo I”);

(8) Mr. Wenming Zhang, a PRC citizen with the PRC ID number of [ ] (“Founder II”, together with Founder I, the “Founders” and each a “Founder”), and Starry Zone Investments Limited, an exempted company organized and existing under the Laws of the British Virgin Islands and wholly owned by Founder II (“FounderCo II”, together with FounderCo I, the “FounderCos” and each a “FounderCo”); and

(9) Nectarine Investment Limited, a company organized under the laws of the British Virgin Islands (together with its permitted successors and assigns, the “Purchaser”).

The Company, the BVI Subsidiary, the Hong Kong Subsidiary, the PRC Companies, and any corporation, joint venture or other entity, directly or indirectly, Controlled by any of the foregoing or whose financial statements are intended to be consolidated with those of the Company may hereinafter be collectively referred to as the “Group Companies”, and each a “Group Company”.

Exhibit 10.5
Execution Version
The Group Companies, the Founders, the FounderCos and the Purchaser may hereinafter be collectively referred to as the “Parties”, and each a “Party”.

RECITALS:

A. The Company is an exempted limited liability company established under the laws of the Cayman Islands on January 5, 2018.

B. The Company is the sole shareholder of the BVI Subsidiary and the BVI Subsidiary is the sole shareholder of the Hong Kong Subsidiary, which will own 100% of the registered capital in the WFOE upon its establishment.

C. The Founders, together with certain other Persons, collectively own 100% of the registered capital in Domestic Company I. Mr. Shaojie Chen (蔡少傑), one of the Founders, owns 100% of the registered capital in Domestic Company II.

D. The WFOE will establish Control over the business and operation of each Domestic Company by the Captive Structure upon its establishment.

E. The Parties and the relevant parties thereto will enter into a restructuring agreement as soon as practicable but in no event later than the Closing (the “Restructuring Agreement”), pursuant to which, among other things, on or prior to the Closing Date, all the steps under the Restructuring Agreement shall have been completed, including that (a) the Company will hold 100% of the issued and outstanding shares of the BVI Subsidiary and the BVI Subsidiary will hold 100% of the issued and outstanding shares of the Hong Kong Subsidiary, (b) the Hong Kong Subsidiary will own 100% of the registered capital of the WFOE, (c) the WFOE will Control each of the Domestic Companies by the Captive Structure, and (d) the original shareholders of Domestic Company I (or their respective Affiliates) will hold Ordinary Shares, Series Angel Shares, Series A Shares, Series B Shares, Series C Shares and Series D Shares (the restructuring under the Restructuring Agreement, the Restructuring Adjustment and any restructuring of the Group Companies that the Purchaser may reasonably request the Group Company to carry out prior to the Closing, the “Restructuring”).

F. The Company desires to issue and sell to the Purchaser and the Purchaser desires to purchase from the Company 7,828,728 Series E Shares on the terms and conditions set forth in this Agreement.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1

INTERPRETATION

1.1 Certain Defined Terms. For the purpose of this Agreement, capitalized terms used in this Agreement (including the recitals) shall have the following meaning:
“Accounting Standards” means generally accepted accounting principles in the United States.

“Action” means any notice, charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any Applicable Law, and whether or not before any mediator, arbitrator or Governmental Authority.

“Affiliate” means, in relation to a person, any other person which, directly or indirectly, Controls, is Controlled by or is under the common Control of such person. For the purposes of this Agreement, “Control” means, in relation to any person, having the power to direct the management or policies of such person, whether through the ownership of more than 50 percent (50%) of the voting power of such person, through the power to appoint a majority of the members of the board of directors or similar governing body of such person, or through contractual arrangements or otherwise, and references to “Controlled” or “Controlling” shall be construed accordingly. In the case of the Purchaser, “Affiliate” shall also include (v) any general partner of either the Purchaser or any person which, directly or indirectly, Controls, is Controlled by or is under the common Control of the Purchaser, (w) any limited partner of either the Purchaser or any person which, directly or indirectly, Controls, is Controlled by or is under the common Control of the Purchaser, (x) the fund manager managing either the Purchaser or any person which, directly or indirectly, Controls, is Controlled by or is under the common Control of the Purchaser, in each case where such limited partner holds, directly or indirectly, more than 50 percent (50%) of the limited partnership interests, (y) funds managed by any of the Purchaser’s Affiliates and the general partners of such funds, and (z) trusts Controlled by or for the benefit of any such person referred to in (v), (w), (x) or (y).

“Applicable Laws” means, with respect to a person, any laws, regulations, rules, measures, guidelines, treaties, judgments, determination, orders or notices of any Governmental Authority or stock exchange that is applicable to such person.

“Associate” means, with respect to any person, (i) a corporation or organization (other than the Group Companies) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of Equity Securities of such corporation or organization, (ii) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as a trustee or in a similar capacity, or (iii) any relative or spouse of such person, or any relative of such spouse, who has the same home as such Person.

“Articles of Association” means the amended and restated memorandum and articles of association of the Company substantially in form attached hereto as Exhibit A to be adopted at the Closing.

“Board” or “Board of Directors” means the board of directors of the Company.
“Business Day” means any day other than a Saturday or Sunday or public holiday or other day on which commercial banks are required or authorized by law to be closed in the PRC, Hong Kong, the British Virgin Islands or the Cayman Islands.

“Cai SPV” means Aodong Investments Limited, a company incorporated and existing under the laws of the British Virgin Islands.

“Charter Documents” means, with respect to a particular legal entity, the articles or certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.


“Deed of Adherence” means the deed of adherence to be entered into by WFOE prior to the Closing in the form attached hereto as Exhibit C.

“Disclosure Schedule” means the Disclosure Schedule set forth in Schedule E from the Warrantors to the Purchaser in relation to the representations and warranties set forth in Section 5 having the same date as this Agreement and delivered to the Purchaser prior to or upon the execution of this Agreement.

“Encumbrance” means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect.

“Equity Securities” means, with respect to any person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing.

“ESOP” means an employee share option plan to be adopted by the Board and consented by the Purchaser pursuant to Section 6.10 hereof, under which the Company will reserve a total amount of 2,106,321 Ordinary Shares for issuance to current or previous officers, directors, employees or consultants of the Group Companies.

“Fenghuang Fuju” means Phoenix Fuju Limited, a company incorporated and existing under the laws of the British Virgin Islands.
Governmental Authorities” means any national, provincial, municipal or local government, administrative or regulatory body or department, court, tribunal, arbitrator or anybody that exercises the function of a regulator.

“Governmental Order” means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“Key Employee” means all employees of the Group Companies listed on Schedule B and any new key employees of the Group Companies employed after the date hereof with positions of president, chief executive officer, chief financial officer, chief operating officer, chief technical officer, any other managers reporting directly to any Group Company’s board of directors, and any other employee with the title of “vice president” or higher and any other employees with responsibilities similar to any of the foregoing.

“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.

“Linzhi” means 丽孜，a company established under the laws of the PRC and a shareholder of Domestic Company I.

“Material Adverse Effect” means (i) any event, matter, fact, condition, change, development or circumstance which is, or is reasonably likely to be, individually or together with other event, matter, fact, condition, change, development or circumstance, materially adverse to the business, operations, result of operations, properties, assets, employees, Liabilities (including contingent liabilities), condition (financial, trading or otherwise) or financial results of the Group taken as a whole, (ii) material impairment of the ability of any Party (other than the Purchaser) to perform the material obligations of such Party under any Transaction Documents or (iii) material impairment of the validity or enforceability of this Agreement or any other Transaction Document against any Party hereto or thereto (other than the Purchaser), including any events that result to (a) suspension for more than three (3) months or termination of the business of the Group or any Group Company, (b) failure of the Group or any Group Company to perform majority of its business contracts, (c) the revocation or cancellation of any approval, permit or license already obtained by the Group or any Group Company and necessary to conduct its business, or (d) any material adverse effects to the continuous business operation of the Group or any Group Company and the loss of more than ten percent (10%) of the audited gross assets of the Group or such Group Company.

“Offshore Sequoia” means the holder of all the Series A Preferred Shares issued and outstanding immediately after the Closing.

“Ordinary Shares” means the ordinary shares of par value US$0.0001 each in the share capital of the Company.
“PRC” means the People’s Republic of China excluding, for the purposes of this Agreement, the Special Administrative Regions of Hong Kong and Macao and the territory of Taiwan.

“Preferred Shares” means the Series Angel Shares, the Series A Shares, Series B Shares, Series C Shares, Series D Shares and Series E Shares.


“Related Party” means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate of any of the foregoing.

“Renminbi” or “RMB” means the lawful currency of the PRC.

“SAFE Rules and Regulations” means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

“SAIC” means the State Administration of Industry and Commerce of the PRC or, with respect to the issuance of any business license or filing or registration to be effected by or with the State Administration of Industry and Commerce, any Governmental Authority which is similarly competent to issue such business license or accept such filing or registration under the laws of the PRC.

“SAPPRFT” means the State Administration of Press, Publication, Radio, Film and Television of the PRC.

“Security Holder” means holder or beneficial owner of an Equity Security of a Group Company.

“Series Angel Shares” means the series Angel redeemable convertible preferred shares of par value of US$0.0001 each in the share capital of the Company having the rights, powers and preferences set forth in the Articles of Association.

“Series A Shares” means the series A redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series B Shares” means any and/or all of Series B-1 Shares, Series B-2 Shares, Series B-3 Shares and Series B-4 Shares.

“Series B-1 Shares” means the series B-1 redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.
“Series B-2 Shares” means the series B-2 redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series B-3 Shares” means the series B-3 redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series B-4 Shares” means the series B-4 redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series C Shares” means any and/or all of Series C-1 Shares and Series C-2 Shares. “Series C-1 Shares” means the series C-1 redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series C-2 Shares” means the series C-2 redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series D Shares” means the series D redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Series E Shares” means the series E redeemable convertible preferred shares of par value US$0.0001 each in the share capital of the Company having the rights, powers and preferences set out in the Articles of Association.

“Shanghai Qingcheng Transfer” means the transfer of the 0.421% equity interest of Domestic Company I (represented by its registered capital equal to RMB94,065) from Shanghai Qingcheng Investment Centre L.P. (上海青城投资中心有限合伙企业) to Founder I.

“Shareholders Agreement” means the shareholders agreement substantially in form attached hereto as Exhibit B to be entered into among the Purchaser, the Founders, the FounderCos, the Company and certain other parties thereto.

“Shares” means any of the Preferred Shares and the Ordinary Shares.

“Subsidiary” means, with respect to a specific entity, (i) any entity (x) more than fifty percent (50%) of whose shares or other interests entitled to vote in the election of directors or (y) more than a fifty percent (50%) of whose interests in the profits or capital of such entity are owned or Controlled directly or indirectly by the subject entity or through one (1) or more Subsidiaries of the subject entity; (ii) any entity whose profit and loss and net earnings are consolidated with the profit and loss and net earnings of the subject entity and are recorded on the books of the subject entity for financial reporting purposes in accordance with the Accounting Standards; and (iii) any entity with respect to which the subject entity has the power to otherwise direct the business, management and policies (with respect to operational or financial control or otherwise) of that entity directly or indirectly through another Subsidiary, any contractual arrangement or otherwise (for the avoidance of doubt, each Domestic Company, all the direct and indirect Subsidiaries of each PRC Domestic Company shall be regarded as Subsidiaries of the Company).
“Tax” means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.

“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.

“Trade Sale” means (i) a sale, lease, transfer or other disposition of all or substantially all of the assets of the Company, (ii) a transfer or an exclusive licensing of all or substantially all of the intellectual property of the Company, (iii) a sale, transfer or other disposition of a majority of the issued and outstanding share capital of the Company or a majority of the voting power of the Company; or (iv) a merger, consolidation or other business combination of the Company with or into any other business entity in which the shareholders of the Company immediately after such merger, consolidation or business combination hold shares representing less than a majority of the voting power of the outstanding share capital of the surviving business entity.

“Transaction Documents” means this Agreement, the Shareholders Agreement, the Articles of Association, the Control Documents, the Restructuring Agreement, the Director Indemnification Agreement, and other agreements and document with respect to the transactions under this Agreement.

“US Dollar” or “US$” means the lawful currency of the United States of America.

“Warrantors” means collectively, the Founders, the FounderCos, the Group Companies and “Warrantor” means any of them.

“WFOE” means the wholly foreign owned enterprise with limited liability to be established by the Hong Kong Subsidiary under the Laws of the PRC after the execution of this Agreement, but before the Closing.

1.2 References. The following terms have the meaning in the Sections set forth below:
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1.3 **References.** In this Agreement, a reference to:

(a) a “holding company” means, with respect to a company, any other company which directly or indirectly owns more than 50 per cent of the voting shares, registered capital or other equity interest in the first mentioned company;

(b) a “person” includes a reference to any individual, company, enterprise or other economic organisation, or any Governmental Authority or agency, or any joint venture, association, partnership, collective, trade union or employee representative body (whether or not having separate legal personality) and includes a reference to that person’s legal personal representatives, successors and permitted assigns;

(c) a “Party” or “Parties”, unless the context otherwise requires, is a reference to a party or parties to this Agreement and includes a reference to that party’s legal personal representatives, successors and permitted assigns;

(d) an agreement or a document is a reference to such agreement or document as amended, restated or supplemented from time to time, unless otherwise expressed to the contrary;

(e) any reference to a party’s “knowledge” means such party’s actual knowledge after due and diligent inquiries of officers and directors of such party reasonably believed to have knowledge of the matter in question;

(f) a document in the “agreed form” is a reference to a document in a form approved and for the purposes of identification initialled by or on behalf of each party;

(g) a clause, paragraph or Schedule, unless the context otherwise requires, is a reference to a clause or paragraph of, or Schedule to, this Agreement;

(h) whenever the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation”;

(i) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, unless otherwise specified herein, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement;

(j) the headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;
(k) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

(l) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;

(m) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms;

(n) references in this Agreement to a “Party” or any other Person are also to its successors and permitted assigns and transferees;

(o) a statutory provision includes a reference to the statutory provision as modified from time to time before the date of this Agreement and any implementing regulations made under the statutory provision (as so modified) before the date of this Agreement;

(p) Liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument; and
SECTION 2

ISSUANCE OF SERIES E SHARES

2.1 Authorization of Issuance of Series E Shares. As of the Closing, the Company shall have authorized, pursuant to the terms and conditions of this Agreement, the issuance to the Purchaser of 7,828,728 Series E Shares, which shall have the rights, preferences, privileges and restrictions set forth in the Articles of Association and the Shareholders Agreement.

2.2 Issuance of Series E Shares. Subject to the terms and conditions hereof and in consideration of the Series E Purchase Price set forth below, the Company hereby agrees to issue and sell to the Purchaser, and the Purchaser hereby agrees to purchase from the Company, 7,828,728 Series E Shares, at a price of US$80.5674 per share, for an aggregate purchase price of US$630,740,000 (the “Series E Purchase Price”).

SECTION 3

CLOSING

3.1 Closing of Issuance of Series E Shares. The closing of the purchase and sale of the Series E Shares hereunder (the “Closing”, and such date the “Closing Date”) shall take place remotely via the exchange of documents and signatures on a date specified by the Parties as soon as practical after satisfaction or otherwise waiver of the conditions as set forth in Section 7 and Section 8 (but in any event within three (3) Business Days thereafter, except for the conditions to be satisfied at the Closing), or at such other time and place as mutually agreed by the Parties. The capitalization table of the Company on a fully-diluted basis immediately after the Closing Date is set forth on Schedule F hereto.

3.2 Deliveries by Company. At the Closing, in addition to any items the delivery of which is made an express closing condition pursuant to Sections 7 and 8 hereof, the Company shall deliver to the Purchaser:

(a) a copy of the updated register of members of the Company as of the Closing Date, certified by the registered office provider of the Company, reflecting the issuance to the Purchaser of the numbers of Series E Shares pursuant to Sections 2.1 and 2.2;

(b) share certificate(s) representing the numbers of the Series E Shares being purchased by the Purchaser, registered in the name of the Purchaser and certified by the registered office provider of the Company (and within five (5) Business Days following the Closing, the Company shall deliver to the Purchaser the original copy of such share certificates duly executed in accordance with the Articles of Association); and

(c) a copy of the updated register of directors of the Company as of the Closing Date, certified by the registered office provider of the Company, evidencing the appointment of the Series E Directors designated by the Purchaser as contemplated by Section 8.12.
3.3 **Deliveries by the Purchaser.** At the Closing, the Purchaser shall deliver to the Company the Series E Purchase Price for each Series E Share to the bank account which shall be designated by the Company in writing to the Purchaser not less than five (5) Business Days prior to the Closing.

**SECTION 4**

**REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser hereby represents and warrants to the Company that the following statements are true and correct as of the date of this Agreement 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 and warranties will be true and correct as of such particular date):

4.1 **Authorization.** The Purchaser has all requisite power, authority and capacity to enter into this Agreement, the Shareholders Agreement, and any other Transaction Documents to which it is a party, and to perform its obligations under this Agreement, the Shareholders Agreement and other Transaction Documents to which it is a party. This Agreement has been duly authorized, executed and delivered by the Purchaser. This Agreement, the Shareholders Agreement and other Transaction Documents to which it is a party, when executed and delivered by the Purchaser, will constitute valid and legally binding obligations of the Purchaser, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights generally and to general equitable principles.

4.2 **Restrictions on Transfer.** The Purchaser understands that the Series E Shares are characterized as “restricted securities” under the United States federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended (the “Act”), only in certain limited circumstances. In this connection, the Purchaser represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act. The Purchaser understands that the Series E Shares have not been and will not be registered under the Act and have not been and will not be registered or qualified in any state in which they are offered, and thus the Purchaser will not be able to resell or otherwise transfer its Series E Shares unless they are registered under the Act and registered or qualified under applicable state securities laws, or an exemption from such registration or qualification is available.

**SECTION 5**

**REPRESENTATIONS AND WARRANTIES OF THE WARRANTORS**

The Warrantors hereby, jointly and severally, represent and warrant to the Purchaser that the following statements are true and correct as of the date of this Agreement 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 and warranties will be true and correct as of such particular date):
5.1 **Organization, Good Standing and Qualification.**

(a) Each of the Group Companies and the FounderCos is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, or by virtue of, the laws of their jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. Each of Group Companies and the FounderCos is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required.

(b) Each Founder possesses the legal capacity to execute and deliver this Agreement and each other Transaction Document to which he is a party and to perform his obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, and such execution, delivery, performance and consummation shall not result in: (i) a breach of, or constitute a default under, any instrument to which such Founder is a party or by which such Founder is bound and which is material in the context of the transactions contemplated by this Agreement; or (ii) a breach of any Applicable Laws which are material in the context of the transactions contemplated by this Agreement.

(c) Each Warrantor has all requisite right, power and authority, and has taken all action necessary, to execute, deliver and to exercise its rights, and perform its obligations, under this Agreement and each Transaction Document to which it is a party. The Company has the authority to allot and issue the Series E Shares in accordance with terms of this Agreement.

5.2 **Capitalization.**

(a) **Company.** Immediately prior to the Closing, the authorized share capital of the Company shall be US$50,000 divided into (i) a total of 477,055,435 authorized Ordinary Shares, of which 5,119,395 Ordinary Shares are outstanding and issued to the FounderCos, and 2,106,321 of which have been reserved for issuance under the ESOP, (ii) a total of 2,944,395 Series Angel Shares, all of which are outstanding and issued, (iii) a total of 2,500,000 Series A Shares, all of which are outstanding and issued, (iv) a total of 4,829,173 Series B Shares, all of which are outstanding and issued, (v) a total of 3,666,398 Series C Shares, all of which are outstanding and issued, (vi) a total of 1,175,871 Series D Shares, all of which are outstanding and issued, and (vii) 7,828,728 Series E Shares, none of which are issued or outstanding. The rights and preferences of each series of the Preferred Shares are set forth in the Shareholders Agreement and the Articles of Association. The Company is a holding company and save for its shareholding in the Company, it has not carried out any business since the date of its incorporation and does not have any assets or liabilities, and is free of any Encumbrances.

(b) Each FounderCo is a holding company and save for its shareholding in the Company, it has not carried out any business since the date of its incorporation and does not have any assets or liabilities, and is free of any Encumbrances.
(c) **BVI Subsidiary.** Immediately prior to the Closing, the total number of issued and outstanding shares of the BVI Subsidiary is 1, which is issued and owned by the Company free of any Encumbrances.

(d) **Hong Kong Subsidiary.** Immediately prior to the Closing, the total number of issued and outstanding shares of the Hong Kong Subsidiary is 1, which is issued to and owned by the BVI Subsidiary free of any Encumbrances.

(e) **PRC Companies.** Immediately prior to the Closing,

(i) Section 5.2(e) of the Disclosure Schedule sets forth the shareholding particulars of the Domestic Company I (including the name of each shareholder, the amount of registered capital held by each shareholder and the shareholding percentage of each shareholder) as of the date of this Agreement. The registered capital of Domestic Company I has been paid in full and the contribution has been made in a timely manner pursuant to the articles of association of Domestic Company I;

(ii) the registered capital of Domestic Company II is RMB10,000,000, of which Mr. Shaojie Chen owns 100%. The registered capital of Domestic Company II has been paid in full and the contribution has been made in timely manner pursuant to the articles of association of Domestic Company II; and

(iii) The entire registered capital of each Subsidiary of each Domestic Company is legally and beneficially owned by its relevant shareholder(s) and has been fully, validly and punctually paid-up in accordance with its articles of association and the PRC Applicable Laws.

(f) **Options, Warrants, Reserved Shares.** Except for (i) the conversion privileges of the Preferred Shares, (ii) the preemptive rights provided in the Shareholders Agreement and the Articles of Association, (iii) as contemplated hereby and as disclosed in the Disclosure Schedule, (iv) 2,106,321 Ordinary Shares will be reserved for issuance under the ESOP and (v) the option to purchase all or part of the equity interests in each Domestic Company granted by each Shareholder of the Domestic Companies to the WFOE, there are no options, warrants, conversion privileges, employee option or incentive plans or other rights, agreements or documents with respect to the issuance thereof, presently outstanding to purchase any of the shares or equity interests of the Group Companies. 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).

(g) **Outstanding Security Holders.** A complete and current list of all outstanding shareholders, option holders and other Security Holders of the Group Companies immediately prior to the Closing is set forth in Section 5.2(f) of the Disclosure Schedule, indicating the type and number of shares, options or other securities held by each such shareholder, option holder or other Security Holder.
(h) The establishment of each PRC Company and all subsequent transfers of equity interest therein (where applicable) (including the Shanghai Qingcheng Transfer) have been duly approved by and registered with the competent Governmental Authorities in accordance with PRC Applicable Laws. All the historical changes to the share capital of each PRC Company (including the changes to the share capital of the Domestic Company I as a result of the Shanghai Qingcheng Transfer) were made in compliance with the Applicable Laws and applicable contracts, and there are no outstanding liabilities in connection with such historical changes or historical transfer.

(i) There is no Encumbrance, and there is no agreement, arrangement or obligation to create or give any Encumbrance, in relation to any of shares or equity interests in the capital of any Group Company. Except as set forth in the Articles of Association and the Shareholders Agreement, (i) no Group Company is a party or subject to any contract that affects or relates to the voting or giving or written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company, and (ii) the Company has not granted any registration rights or information rights to any other person, nor is the Company obligated to list any of the Equity Securities of any Group Company on any security exchange. Except as contemplated under the Transaction Documents, there are no voting or similar agreements which relate to the share capital or registered capital of any Group Company.

5.3 Subsidiaries. None of the Group Companies has any Subsidiary or owns or Controls, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity (other than the relevant Group Companies) and does not maintain any offices or branches. Section 5.3 of the Disclosure Schedule sets forth the company particulars of each of the Group Companies. None of the Founders presently owns or Controls, directly or indirectly, any interest in any corporation, partnership, trust, joint venture, association, or any other entity other than the Group Companies. None of the PRC Companies has been liquidated nor is it insolvent, or subject to any board or shareholder resolution for its winding up or any undertakings to merge, reconstruct or liquidate itself, and no proceedings have been commenced or been threatened which might render any of the PRC Companies liquidated or insolvent.

5.4 Authorization. All corporate actions on the part of each Group Company and the FounderCos, its officers, directors and shareholders/stockholders necessary for the authorization, execution and delivery of this Agreement, the Shareholders Agreement and other Transaction Documents, and the performance of all obligations of each Group Company hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Series E Shares have been taken or will be taken prior to the Closing. Each of this Agreement, the Shareholders Agreement and any other Transaction Documents, when executed and delivered, constitutes the valid and legally binding obligation of each of the Group Companies, the Founders and FounderCos, enforceable against each of the Group Companies, the Founders and the FounderCos in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium fraudulent conveyance, or other laws of general application affecting the enforcement of creditors’ rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies, or (iii) to the extent the indemnification provisions contained in the Shareholders Agreement may be limited by applicable securities laws. The issuance of any of the Series E Shares is not subject to any preemptive rights or rights of first refusal, or if any such preemptive rights or rights of first refusal exist, waiver of such rights has been obtained from the holders thereof.
5.5  **Valid Issuance of Shares.**

(a)  The Series E Shares, when issued, sold, delivered and paid for in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, the Shareholders Agreement, any other Transaction Documents, applicable securities laws and liens or encumbrances created by or imposed by the Purchaser. Subject in part to the accuracy of the representations of the Purchaser in Section 4 of this Agreement, the Series E Shares will be issued in compliance with all applicable securities laws. The ordinary shares issuable upon conversion of the Series E Shares (“Conversion Shares”) have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Articles of Association, will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, the Shareholders Agreement and any other Transaction Documents, applicable securities laws and liens or encumbrances created by or imposed by the Purchaser. The Conversion Shares will be issued in compliance with all applicable securities laws.

(b)  All presently outstanding Ordinary Shares of the Company and all outstanding options and other securities of the Company were duly and validly issued, fully paid and non-assessable, and are free and clear of any liens and have been issued in full compliance with the requirements of all applicable securities laws and regulations, including, to the extent applicable, the Act.

5.6  **Organization, Good standing and Qualification.** Each of the PRC Companies is duly organized, validly existing and in good standing under the laws of the PRC and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. Each of the PRC Companies is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would, individually or in the aggregate, have a Material Adverse Effect.

5.7  **Compliance with Laws; Consents and Permits.** Each of the Group Companies has not conducted any activity in violation of any Applicable Laws or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties. All consents, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any Governmental Authority and any third party which are required to be obtained or made by each of the Group Companies, the Founders and the FounderCos in connection with the consummation of the transactions contemplated hereunder (including without limitation those contemplated under the Shareholders Agreement and any other Transaction Documents) shall have been obtained or made prior to and remain effective as of the Closing. Each of the Group Companies has all approvals, franchises, permits, licenses and any similar authority necessary for the conduct of its business. None of the Group Companies, the Founders or the FounderCo is in default under any of such approvals, permits, licenses or other similar authority, nor is it or him or her in receipt of any letter or notice from any relevant Governmental Authority notifying revocation of any such approvals, permits or licenses for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by such Group Company, such Founder or the FounderCo. In respect of approvals, licenses or permits requisite for the conduct of any part of the business of any Group Company which are subject to periodic renewal by any Governmental Authorities, neither any Group Company, nor any Founder, nor the FounderCo has any reason to believe that such requisite renewals will not be granted by the relevant Governmental Authorities.
No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Group Companies is required in connection with the valid execution, delivery and consummation of the transactions contemplated by this Agreement, the Shareholders Agreement, any other Transaction Documents or the offer, sale, issuance or reservation for issuance of the Preferred Shares and the Ordinary Shares issuable upon conversion of the Preferred Shares.

5.8 **Compliance with Other Instruments and Agreements.** The Group Companies, the Founders and the FounderCos are not in, nor shall the conduct of their business as currently or proposed to be conducted result in, any violation, breach or default of any term of its Charter Documents, and none of the Group Companies is in breach, violation or default of any term or provision of any mortgage, indenture, contract, agreement or instrument to which it is a party or by which it may be bound (“**Other Instruments**”) or of any provision of any Governmental Order applicable to or binding upon such Group Company. The execution, delivery and performance of and compliance with this Agreement, the Shareholders Agreement and other Transaction Documents 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 Charter Documents or any Other Instruments, or a violation of any Governmental Order, or an event which results in the creation of any Encumbrance upon any asset of any Group Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to any Group Company, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed in Section 5.8 of the Disclosure Schedule, there are no penalties and fines of whatsoever nature that have ever been imposed on any Group Company.

5.9 **Compliance with SAFE Rules and Regulations.** Each of the Founders, Ye Zhu (叶祖), Dongqing Cai (董庆) and other beneficial owner of the Company who are defined as “domestic resident” under Circular 37 (each a “**Company Security Holder**”) has complied with all requirements under the rules and regulations promulgated by the State Administration of Foreign Exchange of the PRC (the “SAFE”), including without limitation, the initial registration, and any subsequent amendment registration with the SAFE in respect of any change in his/her direct or indirect interest in the Group Companies, and any change thereto. None of the Company Security Holders has received any oral or written inquiries, notifications or any other form of official correspondence from the SAFE with respect to any actual or alleged non-compliance with any Applicable Law relating to foreign exchange, including the SAFE Rules and Regulations.
5.10 Captive Structure. The control documents (each a “Control Document”) as listed on Schedule C hereeto, taken as a whole, intended to establish and maintain a captive structure (the “Captive Structure”) through which the WFOE Controls each Domestic Company, have been duly executed and delivered by the parties thereto, and constitute valid and binding obligations of the parties thereto enforceable in accordance with their respective terms and adequate to establish and maintain the intended captive structure, under which the financial statements of each Domestic Company will be consolidated with those of the other Group Companies in accordance with the applicable general accepted accounting principles. The equity pledges contemplated by the Control Documents will be recorded with the relevant SAIC on or prior to the Closing Date. Each party to the Control Documents has been in compliance with the Control Documents, and none of the parties thereto has violated or breached any of the Control Documents to which it is a party. None of the Warrantors has received any oral or written inquiries, notifications or any other form of official correspondence from any Governmental Authorities challenging or questioning the legality or enforceability of any of the Control Documents.

5.11 Liabilities. Except as disclosed in the Financial Statements (as defined below), each Group Company does not have 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. No event of default has occurred under any agreement entered into by any Group Company relating to borrowings or indebtedness in the nature of borrowings.

5.12 Title to Properties and Assets. Each Group Company has good and marketable title to its properties and assets as reflected in its balance sheet without any Encumbrances. The Group Companies do not own any real property. Section 5.12 of the Disclosure Schedule sets out true, accurate and not misleading information of all the real property the relevant Group Company leases (the “Leased Properties”). With respect to the property and assets it leases (including the Leased Properties), each Group Company is in compliance with such leases and such Group Company holds valid leasehold interests in such assets free of any Encumbrances other than the lessors of such property and assets. In respect to each Leased Property, all real property lease agreements of each Group Company have been duly registered with the competent Governmental Authorities to the extent required and each such lease agreement is legal, valid and subsisting. The lessor of the Leased Property is qualified and has obtained all consents, filings, registration and approvals necessary to enter into the lease agreements. Each lease of Leased Property is in compliance with all material respects with Applicable Laws, including with respect to the ownership and operation of property and conduct of business as now conducted by the applicable Group Company which is a party to such lease of the Leased Property. The leasehold interests under the leases of the Leased Property held by each Group Company are adequate for the conduct of the business of such Group Company as currently conducted and as proposed to be conducted. Each Group Company subleasing a real property to another person has obtained valid and effective authorization from the lessor of the Leased Property in respect of such real property.
5.13 Status of Proprietary Assets.

(a) **Status of Proprietary Assets.** For purpose of this Agreement, (I) “Proprietary Assets” shall mean all patents, patent applications, trademarks, service marks, trade names, domain names, copyrights, copyright registrations and applications and all other rights corresponding thereto, inventions, databases and all rights therein, all computer software including all source code, object code, firmware, development tools, files, records and data, including all media on which any of the foregoing is stored, formulas, designs, trade secrets, confidential and proprietary information, proprietary rights, know-how and processes of a company, and all documentation related to any of the foregoing; and (II) “Registered Intellectual Property” means all Proprietary Assets of any Group Company, wherever located, that is the subject of an application, certificate, filing, registration or other document issued by, filed with or recorded by any Governmental Authority. Except as disclosed in Section 5.13(a) of the Disclosure Schedule, each Group Company (i) has independently developed and owns free and clear of all material claims, security interests, liens or other encumbrances, or (ii) has a valid right or license to use all Proprietary Assets, including Registered Intellectual Property, necessary and appropriate for its business as now conducted and without any conflict with or infringement of the rights of others.

(b) **Section 5.13(b) of the Disclosure Schedule** contains a complete list of Proprietary Assets, including all Registered Intellectual Property, of each Group Company. No product or service marketed or sold (or proposed to be marketed or sold) by any Group Company violates or will violate any license or infringe any intellectual property rights of any other party.

(c) None of the Group Companies, the Founders and the FounderCos has received any communications alleging that it or he or she has violated, or, by conducting its business as proposed, would violate any Proprietary Assets of any other person or entity. Each Group Company has obtained and possessed valid license to use all of the software programs present on the computers and other software-enabled electronic devices that it owns or leases or that it has otherwise provided to its employees for their use in connection with such Group Company’s business. To the Warrantors’ knowledge, it will not be necessary to use any inventions of any of its employees (or persons it currently intends to hire) made prior to their employment by a Group Company. Each Key Employee has assigned to the Group Companies all intellectual property rights he or she owns that are related to the Group Companies’ business as now being conducted.

(d) There are no outstanding options, licenses, agreements or rights of any kind granted by any Group Company or any other party relating to any Group Company’s Proprietary Assets, nor is any Group Company bound by or a party to any options, licenses, agreements or rights of any kind with respect to the Proprietary Assets of any other person or entity, except, in either case, for standard end-user agreements with respect to commercially readily available intellectual property such as “off the shelf” computer software.

(e) No proceeding or claim in which any Group Company alleges that any person is infringing upon, or otherwise violating, its Proprietary Assets are pending, and none has been served, instituted or asserted by any Group Company.

(f) None of the Founders nor any of the current or former officers, employees or consultants of any Group Company (at the time of their employment or engagement by a Group Company) has been or is obligated under any contract (including employment contracts, licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with the use of his, her or its best efforts to promote the interests of such Group Company or that would conflict with the business of such Group Company as proposed to be conducted or that would prevent such officers, employees or consultants from assigning to such Group Company inventions conceived or reduced to practice in connection with services rendered to such Group Company.

(g) Neither the execution nor delivery of this Agreement, the Shareholders Agreement or any other Transaction Document, nor the carrying on of the business of any Group Company by its employees, nor the conduct of the business of any Group Company as proposed, will, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a material default under, any contract, covenant or instrument under which any Group Company or any of such employees is now obligated, including without limitation any non-compete, invention assignment or confidentiality obligations under any agreement between any Founder and any former employer of such Founder. Each of the Group Companies, the Founders and the FounderCos believes that it will not be necessary to utilize in the course of any Group Company’s business operation any inventions of any of the Group Companies’ employees (or people the Group Companies currently intend to hire) made prior to or outside the scope of their employment by the relevant Group Company. No government funding, facilities of any educational institution or research center, or funding from third parties has been used in the development of any Proprietary Assets of any Group Company. Each Group Company has taken all security measures that are commercially prudent in order to protect the secrecy, confidentiality, and value of its material Proprietary Assets.

(h) No use of Public Software by any Group Company has had a material impact on their respective ownership rights of the computer databases and systems listed in Section 5.13(h) of the Disclosure Schedule or any other material products. “Public Software” means any software that contains, or is derived in any manner (in whole or in part) from, any
software that is distributed as free software (as defined by the Free Software Foundation), open source software (e.g., Linux or software distributed under any license approved by the Open Source Initiative as set forth www.opensource.org) or similar licensing or distribution models which require the distribution or making available of source code as well as object code of the software to licensees without charge (except for the cost of the medium) and (b) the right of the licensee to modify the software and redistribute both the modified and unmodified versions of the software, including software licensed or distributed under any of the following licenses: (i) GNU’s General Public License (GPL) or Lesser/Library GPL (LGPL); (ii) the Artistic License (e.g., PERL); (iii) the Mozilla Public License; (iv) the Netscape Public License; (v) the BSD License; or (vi) the Apache License.
5.14 Material Contracts and Obligations. All agreements, contracts, leases, licenses, instruments, commitments (oral or written), indebtedness, Liabilities and other obligations to which each Group Company is a party or by which it is bound that (i) are material to the conduct and operations of its business and properties, (ii) involve any of the officers, consultants, directors, employees or shareholders of such Group Company; or (iii) obligate such Group Company to share, license or develop any product or technology are listed in Section 5.14 of the Disclosure Schedule (collectively, “Material Contracts”). None of the Group Companies is in default or breach under any of the Material Contracts. For purposes of this Section 5.14, “material” shall mean (i) having an aggregate value, cost or amount, or imposing Liability or contingent liability on any Group Company, in excess of RMB1,000,000 or that extend for more than one (1) year beyond the date of this Agreement, (ii) not terminable upon thirty (30) days’ notice without incurring any penalty or obligation, (iii) containing exclusivity, non-competition, or similar clauses that impair, restrict or impose conditions on any Group Company’s right to offer or sell products or services in specified areas, during specified periods, or otherwise, (iv) not in the ordinary course of business, (v) transferring or licensing any Proprietary Assets to or from any Group Company (other than licenses granted in the ordinary course of business or licenses from commercially readily available “off the shelf” computer software), (vi) the agreements the termination of which would be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect. No Group Company is a guarantor or indemnitor of any indebtedness of any other person, firm or corporation that is not a Group Company, or (v) contracts or agreements with the Group Companies’ top 10 lead commentators (idences) for each of Arena of Valor (AOW), League of Legends (LoL) and Player Unknown’s Battle Grounds (PUBG) based on (A) the number of fans on the date of this Agreement, (B) number of average daily active users in the 30 days immediately before the date of this Agreement, (C) revenue generated for the Group Companies in the 12 months preceding the Balance Sheet Date, and (D) the income of such lead commentators (idences) in the 12 months preceding the Balance Sheet Date. Each Material Contract to which any Group Company is a party is currently valid and in full force and effect, and is enforceable by such Group Company in accordance with its terms. No Group Company has engaged in the past three (3) months in any discussion with any representative of any corporation, partnership, trust, joint venture, limited liability company, association or other entity, or any individual, regarding (i) a sale of all or substantially all of such Group Company’s assets, or (ii) any merger, consolidation or other business combination transaction of such Group Company with or into another corporation, entity or person.

5.15 Litigation. There is no Action currently pending or threatened (i) against any of the Founders, the FounderCos, or Group Companies or any officer, director or employee of any Group Company that would, individually or in aggregate, reasonably be expected to have a Material Adverse Effect; or (ii) questions the validity of this Agreement, the Shareholders Agreement or any other Transaction Document, the right of any Group Company or the FounderCos or such Founder to enter into this Agreement, the Shareholders Agreement or any other Transaction Document, or to consummate the transactions contemplated hereby and thereby, or (iii) that might result, individually or in the aggregate, in any Material Adverse Effect. None of the Founders, the FounderCos and the Group Companies, its officers or directors is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no Action by any Group Company currently pending or that any Group Company intends to initiate. The foregoing includes, without limitation, Actions pending or threatened in writing (or any basis therefor known to the Warrantors) involving the prior employment of any of the Group Company’s employees, their services provided in connection with Group Company’s business, or any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.
5.16 **Disclosure.** The Warrantors have fully provided the Purchaser with all the information that the Purchaser has reasonably requested for deciding whether to purchase the Series E Shares and all the information that the Warrantors believe is reasonably necessary to enable the Purchaser to make such decision. No representation or warranty by any Warrantor in this Agreement and no information or materials provided by any Warrantor to the Purchaser in connection with the due diligence investigation of any Group Company or the negotiation and execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit 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.

5.17 **Financial Statements.** The Warrantors have delivered to the Purchaser the audited consolidated balance sheet, income statement and statement of cash flow of the Group Companies for 2015, 2016 and the unaudited consolidated balance sheet, income statement and statement of cash flow for 2017 (the foregoing financial statements and any notes thereto are hereinafter referred to as the “Financial Statements” and December 31, 2017, the “Balance Sheet Date”). Such Financial Statements (a) are in accordance with the books and records of the Group Companies, (b) are true, correct and complete and fairly present the financial condition of the Group Companies at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (c) have been prepared in accordance with PRC generally accepted accounting principles ("PRC GAAP") applied on a consistent basis. Specifically, but not by way of limitation, each balance sheet of the Financial Statements discloses all of the Group Companies’ Liabilities 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 Liabilities are required to be disclosed in accordance with PRC GAAP. Each of the Group Companies has good and marketable title to all assets set forth on the balance sheet of the Financial Statements, except for such assets as have been spent, sold or transferred in the ordinary course of business since the Balance Sheet Date. Except as disclosed in the Financial Statements, none of the Group Companies is a guarantor or indemnitor of any indebtedness of any other person or entity nor has material Liabilities, contingent or otherwise, other than (i) Liabilities incurred in the ordinary course of business subsequent to the Balance Sheet Date, (ii) obligations under contracts and commitments incurred in the ordinary course of business and (iii) Liabilities of a type or nature not required under generally accepted accounting principles to be reflected in the Financial Statements, which, in all such cases, individually and in the aggregate, would not have a Material Adverse Effect. The Group Companies maintain and will maintain a standard system of accounting established and administered in accordance with PRC GAAP. All costs and expenses in connection with the issuance of any options or warrants under the ESOP have been properly recorded in the Financial Statements of the Group Companies in accordance with the fair market value of such options or warrants determined by an independent appraisal firm.
5.18 Activities Since Balance Sheet Date. Since the Balance Sheet Date, with respect to each Group Company, there has not been:

(a) any change in the assets, Liabilities, financial condition or operating results of any Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not and will not, individually or in the aggregate, result in any Material Adverse Effect on its business or properties;

(b) any material change in the contingent obligations of any Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

(c) any damage, destruction or loss, whether or not covered by insurance, having any Material Adverse Effect on its business or properties (as presently conducted and as presently proposed to be conducted);

(d) any waiver or compromise by any Group Company of a valuable right or of a material debt owed to it;

(e) any satisfaction or discharge of any Encumbrances or payment of any obligation by any Group Company, except such satisfaction, discharge or payment made in the ordinary course of business that is not material to the assets, properties, financial condition, operating results or business of such Group Company;

(f) any material change or amendment to a material contract or arrangement by which any Group Company or any of its assets or properties is bound or subject, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

(g) any material change in any compensation arrangement or agreement with any present or prospective employee, contractor or director;

(h) any sale, assignment or transfer of any Proprietary Assets or other material intangible assets of any Group Company;

(i) any resignation or termination of any Key Employee (as defined below) of the any Group Company;

(j) any mortgage, pledge, transfer of a security interest in, or lien created by any Group Company, with respect to any of its material properties or assets, except liens for Taxes not yet due or payable;

(k) any debt, obligation, or other Liability incurred, assumed or guaranteed by any Group Company individually in excess of US$200,000 or in excess of US$500,000 in the aggregate, other than that is incurred in the ordinary course of business;

(l) any dividend, loans or guarantees made by any Group Company to or for the benefit of its employees, officers or directors, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;
any declaration, setting aside or payment or other distribution in respect of the share capital or registered capital of any Group Company, or any direct or indirect redemption, purchase or other acquisition of any of such share capital or registered capital by any Group Company;

(n) any failure to conduct business in the ordinary course, consistent with each Group Company’s reasonably prudent past practices;

(o) receipt of notice that there has been a loss of, or material order cancellation by, any major customer of any Group Company;

(p) any other event or condition of any character, other than events affecting the economy of China or the Group Companies’ industry generally, that could reasonably be expected to result in a Material Adverse Effect; or

(q) any agreement or commitment by any Group Company to do any of the things described above.

5.19 Tax Matters. The provisions for Taxes as shown on the balance sheet included in the respective Financial Statements are sufficient for the payment of all accrued and unpaid applicable Taxes of the Group Companies, whether or not assessed or disputed as of the date of each such balance sheet. There have been no extraordinary examinations or audits of any Tax Returns or reports by any applicable Governmental Authority. Each Group Company has duly filed or caused to be duly filed on a timely basis all Tax Returns that are or were required to be filed (to the extent applicable), all such returns are correct and complete. None of the Group Companies is subject to any waivers of applicable statutes of limitations with respect to Taxes for any year. None of the Group Companies is, nor expects to become, a passive foreign investment company (“PFIC”) as described in Section 1297 of the United States Internal Revenue Code of 1986, as amended (the “Code”). No shareholder of any of the Group Companies, solely by virtue of its status as shareholder of such Group Company, have personal liability under local law for the debts and claims of such Group Company. There has been no communication from any Tax authority relating to or affecting the Tax classification of any Group Company. Except as disclosed in Section 5.19 of the Disclosure Schedule, there are no other Tax liabilities arising from any Group Company’s past business activities. Since the Balance Sheet Date, none of the Group Companies has incurred any Taxes, assessments or governmental charges other than in its 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.

5.20 Interested Party Transactions. No Founder or officer or director of any Group Company or any Affiliate or Associate of the Founders, the FounderCos or such Group Company has any agreement, understanding, proposed transaction with, or is indebted to, any Group Company, nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any of them (other than for accrued salaries, reimbursable expenses or other standard employee benefits). None of the FounderCos and the Founders has any direct or indirect ownership interest in any firm or corporation with which any Group Company is affiliated or with which any Group Company has a business relationship, or any firm or corporation that competes with any Group Company. No Founder or officer or director of the FounderCo or any Group Company or any Affiliate or Associate of the Founder or the FounderCo or any Group Company has had, either directly or indirectly, a material interest in: (a) any person or entity which purchases from or sells, licenses or furnishes to any Group Company any goods, property, intellectual or other property rights or services; or (b) any contract or agreement to which any Group Company is a party or by which it may be bound or affected.
(b) any change in the assets, Liabilities, financial condition or operating results of any Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not and will not, individually or in the aggregate, result in any Material Adverse Effect on its business or properties;

(c) Other than (i) standard employee benefits generally made available to all employees, (ii) standard director and officer indemnification agreements approved by the Board of Directors, (iii) the issuance of options to purchase any securities of the Company pursuant to the ESOP, and (iv) as contemplated under the Transaction Documents, there are no agreements, understandings or proposed transactions between any Group Company and any of its officers, directors, consultants or Key Employees, or any Affiliate thereof, respectively. No Group Company is indebted, directly or indirectly, to any of its directors, officers or employees or to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses.

(d) Except as set forth in Section 5.20(c) of the Disclosure Schedule, none of the Group Companies’ directors, officers or employees, or any members of their immediate families, or any Affiliate of the foregoing (i) are, directly or indirectly, indebted to any Group Company or, (ii) have any direct or indirect ownership interest in any firm or corporation with which any Group Company is affiliated or with which any Group Company has a business relationship, or any firm or corporation which competes with any Group Company except that directors, officers or employees or shareholders of any Group Company may own shares in (but not exceeding one percent (1%) of the outstanding shares of) publicly traded companies that may compete with any Group Company. None of the Group Companies’ employees or directors or any members of their immediate families or any Affiliate of any of the foregoing is, directly or indirectly, interested in any contract with any Group Company. None of the directors, officers or Key Employees, or any members of their immediate families, has any material commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship with any of the Group Companies’ five (5) largest business relationship partners, service providers, joint venture partners, licensees and competitors.

(e) Other than the Group Companies, there are no corporations, partnerships, trusts, joint ventures, limited liability companies or other business entities in which any Founder owns or Controls, directly or indirectly, 10% or more of the outstanding voting interests.
(f) No Related Party of any Group Company or member of such Related Party’s immediate family, or any corporation, limited liability company, partnership or other entity in which such Related Party is an officer, director or partner, or in which such Related Party has significant ownership interests or otherwise Controls loans or extend or guarantee credit to any of them. None of such persons has any direct or indirect ownership interest in any firm or corporation with which any Group Company is affiliated or with which the Company has a business relationship, or any firm or corporation that competes with the Company, except that employees, officers, or directors of the Company and members of such Related Party’s immediate families may own stock in publicly traded companies that may compete with the Company. No Related Party or member of their immediate family is directly or indirectly interested in any material contract with the Company.

5.21 Obligations of Management. Except the persons disclosed in Section 5.21 of the Disclosure Schedule, each Key Employee is currently devoting one hundred percent (100%) of his or her working time to the conduct of the business of the Group Companies. No Key Employee is planning to work less than full time at relevant Domestic Company in the future.

5.22 Rights of Registration and Voting Rights. Except as provided in the Shareholders Agreement, no Group Company is under any obligation to register under the Act or any other applicable securities laws, any of its currently outstanding securities or any securities issuable upon exercise or conversion of its currently outstanding securities. Except as contemplated in the Shareholders Agreement, no shareholder of any Group Company has entered into any agreements with respect to the voting of shares in the capital of the Company. Except as contemplated by or disclosed in this Agreement, the Shareholders Agreement and any other Transaction Documents, none of the Founders and the FounderCos is a party to or has any knowledge of any agreements, written or oral, relating to the acquisition, disposition, registration under the Act, or voting of the shares or securities of any Group Company.

5.23 Employee Matters.

(a) Except as disclosed in Section 5.23 of the Disclosure Schedule, each Group Company has complied in all material aspects with all applicable employment and labor laws including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, social insurance, housing funds, retirement benefits, pensions or the like. None of the Group Companies, the Founders or the FounderCos is aware that any Key Employee intends to terminate their employment, nor does any of the Group Companies, the Founders and the FounderCos have a present intention to terminate the employment of any Key Employee.

(b) There has been, and there is not now pending or threatened, any strike, union organization activity, lockout, slowdown, picketing, or work storage or any unfair labor practice charge against any Group Company. No Group Company is bound by or subject to (and none of their assets or properties is bound by or subject to) any written contract, commitment or arrangement with any labor union or any collective bargaining agreements. Each Group Company is not involved in any dispute with any trade union or organization representing the employees or a group of employees and there are no circumstances likely to give rise to any such dispute.
All payments and contributions to, or relating to, the mandatory social insurance funds (including pension, medical, unemployment, work related injury and maternity insurance) and housing funds provided under PRC Applicable Laws which are required to be made by each PRC Group Company on behalf of its employees and by its respective employees have been duly paid in full.

5.24 Insurance.

(a) Section 5.24(a) of the Disclosure Schedule sets forth a true and complete list of the insurance policies currently maintained by each Group Company, which policies are in full force and effect insurance policies. There is no claim pending thereunder as to which coverage has been questioned, denied or disputed.

(b) Each current insurance and indemnity policy in respect of which any Group Company has an interest is valid and enforceable, and all premiums which are due and payable have been timely paid and each Group Company is otherwise in compliance with the terms of such policies. Each Group Company has in full force and effect public liability insurance in amounts customary for companies similarly situated.

(c) No Group Company has done or omitted to do or suffered anything to be done or not to be done other than any acts in the ordinary course of business which has or would render any policies of insurance taken out by it or by any other person in relation to any such Group Company’s assets void or voidable or which would result in an increase in the rate of premiums on the said policies and there are no claims outstanding and no circumstances which would give rise to any claim under any such policies of insurance.

5.25 OFAC Compliance.

(a) Neither the Company nor any Group Company or, to the Company’s knowledge, any directors, administrators, officers, board of directors (supervisory and management) members or employees of the Company or any Group Company is an OFAC Sanctioned Person (as defined below). The Group Companies and, to the Company’s knowledge, their directors, administrators, officers, administrators, board of directors (supervisory and management) members or employees are in compliance with, and have not previously violated, the USA Patriot Act of 2001, and all other applicable United States and PRC anti-money laundering laws and regulations. To the Company’s knowledge, none of (i) the purchase and sale of the Series E Shares, (ii) the execution, delivery and performance of this Agreement or any of the Transaction Documents, or (iii) the consummation of any transaction contemplated hereby or thereby, or the fulfillment of the terms hereof or thereof, will result in a violation by the Purchaser or any Warrantor of any of the OFAC Sanctions or of any anti-money laundering laws of the United States, the PRC or any other jurisdiction.

(b) For the purposes of this Section 5.25:
“OFAC Sanctions” means any sanctions program administered by the Office of Foreign Assets Control of the United States Department of the Treasury (“OFAC”) under authority delegated to the Secretary of the Treasury (the “Secretary”) by the President of the United States or provided to the Secretary by statute, and any order or license issued by, or under authority delegated by, the President or provided to the Secretary by statute in connection with a sanctions program thus administered by OFAC. For ease of reference, and not by way of limitation, OFAC Sanctions programs are described on OFAC’s website at www.treas.gov/ofac.

“OFAC Sanctioned Person” means any government, country, corporation or other entity, group or individual with whom or which the OFAC Sanctions prohibit a United States Person from engaging in transactions, and includes without limitation any individual or corporation or other entity that appears on the current OFAC list of Specially Designated Nationals and Blocked Persons (the “SDN List”). For ease of reference, and not by way of limitation, OFAC Sanctioned Persons other than government and countries can be found on the SDN List on OFAC’s website at www.treas.gov/offices/enforcement/ofac/sdn.

“United States Person” means any United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person (individual or entity) in the United States, and, with respect to the Cuban Assets Control Regulations, also includes any corporation or other entity that is owned or Controlled by one of the foregoing, without regard to where it is organized or doing business.

5.26 FCPA Compliance. None of the Company or any Group Company or, to the Company’s knowledge, any of their directors, administrators, officers, board of directors (supervisory and management) members or employees have made, directly or indirectly, any payment or promise to pay, or gift or promise to give or authorized such a promise or gift, of any money or anything of value, directly or indirectly, to (a) any foreign official (as such term is defined in the United States Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), or the rules and regulations promulgated thereunder) for the purpose of influencing any official act or decision of such official or inducing him or her to use his or her influence to affect any act or decision of a Governmental Authority, or (b) any foreign political party or official thereof or candidate for foreign political office for the purpose of influencing any official act or decision of such party, official or candidate or inducing such party, official or candidate to use his, her or its influence to affect any act or decision of a foreign Governmental Authority, in the case of both (a) and (b) above in order to assist the Company or any Group Company to obtain or retain business for, or direct business to the Company or any Group Company, as applicable, subject to applicable exceptions and affirmative defenses. None of the Company, any Group Company or any of their respective directors, administrators, officers, board of directors (supervisory and management) members or employees has made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment of funds or received or retained any funds in violation of any law, rule or regulation subject to applicable exceptions and affirmative defenses.
5.27 **Minutes Book.** The minutes books of each Group Company, which have been made available to the Purchaser, contain a complete summary of all meetings and actions taken by directors and shareholders or owners of such Group Company since its time of formation, and reflect all transactions referred to in such minutes accurately in all material respects.

5.28 **Disclosure; Projections.** Each Warrantor has made available to the Purchaser all the information reasonably available to such Warrantor that the Purchaser has requested for deciding whether to acquire the Series E Shares, including certain of financial projections with respect to the Company (the “**Projections**”), each of which were prepared in good faith. No representation or warranty of any Warrantor contained in this Agreement, as qualified by the Disclosure Schedule, and no certificate furnished or to be furnished to the Purchaser at the Closing contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made.

5.29 **Entire Business.** The Group Companies are engaged solely in the Principal Business and have no other business activities. There are no material facilities, services, assets or properties shared with any entity other than the Group Company which are used in connection with the businesses of the Group Companies.

5.30 **Other Representations and Warranties Relating to the PRC Companies.**

(a) Each of the PRC Companies has applied for and obtained all requisite licenses, clearance and permits required under PRC laws as necessary for the conduct of its businesses and all such licenses, clearance and permits are validly subsisting, and has complied in all respects with all PRC laws, such as laws in connection with foreign exchange, including without limitation, carrying out all relevant filings, registrations and applications for relevant permits with the SAFE and any other relevant Governmental Authorities, and all such permits are validly subsisting.

(b) The registered capital of each PRC Company has been fully paid up in accordance with the schedule of payment stipulated in its respective articles of association, approval document, certificate of approval and legal person business license (hereinafter referred to as the “**Establishment Documents**”) and in compliance with PRC laws and regulations, and there is no outstanding capital contribution commitment.

(c) The Establishment Documents of each PRC Company have been duly approved and filed in accordance with the laws of the PRC and are valid and enforceable.

(d) The business scope specified in the Establishment Documents of each PRC Company complies with the requirements of all relevant PRC laws. The operation and conduct of the business by and the term of operation of each PRC Company in accordance with its respective Establishment Documents is in compliance with the laws of the PRC.

(e) Each of the PRC Companies has passed its annual inspection by the relevant Governmental Authorities for their operation in its last three years (where applicable), and the relevant SAIC has affixed an annual inspection chop on its business license.

5.31 **Internal Controls.** Each Group Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions by it are executed in accordance with management’s general or specific authorization, (ii) transactions by it are recorded as necessary to permit preparation of financial statements in conformity with the PRC GAAP and to maintain asset accountability, (iii) access to assets of it is permitted only in accordance with management’s general or specific authorization, (iv) the recorded inventory of assets is compared with the existing tangible assets at reasonable intervals and appropriate action is taken with respect to any differences, (v) segregating duties for cash deposits, cash reconciliation, cash payment, proper approval is established, and (vi) no personal assets or bank accounts of the employees, directors, officers are mingled with the corporate assets or corporate bank account, and no Group Company uses any personal bank accounts of any employees, directors, officers thereof during the operation of the business. The signatories for each bank account of each Group Company are listed on Section 5.31 of the Disclosure Schedule.

**SECTION 6**

**COVENANTS OF WARRANTORS**

6.1 **Use of Proceeds.** The proceeds paid by the Purchaser for the purchase of the Series E Shares shall be used by the Group Companies for the general corporate purposes in the manner approved by the Board of Directors (including the affirmative vote of the Series E Directors), and shall in no event be applied to repay or settle any indebtedness incurred by any Group Company to any of its shareholders, directors, officers or any other Affiliates or Associates of the foregoing persons, without the prior written approval of the Purchaser.
6.2 **Registration with Governmental Authorities.** Each of the Group Companies, the Founders and the FounderCos shall ensure that all applicable filings and registrations with the PRC Governmental Authorities so required shall be duly completed in accordance with the relevant rules and regulations, including, without limitation, any such filings and registrations with the Ministry of Commerce, the Ministry of Information Industry, the SAIC, the SAFE, tax bureau, customs authorities, product registration authorities and the local counter-part of each of the aforementioned Governmental Authorities, in each case, as applicable. If required by Applicable Laws, each Founder shall, and shall cause each other Company Security Holder to, if applicable, as soon as practicable after the Closing, duly apply for the amended Circular 37 registration to reflect the consummation of the Closing in compliance with the SAFE Rules and Regulations, and shall use his commercially reasonable efforts to complete such registration as soon as practicable after the Closing. Each Founder shall, and shall cause each other Company Security Holder to, if applicable, at all times after the Closing, take such other actions and execute such other documents and instruments as may be advisable, necessary or reasonably requested by the Investor to fully comply with the applicable SAFE Rules and Regulations.

6.3 **Business of the PRC Companies.** The PRC Companies shall, and the Founders shall cause the PRC Companies to, restrict their business to the Principal Business.

6.4 **Composition of the Board of Directors.** The Board of Directors shall be constituted in accordance with the Shareholders Agreement and the Articles of Association, and the board of directors of each Group Company shall be so constituted that it shall have the same number of directors and the same composition as the Company, unless otherwise approved by the Board of Directors (including the affirmative vote of the Series E Directors).
6.5 Employment Agreement; Confidentiality and Intellectual Property Rights Assignment Agreement; Non-Compete and Non-Solicitation Agreement. The Founders and the PRC Companies shall cause all the employee of each PRC Company to enter into an employment agreement, a confidentiality and intellectual property rights assignment agreement, and a non-compete and non-solicitation agreement, or an employment agreement containing provisions of confidentiality, intellectual property rights assignment, non-compete and non-solicitation obligations of the employee in form and substance satisfactory to the Purchaser.

6.6 Obligations of Management; Non-Competition. Each Founder covenants that he will devote his full time and attention to the business of the Company and the PRC Companies and will use his best efforts to develop the business and interests of the Company and the PRC Companies. Without the prior written consent of the Purchaser, the Founders shall not, and shall cause their Affiliate or Associate not to, directly or indirectly, own, manage, engage 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 related to the Principal Business or otherwise competes with the Company or any of its Subsidiaries (a "Restricted Business"); provided, however, that the restrictions contained in this Section 6.6 shall not restrict the acquisition by the Founders, directly or indirectly, of less than 2% of the outstanding share capital of any publicly traded company engaged in a Restricted Business.

6.7 Compliance with Laws; Permits and Licenses.

(a) The Group Companies shall, and the Warrantors shall cause the Group Companies to, conduct their respective business as now conducted and as proposed to be conducted in compliance with all Applicable Laws in all material respects 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, advertisement, telecommunication, e-commerce, online video live streaming, Internet games, online publication, Internet culture activities, commercial performances, production and distribution of radio and television programs, Proprietary Assets, taxation, labor and social welfare, welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions or the like.

(b) To the extent required by Applicable Laws, each of the Group Companies shall, and the Warrantors shall procure each of the Group Companies to (i) maintain all requisite approvals, licenses and permits for conducting its respective business in compliance with all Applicable Laws in all material respects, and (ii) if so required by any Applicable Laws, obtain additional approvals, licenses and permits necessary for conducting its respective business as soon as possible but in any event no later than the time limit required by Applicable Laws or the competent Governmental Authorities.
Without limiting the generality of the foregoing,

(i) as soon as practicable after the Closing, the applicable Group Company shall duly obtain the updated Permit for Distributing Audio-Visual Programs via Information Network (updated Permit) with necessary categories of audio-visual programs for the business of such Group Company as currently conducted and as proposed to be conducted in accordance with and to the extent required by Applicable Laws or the competent Governmental Authorities;

(ii) as soon as practicable after the Closing, the applicable Group Company shall use its best efforts duly apply for and obtain the Permit for Online Publication Service (online publication permit) in accordance with and to the extent required by Applicable Laws or the competent Governmental Authorities;

(iii) as soon as practicable after the Closing, the applicable Group Company shall use its best efforts to duly obtain the Permit for Production and Distribution of Radio and Television Programs (production and distribution permit) in accordance with and to the extent required by Applicable Laws or the competent Governmental Authorities;

(iv) the applicable Group Company shall use its best efforts to duly obtain the Permit for Commercial Performances (commercial performances permit) in accordance with and to the extent required by Applicable Laws or the competent Governmental Authorities;

(v) the applicable Group Company shall at all times maintain necessary filings with the competent Governmental Authorities in connection with its content review system and status as an online live-streaming service provider in accordance with and to the extent required by Applicable Laws and the competent Governmental Authorities.

6.8 U.S. Tax Covenants.

(a) The Company shall use its commercially reasonable efforts to avoid being a PFIC. The Company shall upon the request of any U.S. Investor (as defined below): (i) determine, with respect to such taxable year whether the Company (or any of its Affiliates) is a PFIC (including whether any exception to PFIC status may apply) or is or may be classified as a partnership or branch for U.S. federal income tax purposes, and (ii) provide such information reasonably available to the Company as any U.S. Investor may reasonably request to permit such U.S. Investor to elect to treat the Company and/or any such entity (including a Subsidiary of the Company) as a “qualified electing fund” (within the meaning of Section 1295 of the Code) (a “QEF Election”) for U.S. federal income tax purposes. The Company shall also, reasonably promptly upon request, obtain and provide any and all other information reasonably deemed necessary by the U.S. Investor to comply with the provisions of this Section 6.8(a). The Company shall, upon the request of any U.S. Investor, appoint an internationally reputable accounting firm acceptable to the Purchaser to prepare and submit its U.S. tax filings.

(b) If a determination is made by the Company that the Company is a PFIC for a particular taxable year, then for such year and for each year thereafter, the Company shall also provide each known U.S. Investor within sixty (60) days upon the request of such U.S. Investor with a completed “PFIC Annual Information Statement” as required by Treasury Regulation Section 1.1295-1(g) and any other information reasonably required by a U.S. Investor to comply with any reporting or other requirements in connection with the QEF Election.
(c) The Company shall promptly provide the U.S. investors with written notice if it (or any of its Subsidiaries) becomes aware that it is a controlled foreign corporation as described in Section 957 of the Code ("CFC"). The Company shall, upon the reasonable request of a U.S. Investor, furnish on a timely basis all information requested by the Purchaser to satisfy its U.S. federal income tax return filing requirements, if any, arising from its investment in the Company and relating to the Company or any Group Company’s classification as a CFC.

(d) The Company, upon a reasonable request, will comply and will cause its Subsidiaries to comply with all record-keeping, reporting, and other requests reasonably necessary for the Company and its Subsidiaries to allow any U.S. Investor to comply with any applicable U.S. federal income tax law. The Company, will also provide any known U.S. Investor with any information reasonably requested to allow such U.S. Investor to comply with any applicable U.S. federal income tax law (including but not limited to information relating to the transfer of any equity interests of the Company (or any Subsidiary) and the issuance or redemption by the Company (or any Subsidiary) of any equity interests).

(e) The Company shall, if reasonably requested by a U.S. Investor, cooperate in determining whether it would be desirable, reasonable and appropriate for the Company and/or any Subsidiary to elect to be classified as a partnership or branch for U.S. federal income tax purposes and, if so, to take all reasonable steps to cause any such elections to be made, including by filing or by causing to be filed, Internal Revenue Service Form 8832 (or any successor form), and the Company shall not permit such election, once made, to be terminated or revoked without the written consent of the U.S. Investors; provided that the Company shall notify all U.S. Investors prior to the making of any such election.

(f) In the event that the Company is determined by the Company’s tax advisors or by counsel or accountants for Purchaser to be a CFC with respect to the securities held by the Purchaser, the Company agrees to use commercially reasonable efforts to avoid generating Subpart F income.

(g) The Company shall, and shall cause each Group Company to, timely and accurately file Tax Returns in each jurisdiction in which such returns are required to be filed.

(h) The Company shall, and each of the Founders undertakes to the Purchaser to cause the Company to, take such actions, including making an election to be treated as a corporation or refraining from making an election to be treated as a partnership, as may be required to ensure that at all times the company is treated as corporation for United States federal income tax purposes.

(i) The Company shall, and each of the Founders undertakes to the Purchaser to cause the Company to, make due inquiry with its tax advisors on at least an annual basis regarding whether Purchaser’s interest in the Company is subject to the reporting requirements of either or both of Sections 6038 and 6038B (and the Company shall duly inform the Purchaser of the results of such determination), and in the event that the Company’s tax advisors or the Purchaser’s tax advisors determine that the Purchaser’s interest in the Company is subject to any such reporting requirements, the Company agrees, upon a request from the Purchaser, to provide such information to the Purchaser as may be necessary to fulfill the Purchaser’s obligations thereunder.
(j) All out-of-pocket expenses incurred by the Company or any Subsidiary, resulting from the affirmative requests of a U.S. Investor pursuant to Sections 6.8(a)-(j) above shall be borne by the Company.

The Company shall obtain representations, warranties and covenants from each entity in which it invests or has invested substantially to the effect of the representations, warranties and covenants contained in this Section 6.8 and such additional representations, warranties and covenants as shall be necessary to allow the Company to comply with the provisions of this Section 6.8.

6.9 Control of Subsidiary. The Company shall at any time institute and shall keep in place arrangements reasonably satisfactory to the Board of Directors (including the Series E Directors) such that the Company (i) will Control the operations of any direct or indirect Subsidiary or entity Controlled by the Company and (ii) will be permitted to properly consolidate the financial results for such entity in consolidated financial statements for the Company prepared under the applicable general accepted account principles. The composition of the board of directors of each other Subsidiary of or entity Controlled by the Company, whether now in existence or formed in the future, shall be reasonably acceptable to the Board of Directors. The Company shall, and shall cause any Subsidiaries or entities it Controls to, comply with the FCPA.

6.10 Conduct of Business.

(a) Except as expressly contemplated by this Agreement or as required by Applicable Law, between the date of this Agreement and the Closing Date, the business of the Group Companies shall be conducted in the usual, regular, and ordinary course of business in substantially the same manner as heretofore conducted.

(b) Without limiting the generality of the foregoing and in furtherance thereof, between the date of this Agreement and the Closing Date, without the prior written consent of the Purchaser, none of the Group Companies shall engage in:

(i) any action that authorizes, creates, issues, increases or decreases (including through altering, reorganizing, reclassifying or otherwise recapitalizing any existing Equity Securities) the authorized number of any Equity Securities having rights, preferences or privileges senior to or on parity with the Series E Shares, or increase the authorized number of the Series E Shares;

(ii) any purchase, repurchase, redemption or retirement of any Equity Securities;
(iii) any amendment or modification to or waiver under any of the Charter Documents;

(iv) any declaration, set aside or payment of a dividend or other distribution, or the adoption of, or any change to, the dividend policy;

(v) adoption, amendment or termination of the ESOP or any other equity incentive, purchase or participation plan for the benefit of employees, officers, directors, contractors, advisors or consultants;

(vi) any transaction in excess of US$150,000 or a series of transactions in the aggregate in excess of US$400,000 in a six (6) month period with a Related Party or member of such Related Party’s immediate family, or any corporation, limited liability company, partnership or other entity in which such Related Party is an officer, director or partner, or in which such Related Party has significant ownership interests or otherwise Controls (for the avoidance of doubt, other than the transactions with the Purchaser and its Affiliates);

(vii) any sale, transfer, license or other disposal of, or the incurrence of any lien on, any substantial part of its assets (including intellectual properties) of any Group Company or the grant of license of any intellectual property of any Group Company to a third party outside the ordinary course of business;

(viii) other than any non-exclusive license granted in the ordinary course of business, any sale, transfer, license, or other disposal of, or the incurrence of any lien on, any Proprietary Assets;

(ix) the commencement of or consent to any proceeding seeking (i) to adjudicate it as bankrupt or insolvent, (ii) liquidation, winding up, dissolution, reorganization, or other arrangement under law relating to bankruptcy, insolvency or reorganization or relief of debtors, or (iii) the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property;

(x) any change of the size or composition of its board of directors;

(xi) any change in the equity ownership of any Domestic Company or any amendment or modification to or waiver under any of the Control Documents;

(xii) any investment in, or divestiture or sale of an interest in a Subsidiary of the Company, partnership or joint venture;

(xiii) any Trade Sale;

(xiv) incurrence of indebtedness in a single transaction or a series of related transactions in excess of US$2,500,000 other than in the ordinary course of business;

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(xv) extension, cancellation or waiver by any Group Company of any loan or financial assistance to any third party or guarantee for indebtedness in excess of US$750,000;

(xvi) purchase, mortgage, pledge, lease or disposal of any business and/or assets in a single transactions or a series of related transactions valued in excess of US$750,000 in the aggregate by the Group Companies;

(xvii) investment in any other company in excess of US$7,500,000 in the aggregate by the Group Companies;

(xviii) approval of, or any deviation from or amendment of, the annual budget or the business and financial plan;

(xix) appointment or removal of its executive officers;

(xx) any increase in compensation of any employee of any Group Company with monthly salary of at least US$25,000 by more than fifty percent (50%);

(xxi) appointment or removal of auditors, or the change of the term of the fiscal year;

(xxii) any material change to the business scope or nature of business, or cessation of any business line;

(xxiii) adoption of or change to, a significant Tax or accounting practice or policy or any internal financial controls and authorization policies, or the making of any significant Tax or accounting election; or

(xxiv) any disposal of any of the External Companies and their respective assets, properties, income, earnings and liabilities.

6.11 Joinder of other Subsidiaries to this Agreement. If any Group Company or its Affiliates or Associates forms or acquires an equity stake in any other Subsidiary, each Warrantor covenants and agrees to take all actions necessary to cause such other Subsidiary to enter into and become a party to this Agreement, as a “Group Company,” and a “Warrantor”.

6.12 Access. Between the date hereof and the Closing Date, the Warrantors shall permit the Purchaser, or any representative thereof, at their own expense, upon reasonable advance notice, during working hours to (a) visit and inspect the properties of the Group Companies, (b) inspect the contracts, books of account, records, ledgers, and other documents and data of the Group Companies, (c) discuss the business, affairs, finances and accounts of the Group Companies with officers and employees of the Group Companies and (d) review such other information as the Purchaser reasonably requests, in such a manner so as not to unreasonably interfere with their normal operations.
6.13 Restructuring and its Adjustment. In respect of the Restructuring, subject to the terms and conditions of this Agreement, the Warrantors shall take, or cause to be taken, all actions contemplated under the Restructuring Agreement for each of them to take, and shall use their best efforts to cause to be done, all things necessary, proper or advisable under the Applicable Laws to consummate the Restructuring as soon as practicable. The Company shall, and other Warrantors shall cause the Company to, use its best efforts to communicate with Hong Kong Stock Exchange and relevant Governmental Authority about the Restructuring and any matters under the Transaction Documents for the purpose of the initial public offering of the Company as soon as possible after the date of this Agreement. If Hong Kong Stock Exchange or relevant Governmental Authorities have any comments, suggestions or requirements with respect to initial public offering of the Company, each Warrantor shall use its best efforts to adjust or change the Restructuring or the Transaction Documents (such adjustment or changes, the “Restructuring Adjustment”) to address and satisfy such comments, suggestions and requirements.

6.14 Additional Covenants.

(a) Proprietary Assets. As soon as practicable after the Closing and in any event no later than the time limit required by the Purchaser, the Warrantors shall (i) take appropriate steps to protect, maintain and safeguard Proprietary Assets of the Group Companies material to the Principal Business, including without limitation, by submitting the application for trademark, software copyright and patent registration in connection with each mark, copyright and technology material to the Principal Business in the applicable jurisdiction where the Group Companies are carrying out or propose to carry out business; and (ii) obtain and maintain any and all licenses and authorizations required under the Applicable Laws for all patents, copyrighted materials, trademarks, service marks, logos, tradenames or any other contents that are used in the businesses of the Group Companies. Without limiting the generality of the foregoing, the applicable Group Company shall duly obtain licenses to copyrights from (A) the Music Copyright Society of China as soon as practicable and in any event within three (3) months after the Closing and (B) copyright owners of relevant games that constitute top ten (10) sources of revenue of the Group Companies in the year 2017 as soon as practicable, in each case to the reasonable satisfaction of the Purchaser.

(b) De-registration of Certain Entities. As soon as possible after the Closing, the Warrantors shall complete the de-registration or other disposal of Guangzhou Douyu Internet Technology Co., Ltd. (广州斗鱼网络科技有限公司), Shenzhen Baiju Internet Technology Co, Ltd. (深圳百妖互联网技术有限公司) and Wuhan Yuqu Internet Technology Co., Ltd. (武汉御趣互联网技术有限公司) (each an “External Company”) or otherwise dispose of any of the External Companies and their assets, properties, income, earnings and liabilities to the reasonable satisfaction of the Purchaser; provided that if there is any requirement on the de-registration or other disposal of any External Company for the purpose of initial public offering of the Company or the request of the Purchaser, the Warrantors shall promptly take action and complete such de-registration or other disposal as required or requested; provided further that the Warrantors shall procure that any disposal of any of the External Companies and their respective assets, properties, income, earnings and liabilities shall obtain the prior written consent of the Purchaser. Documentation evidencing completion of the foregoing shall be delivered to the Purchaser promptly upon such completion.
(c)  Registered Address; Branches and Subsidiaries. As soon as practicable and in any event within three (3) months after the Closing, each of the Domestic Company I, Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd. (武汉小雨川湖) and Wuhan Yuleyou Internet Technology Co., Ltd. (武汉乐游) shall change its registered address to the actual office premises where it operates its business and/or register subsidiary(ies) or branch(es) at such premises in accordance with Applicable Laws.

(d)  Filing of Leases. As soon as practicable and in any event within three (3) months after the Closing, each of the PRC Companies shall file its leases with the competent Governmental Authority in the PRC in accordance with Applicable Laws.

(e)  Employee Matters. The PRC Companies shall comply with all Applicable Laws with respect to labor and employment, including without limitation, Applicable Laws pertaining to welfare funds, social benefits, medical benefits, insurance, social insurances, housing fund, retirement benefits, and pensions. Each of the PRC Companies shall use its reasonable best efforts to timely pay all the social insurance, housing funds, welfare funds, medical benefits, retirement benefits, pensions or other insurance and benefits for all of its employees, in accordance with, and to the extent required by the Applicable Laws.

SECTION 7

CONDITIONS TO COMPANY’S OBLIGATIONS AT THE CLOSING

The obligations of the Company under this Agreement at the Closing are subject to the fulfillment, to its satisfaction, or waiver by the Company, at or before the Closing, of the following conditions:

7.1  Representations and Warranties True and Correct. The representations and warranties of the Purchaser contained in Section 4 shall be true and correct when made, and shall be true and correct as of the date of the Closing, with the same force and effect as if they had been made on and as of such dates, subject to changes contemplated by this Agreement.

7.2  Performance of Obligations. The Purchaser shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

7.3  Consents and Waivers. The Purchaser shall have obtained any and all consents and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, all permits, authorizations, approvals, consents or permits of any Governmental Authority or regulatory body.

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SECTION 8

CONDITIONS TO THE PURCHASER’S OBLIGATIONS AT THE CLOSING

The obligations of the Purchaser under this Agreement at the Closing are subject to the fulfillment, to its satisfaction, or waiver by the Purchaser, at or before the Closing, of the following conditions:

8.1 **Representations and Warranties True and Correct.** The representations and warranties of the Warrantors contained in Section 5 shall be true and correct when made, and shall be true and correct as of the date of the Closing with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by this Agreement.

8.2 **Performance of Obligations.** Each of the Warrantors shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

8.3 **Legal Compliance.** The Group Companies, the Founders and the FounderCos shall have satisfied any applicable legal requirements including, without limitation, compliance with applicable PRC laws.

8.4 **Procedures and Documents.** All corporate and other procedures in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions, including the other Transaction Documents and the transactions contemplated thereby, to be passed, executed and/or delivered by the Group Companies and the FounderCos shall be satisfactory in substance and form to the Purchaser, and the Purchaser shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

8.5 **No Material Adverse Effect.** No Material Adverse Effect shall have occurred since the date of this Agreement and be continuing.

8.6 **Approvals, Consents and Waivers.** Each Warrantor shall have obtained any and all approvals, consents and waivers necessary for consummation of the sale and purchase of the Series E Shares as contemplated hereby, including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any Governmental Authority or regulatory body, and (ii) the waiver by the existing shareholders of the Company of any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Series E Shares at the Closing.

8.7 **Due Diligence.** The Purchaser shall have completed its due diligence investigation of the Group Companies to its reasonable satisfaction.

8.8 **Compliance Certificate.** At the Closing, each Warrantor shall deliver to the Purchaser certificates, dated as of the date of the Closing, certifying that the conditions specified in Sections 8.1 to 8.6 have been fulfilled and stating that there shall have been no material adverse change in the business, affairs, prospects, operations, properties, assets or condition of the Group Companies since the date of this Agreement.

8.9 **Register of Members.** The Purchaser shall have received a copy of the Company’s register of members, certified by the registered agent of the Company as true and complete as of the date of the Closing, updated to show the Purchaser as the holder of the Series E Shares as of the Closing.

8.10 **Adoption of Articles of Association.** The Articles of Association shall have been duly adopted by the Company by all necessary action of the Board of Directors and/or the members of the Company, and such adoption shall become effective prior to the Closing with no alteration or amendment as of the Closing, and shall be duly filed with the Registrar of Companies of the Cayman Islands as soon as practicable after the Closing.

8.11 **Transaction Documents.** Each of the parties to the Shareholders Agreement and any other Transaction Documents, other than the Purchaser, shall have executed and delivered to the Purchaser the Shareholders Agreement and other Transaction Documents.

8.12 **Board of Directors.** The Board of Directors shall have consisted of eleven (11) members, six (6) of which shall have been appointed by the FounderCos, two (2) of which shall have been appointed by the holders of the Series E Shares (each a “Series E Director” and collectively the “Series E Directors”), one (1) of which shall have been appointed by Offshore Sequoia, one (1) of which shall have been appointed by Fenghuang Fuju and one (1) of which shall have been appointed by Cai SPV. The Purchaser shall have received a copy of the Company’s updated register of directors, certified by the registered agent of the Company as true and complete as of the date of the Closing.
8.13 **Director Indemnification Agreement.** The Company shall have duly executed and delivered to the Purchaser a director indemnification agreement (the “**Director Indemnification Agreement**”) with respect to the appointment of each Series E Director nominated by the Purchaser at the Closing in form and substance satisfactory to the Purchaser.

8.14 **Employment Agreement; Confidentiality and Intellectual Property Rights Assignment Agreement; Non-Compete and Non-Solicitation Agreement.** Each of the Founders and Key Employees shall have entered into a standard form employment agreement, a confidentiality and intellectual property rights assignment agreement, and a non-compete and non-solicitation agreement, or an employment agreement containing provisions of confidentiality, intellectual property rights assignment, non-compete and non-solicitation obligations of the employee in form and substance satisfactory to the Purchaser. The restrictions of the non-competition and non-solicitation under the aforesaid agreement(s) shall cover a period of the employment of such Founder or Key Employee as well as two-year period following their respective termination of relevant employment.

8.15 **Approval of Investment.** The internal governance body of the Purchaser shall have approved the purchase of the Series E Shares contemplated hereunder.
8.16    **Business Plan and Budget.** The Company shall have delivered to the Purchaser the business plan for 2018 and 2019 including the detailed plan for operating current business by the Group Companies and the strategy for operating new business in form and substance satisfactory to the Purchaser.

8.17    **Opinion of Counsel.** The Purchaser shall have received from Cayman Islands and PRC counsels to the Group Companies legal opinions addressed to the Purchaser, dated as of the Closing Date, in form and substance reasonably satisfactory to the Purchaser.

8.18    **Completion of Restructuring.** The Restructuring shall have been duly completed (including completion of any relevant filing or registrations required by Applicable Laws to perfect the matters set forth in the Control Documents) in a manner satisfactory to the Purchaser.

8.19    **Compliance with SAFE Rules and Regulations.** Each Company Security Holder shall have complied with the SAFE Rules and Regulations and fully completed their registration and reporting obligations thereunder with respect to their direct or indirect holding of Equity Securities in the Group Companies prior to the Closing, including the initial registrations according to SAFE Rules and Regulations, and evidence thereof in form and substance satisfactory to the Purchaser shall have been delivered to the Purchaser.

8.20    **Incorporation of WFOE.** The WFOE shall have been duly established and received its Certificate of Approval and Enterprise Legal Person Business License from the relevant Governmental Authority in accordance with applicable Laws of the PRC prior to the Closing, and the necessary documents evidencing such establishment shall have been delivered to the Purchaser prior to the Closing.

8.21    **Execution of Deed of Adherence.** The Deed of Adherence shall have been duly executed and delivered by WFOE to the Purchaser prior to the Closing.

8.22    **Business Cooperation.** The business cooperation agreement between Tencent or any of its Affiliates and the Company or any of its Affiliates shall have been duly executed.

8.23    **Update of License and Permit.** The applicable Group Company shall have (i) duly completed the filing of the change of its corporate particulars required to be filed by Applicable Law and Governmental Authorities in connection with its Permit for Value-Added Telecommunication Service (增值电信业务经营许可证, the “ICP License”) and duly completed the annual inspection of such ICP License and update thereto in respect of items (including without limitation domain names) necessary to carry out its business with the competent Governmental Authority; and (ii) updated its Permit for Internet Culture Business (网络文化经营许可证) to reflect its latest corporate particulars documented in such Permit with the competent Governmental Authority. Documentation evidencing completion of the foregoing shall have been delivered to the Purchaser to its reasonable satisfaction.

8.24    **Transfer of Domain Name.** The domain names registered in the name of the Persons other than the Group Companies disclosed in Section 5.13(b) of the Disclosure Schedule shall have been duly transferred to the applicable Group Company without consideration and documentation evidencing completion of the foregoing shall have been delivered to the Purchaser to its reasonable satisfaction.
8.25 **Termination of Prior Financing Documents.** Each of the Prior Financing Documents shall have been duly terminated without any recourse against any Warrantor effective as of the Closing, in a form reasonably satisfactory to the Purchaser.

8.26 **Action in Concert.** Founder I and Founder II shall have entered into an Agreement of Action in Concert in form and substance reasonably satisfactory to the Purchaser.

### SECTION 9

#### INDEMNITY

9.1 **Indemnification.** To the fullest extent permitted by Applicable Laws, each Warrantor, jointly and severally (other than Section 9.1(f)), covenants and agrees to indemnify and hold harmless the Purchaser and its affiliates, limited partners, members, shareholders, employees, agents and representatives (each an “**Indemnified Person**”), from and against any and all losses, claims, Actions, damages, Liabilities and expenses (joint or several), including attorneys’ fees and disbursements and all other expenses incurred in investigating, preparing, compromising or defending against any such litigation, commenced or threatened, or any claim whatsoever and all amounts paid in settlement of any such claim or litigation, to which any of the Indemnified Persons may become subject (“**Losses**”), as incurred, insofar as such Losses arise out of or are based upon:

(a) any inaccuracy in or breach of any representations or warranties made by the Warrantors in this Agreement or any other Transaction Document;

(b) any failure of any Warrantor to perform any of its obligations under, or comply with any provisions of, this Agreement or any other Transaction Document;

(c) any delay in payment or underpayment of, or any failure to pay, welfare funds, social benefits, medical benefits, social insurance, housing funds, retirement benefits, pensions or the like on or before the Closing;

(d) any Loss attributable to any failure of any Warrantor to comply with Applicable Laws or obtain any governmental approval, license or permit necessary to carry out the business of the Group Companies on or prior to the Closing Date;

(e) any Loss attributable to (i) any Taxes (or the non-payment thereof) of any Group Company for all taxable periods ending on or before the Closing and the portion through the end of the Closing for any taxable period that includes (but does not end on) the Closing, and (ii) all Liability for any Taxes of any other person imposed by any Governmental Authority or instrumentality on any Group Company as a transferee, successor, or withholding agent in connection with an event or transaction occurring before the Closing; provided that the Warrantors shall not be liable for the Loss arising as a result of (i) a provision or reserve in respect of the Liability made in the Financial Statements being insufficient by reason of any increase in tax rates announced after the Closing with retrospective effect, and (ii) any law applicable to such Group Company, which comes into force after the Closing with retroactive effect;
any Loss attributable to any additional Taxes caused by the Tax base loss (the “Tax Base Loss”) if
(i) after the completion of the Restructuring, the Purchaser or any of its Affiliates disposes or transfers its shares in the Company
or is deemed to have disposed or transferred its shares under the PRC Tax Applicable Laws or by the PRC Tax Governmental
Authority and (ii) the Purchaser or any of its Affiliates is subject to any PRC Taxes on the capital gain, whether realized or
deemed to be realized by the PRC Tax Governmental Authority, from such share disposal or transfer (the Parties agree that
(A) the Tax Base Loss would result from the loss of the opportunity of counting Linzhi’s original investment cost in Domestic
Company I into the tax base of the disposal of the Shares by the Purchaser or its Affiliate, (B) the amount of the additional Tax
resulting from the Tax Base Loss that the Company shall indemnify the Purchaser and its Affiliates shall equal to 10% of the
original investment cost of Linzhi in Domestic Company I, and (C) the payment of the indemnity amount by the Warrantors to the
Purchaser under this Section 9.1(f) shall occur as promptly as practicable following the relevant share disposal or transfer);
provided that only the Group Companies jointly and severally covenant and agree to indemnify and hold harmless the
Indemnified Persons from any Losses caused by this Section 9.1(f); provided further that the indemnification under this
Section 9.1(f) shall terminate upon the closing of the Qualified IPO.

If and to the extent that such indemnification is unenforceable for any reason, each Warrantor will make the maximum
contribution to the payment and satisfaction of the indemnified liabilities permissible under Applicable Law. The representations
and warranties set forth in Section 5 are not extinguished or affected by an investigation made by or on behalf of an Indemnified
Party into the affairs of any Group Company or by any other event or matter. In no event shall Warrantors be obligated to
indemnify an Indemnified Person for Losses resulting directly and solely from the gross negligence or willful misconduct of such
Indemnified Person.

9.2 Procedure. Each Indemnified Person will notify each Warrantor in writing of any action against such
Indemnified Person in respect of which any Warrantor is or may be obligated to provide indemnification hereunder promptly after
the receipt of notice or knowledge of the commencement thereof. The failure of any Indemnified Person to notify any Warrantor
shall not relieve such Warrantor from any Liability which it may have to such Indemnified Person under this Section 9.2 or
otherwise unless the failure to so notify results in the forfeiture by such Warrantor of substantial rights and defenses and will not
in any event relieve such Warrantor from any obligations other than the indemnification provided for herein. Each Warrantor will
have the right to participate in, and, to the extent the indemnifying Party so desires, to assume the defense thereof, with counsel
reasonably satisfactory to the Indemnified Person. However, the Indemnified Person will have the right to retain separate counsel
and to participate in the defense thereof, with the reasonable documented fees and expenses of such counsel to be paid by the
Warrantors if representation of such Indemnified Person by the counsel retained by the Warrantors would be, in the Indemnified
Person’s view, inappropriate due to actual or potential differing interests between such Indemnified Person and any other party
represented by such counsel in such proceeding. The Warrantors will be responsible for the expenses of such defense even if the
indemnifying Party does not elect to assume such defense. None of the Warrantors may, except with the consent of the
Indemnified Person, consent to the entry of any judgment or enter into any settlement which does not include as a term thereof the
unconditional release of the Indemnified Person of all Liability in respect of such claim or litigation.
9.3 **Indemnification Non-Exclusive.** The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable or common-law remedy any Party or Indemnified Person may otherwise have.

9.4 **Restrictions on Indemnification.** The amount of indemnification liability of any Founder or his FounderCo under this Section 9 to all Indemnified Persons shall be limited to the value of all the Shares then held by such Founder or his FounderCo; provided that in the event of (x) any intentional or willful misconduct by any Founder or his FounderCo, or (y) the incurrence of criminal liability under any applicable jurisdiction by any Founder or FounderCo, the aforesaid limitations shall not apply. For the avoidance of doubt, such Founder or FounderCo is entitled to choose the following ways to perform and assume its indemnification liabilities: (i) payment by cash, (ii) transfer of Shares held by it, or (iii) other ways permitted by Applicable Laws.

**SECTION 10**

**MISCELLANEOUS**

10.1 **Governing Law.** This Agreement shall be governed by and construed exclusively in accordance the internal 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 Hong Kong to the rights and duties of the parties hereunder.

10.2 **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. This Agreement and the rights and obligations herein may not be assigned by any party without the written consent of all other parties, provided that the Purchaser may assign any or all of its rights and obligations herein to a Person designated by the Purchaser prior to the Closing.

10.3 **Entire Agreement.** The Transaction Documents and the schedules and exhibits 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 contained in any written agreements or instruments 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.

10.4 **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 Schedule D 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 Schedule D; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in Schedule D 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 10.4 by giving, the other party written notice of the new address in the manner set forth above.

10.5 Amendments and Waivers. Any term of this Agreement may be amended only with the written consent of all Parties hereto.

10.6 Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any other party hereto under this Agreement, shall impair any such right, power or remedy of such former 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.

10.7 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 and Exhibits herein are to Sections and Exhibits of this Agreement.

10.8 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 and this Agreement shall only take effect upon the execution by each of the Parties hereto.

10.9 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 effects the parties’ intent in entering into this Agreement.
10.10 Confidentiality and Non-Disclosure.

(a) Disclosure of Terms. The terms and conditions of the Transaction Documents and all exhibits and schedules attached hereto and thereto (collectively, the “Financing Terms”), including their existence, 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.

(b) Permitted Disclosures. Notwithstanding the foregoing, any party may disclose any of the Financing Terms to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys on a need-to-know basis, in each case only where such persons or entities are under appropriate nondisclosure obligations.

(c) 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 any Transaction Document or any of the exhibits and schedules attached hereto or thereto, or any of the Financing Terms hereof in contravention of the provisions of this Section 10.10, 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.

(d) Other Information. The provisions of this Section 10.10 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.

10.11 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.

10.12 Dispute Resolution. Any controversy or claim (each a “Dispute”) arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the “Arbitration Notice”) to the other. The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the “HKIAC”) in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the “HKIAC Rules”) in force at the time when the Arbitration Notice is submitted. There shall be three (3) arbitrators. The complainant and the respondent to such dispute shall each select one arbitrator within thirty (30) days after giving or receiving the demand for arbitration (the “Selection Period”). Such arbitrators shall be freely selected, and the parties shall not be limited in their selection to any prescribed list. The chairman of the HKIAC shall select the third arbitrator. If either party to the arbitration fails to appoint an arbitrator with the Selection Period, the relevant appointment shall be made by the chairman of the HKIAC. The arbitral proceedings shall be conducted in English. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 10.12, including the provisions concerning the appointment of the arbitrators, this Section 10.12 shall prevail. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal’s adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.
10.13 **Expenses.** The Warrantors shall pay all of their own costs and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement and other Transaction Documents and the transactions contemplated hereby and thereby. The Company shall reimburse the Purchaser for all out-of-pocket documented legal, professional and other third-party fees, costs and expenses incurred by the Purchaser in connection with the conduct of its industry, legal and financial due diligence and its negotiation, preparation, execution and completion of this Agreement and any other Transaction Documents hereunder and thereunder up to a maximum of US$500,000. The Company shall reimburse the Purchaser pursuant to this Section 10.13 within ten (10) Business Days after receiving the reimbursement request from the Purchaser.

10.14 **Termination.** This Agreement may be terminated by the Purchaser with respect to its own rights and obligations on or after June 30, 2018, by written notice to each of the other Parties, if the Closing has not occurred on or prior to such date. Such termination shall be without prejudice to any claims for damages or other remedies that the parties may have under this Agreement or Applicable Law.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

COMPANY:

DouYu International Holdings Limited

/s/ CHEN Shaojie

BVI SUBSIDIARY:

DouYu Network Inc.

/s/ CHEN Shaojie

HONG KONG SUBSIDIARY:

Douyu Hongkong Limited

/s/ CHEN Shaojie
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**PRC COMPANIES:**

Wuhan Douyu Internet Technology Co., Ltd.

By: /s/ CHEN Shaojie

/s/ Seal of Wuhan Douyu Internet Technology Co., Ltd.

Wuhan Ouyue Online TV Co., Ltd.

By: /s/ CHEN Shaojie

/s/ Seal of Wuhan Ouyue Online TV Co., Ltd.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**FOUNDERCOS:**

Warrior Ace Holding Limited

By: /s/ CHEN Shaojie

Name: CHEN Shaojie

Title: Director

**FOUNDERS:**

By: /s/ CHEN Shaojie

CHEN Shaojie
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**FOUNDERCOS:**

Starry Zone Investments Limited

By: /s/ ZHANG Wenming
Name: ZHANG Wenming (张文明)
Title: Director

**FOUNDERS:**

/s/ ZHANG Wenming
ZHANG Wenming (张文明)
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

PRC COMPANIES:

**Wuhan Yuxing Tianxia Culture Media Co., Ltd.**
(武汉讯心文化传媒有限公司)
/s/ Seal of Wuhan Yuxing Tianxia Culture Media Co., Ltd.

/s/ CHENG Chao
Name: CHENG Chao
Title: Authorized Signatory

**Wuhan Yu Leyou Internet Technology Co., Ltd.**
(武汉悠游互联网技术有限公司)
/s/ Seal of Wuhan Yu Leyou Internet Technology Co., Ltd.

/s/ CHENG Chao
Name: CHENG Chao
Title: Authorized Signatory

**Wuhan Yuyin Raoliang Culture Media Co., Ltd.**
(武汉羽音朗文化传媒有限公司)
/s/ Seal of Wuhan Yuyin Raoliang Culture Media Co., Ltd.

/s/ CHENG Chao
Name: CHENG Chao
Title: Authorized Signatory

**Wuhan Douyu Education Consulting Co., Ltd.**
(武汉斗鱼教育咨询有限公司)
/s/ Seal of Wuhan Douyu Education Consulting Co., Ltd.

/s/ CHENG Chao
Name: CHENG Chao
Title: Authorized Signatory

**Wuhan Yuwan Culture Media Co., Ltd.**
(武汉玉梵文化媒体有限公司)
/s/ Seal of Wuhan Yuwan Culture Media Co., Ltd.

/s/ CHENG Chao
Name: CHENG Chao
Title: Authorized Signatory

**Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd.**
(武汉小雨中秋互联网技术有限公司)
/s/ Seal of Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd.

/s/ CHENG Chao
Name: CHENG Chao
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**INVESTOR:**

Nectarine Investment Limited

By: /s/ MA Huateng
Name: MA Huateng
Title: Director

SIGNATURE PAGE TO
SERIES E PREFERRED SHARE PURCHASE AGREEMENT
SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT (this “Agreement”) is made as of May 14, 2018 by and among:

(1) DouYu International Holdings Limited, an exempted limited liability company organized under the laws of the Cayman Islands (the “Company”);

(2) DouYu Network Inc., a company incorporated under the laws of the British Virgin Islands (the “BVI Subsidiary”);

(3) Douyu Hongkong Limited (道宇香港有限公司), a company organized under the laws of Hong Kong (the “Hong Kong Subsidiary”);

(4) Wuhan Douyu Internet Technology Co., Ltd. (武汉斗鱼网络科技有限公司), a company organized under the laws of the PRC (“Domestic Company I”);

(5) Wuhan Ouyue Online TV Co., Ltd. (武汉欧悦在线电视有限公司), a company organized under the laws of the PRC (“Domestic Company II” and, together with Domestic Company I, each a “Domestic Company” and collectively “Domestic Companies”);

(6) each of the companies listed on Schedule A attached hereto (together with the WFOE and the Domestic Companies, the “PRC Companies” and each a “PRC Company”);

(7) Mr. Shaojie Chen (陈少杰), a PRC citizen with the PRC ID number of [               ] (“Founder I”), and Warrior Ace Holding Limited, an exempted company organized and existing under the Laws of the British Virgin Islands and wholly owned by Founder I (“FounderCo I”);

(8) Mr. Wenming Zhang (张文敏), a PRC citizen with the PRC ID number of [               ] (“Founder II”, together with Founder I, the “Founders” and each a “Founder”), and Starry Zone Investments Limited, an exempted company organized and existing under the Laws of the British Virgin Islands and wholly owned by Founder H (“FounderCo II”, together with FounderCo I, the “FounderCos” and each a “FounderCo”);

(9) SCC Growth IV 2018-D, L.P., an exempted limited partnership organized under the laws of Cayman Islands (the “Sequoia Entity I”);

(10) SCC Growth IV 2018-F, L.P., an exempted limited partnership organized under the laws of Cayman Islands (the “Sequoia Entity II”);

(11) Sequoia Capital Global Growth Fund II, L.P., an exempted limited partnership organized under the laws of Cayman Islands (the “Sequoia Entity III”); and
Sequoia Capital Global Growth II Principals Fund, L.P., an exempted limited partnership organized under the laws of Cayman Islands (the “Sequoia Entity IV”, together with Sequoia Entity I, Sequoia Entity II, Sequoia Entity III and their permitted successors and assigns, the “Purchasers”).

The Company, the BVI Subsidiary, the Hong Kong Subsidiary, the PRC Companies, and any corporation, joint venture or other entity, directly or indirectly, Controlled by any of the foregoing or whose financial statements are intended to be consolidated with those of the Company may hereinafter be collectively referred to as the “Group Companies”, and each a “Group Company”.

The Group Companies, the Founders, the FounderCos and the Purchasers may hereinafter be collectively referred to as the “Parties”, and each a “Party”.

RECITALS:

A. The Company is an exempted limited liability company established under the laws of the Cayman Islands on January 5, 2018.

B. The Company is the sole shareholder of the BVI Subsidiary and the BVI Subsidiary is the sole shareholder of the Hong Kong Subsidiary, which will own 100% of the registered capital in the WFOE upon its establishment.

C. The Founders, together with certain other Persons, collectively own 100% of the registered capital in Domestic Company 1. Mr. Shaojie Chen (王超杰), one of the Founders, owns 100% of the registered capital in Domestic Company H.

D. The WFOE will establish Control over the business and operation of each Domestic Company by the Captive Structure upon its establishment.

E. The Company desires to issue and sell to the Purchasers and the Purchasers desires to purchase from the Company 2,500,000 Series A Preferred Shares and 440,792 Series B-1 Preferred Shares (the “Purchased Shares”) on the terms and conditions set forth in this Agreement.

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1

INTERPRETATION

1.1. Certain Defined Terms. For the purpose of this Agreement, capitalized terms used in this Agreement (including the recitals) shall have the following meaning:

“Accounting Standards” means generally accepted accounting principles in the United States.
“Action” means any notice, charge, claim, action, complaint, petition, investigation, appeal, suit, litigation, grievance, inquiry or other proceeding, whether administrative, civil, regulatory or criminal, whether at law or in equity, or otherwise under any Applicable Law, and whether or not before any mediator, arbitrator or Governmental Authority.

“Affiliate” means, in relation to a person, any other person which, directly or indirectly, Controls, is Controlled by or is under the common Control of such person. Notwithstanding the foregoing, the Parties acknowledge and agree that (a) the name “Sequoia Capital” is commonly used to describe a variety of entities (collectively, the “Sequoia Entities”) that are affiliated by ownership or operational relationship and engaged in a broad range of activities related to investing and securities trading and (b) notwithstanding any other provision of this Agreement to the contrary, this Agreement shall not be binding on, or restrict the activities of, any (i) Sequoia Entity outside of the Sequoia China Sector Group, (ii) entity primarily engaged in investment and trading in the secondary securities market; (iii) the ultimate beneficial owner of any Sequoia Entity (or its general partner or ultimate general partner) who is a natural Person, and such Person’s relatives (including but without limitation, such Person’s spouse, parents, children, siblings, mother-in-law and father-in-law and brothers and sisters-in-law), (iv) any officer, director or employee of a Sequoia Entity (or its general partner or ultimate general partner) and such Person’s relatives, and (v) for the avoidance of doubt, any portfolio companies of any Sequoia Entity and portfolio companies of any affiliated investment fund or investment vehicle of any Sequoia Entity. For purposes of the foregoing, the “Sequoia China Sector Group” means all Sequoia Entities (whether currently existing or formed in the future) that are principally focused on companies located in, or with connections to, the People’s Republic of China that are exclusively managed by Sequoia Capital. For the purposes of this Agreement, “Control” means, in relation to any person, having the power to direct the management or policies of such person, whether through the ownership of more than 50 percent (50%) of the voting power of such person, through the power to appoint a majority of the members of the board of directors or similar governing body of such person, or through contractual arrangements or otherwise, and references to “Controlled” or “Controlling” shall be construed accordingly. In the case of the Purchasers, “Affiliate” shall also include (v) any general partner of either the Purchasers or any person which, directly or indirectly, Controls, is Controlled by or is under the common Control of the Purchasers, (w) any limited partner of either the Purchasers or any person which, directly or indirectly, Controls, is Controlled by or is under the common Control of the Purchasers, in each case where such limited partner holds, directly or indirectly, more than 50 percent (50%) of the limited partnership interests, (x) the fund manager managing either the Purchasers or any person which, directly or indirectly, Controls, is Controlled by or is under the common Control of the Purchasers and general partners and limited partners (which hold, directly or indirectly, more than 50 percent (50%) of the limited partnership interests) thereof and other funds managed by such fund manager, (y) funds managed by any of the Purchasers’ Affiliates and the general partners of such funds, and (z) trusts Controlled by or for the benefit of any such person referred to in (v), (w), (x) or (y).
“Applicable Laws” means, with respect to a person, any laws, regulations, rules, measures, guidelines, treaties, judgments, determination, orders or notices of any Governmental Authority or stock exchange that is applicable to such person.

“Associate” means, with respect to any person, (i) a corporation or organization (other than the Group Companies) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of Equity Securities of such corporation or organization, (ii) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as a trustee or in a similar capacity, or (iii) any relative or spouse of such person, or any relative of such spouse, who has the same home as such Person.

“Articles of Association” means the amended and restated memorandum and articles of association of the Company substantially in form attached hereto as Exhibit A to be adopted at the Closing.

“Board” or “Board of Directors” means the board of directors of the Company.

“Business Day” means any day other than a Saturday or Sunday or public holiday or other day on which commercial banks are required or authorized by law to be closed in the PRC, Hong Kong, the British Virgin Islands or the Cayman Islands.

“Charter Documents” means, with respect to a particular legal entity, the articles or certificate of incorporation, formation or registration (including, if applicable, certificates of change of name), memorandum of association, articles of association, bylaws, articles of organization, limited liability company agreement, trust deed, trust instrument, operating agreement, joint venture agreement, business license, or similar or other constitutive, governing, or charter documents, or equivalent documents, of such entity.

“Circular 37” means the Circular of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Overseas Investment or Financing and in Return Investment via Special Purpose Vehicles promulgated by the State Administration of Foreign Exchange, on July 4, 2014.

“Control Documents” means the following set of contracts in a form and substance attached hereto as Exhibit 13, including without limitation, Share Pledge Agreement, Exclusive Option Agreement, Exclusive Business Cooperation Agreement, Power of Attorney and Spouse Consent Letter, which shall establish and maintain a captive structure through which the WFOE Controls each Domestic Company.

“Disclosure Schedule” means the Disclosure Schedule set forth in Schedule D from the Warrantors to the Purchasers in relation to the representations and warranties set forth in Section 5 having the same date as this Agreement and delivered to the Purchasers prior to or upon the execution of this Agreement.
“Encumbrance” means a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect.

“Equity Securities” means, with respect to any person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing.

“ESOP” means an employee share option plan to be adopted by the Board and consented by the Purchasers pursuant to Section 6.10 hereof, under which the Company will reserve a total amount of 2,106,321 Ordinary Shares for issuance to current or previous officers, directors, employees or consultants of the Group Companies.

“Governmental Authorities” means any national, provincial, municipal or local government, administrative or regulatory body or department, court, tribunal, arbitrator or any body that exercises the function of a regulator.

“Governmental Order” means any applicable order, ruling, decision, verdict, decree, writ, subpoena, mandate, precept, command, directive, consent, approval, award, judgment, injunction or other similar determination or finding by, before or under the supervision of any Governmental Authority.

“Hong Kong” means the Hong Kong Special Administrative Region of the PRC.

“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.

“Material Adverse Effect” means (i) any event, matter, fact, condition, change, development or circumstance which is, or is reasonably likely to be, individually or together with other event, matter, fact, condition, change, development or circumstance, materially adverse to the business, operations, result of operations, properties, assets, employees, Liabilities (including contingent liabilities), condition (financial, trading or otherwise) or financial results of the Group taken as a whole, (ii) material impairment of the ability of any Party (other than the Purchasers) to perform the material obligations of such Party under this Agreement or (iii) material impairment of the validity or enforceability of this Agreement, including any events that result to (a) suspension for more than three (3) months or termination of the business of the Group or any Group Company, (b) failure of the Group or any Group Company to perform majority of its business contracts, (c) the revocation or cancellation of any approval, permit or license already obtained by the Group or any Group Company and necessary to conduct its business, or (d) any material adverse effects to the continuous business operation of the Group or any Group Company and the loss of more than ten percent (10%) of the audited gross assets of the Group or such Group Company.
“Onshore Share Transfer Agreement” means the agreement in a form and substance attached hereto as Exhibit C.

“Ordinary Shares” means the ordinary shares of par value US$0.0001 each in the share capital of the Company.

“PRC” means the People’s Republic of China excluding, for the purposes of this Agreement, the Special Administrative Regions of Hong Kong and Macao and the territory of Taiwan.

“Preferred Shares” means the Series Angel Preferred Shares, the Series A Preferred Shares, the Series B-1 Preferred Shares, the Series B-2 Preferred Shares, the Series B-3 Preferred Shares, the Series B-4 Preferred Shares, the Series C-1 Preferred Shares, the Series C-2 Preferred Shares and the Series D Preferred Shares to be issued prior or after the Closing by the Company.

“Principal Business” means the business of live video streaming on the Internet.

“Related Party” means any Affiliate, officer, director, supervisory board member, employee, or holder of any Equity Security of any Group Company, and any Affiliate of any of the foregoing.

“Restructuring Framework Agreement” means the agreement in a form and substance attached hereto as Exhibit D.

“RMB” means the lawful currency of the PRC.

“SAFE Rules and Regulations” means collectively, the Circular 37 and any other applicable SAFE rules and regulations.

“SAIC” means the State Administration of Industry and Commerce of the PRC or, with respect to the issuance of any business license or filing or registration to be effected by or with the State Administration of Industry and Commerce, any Governmental Authority which is similarly competent to issue such business license or accept such filing or registration under the laws of the PRC.

“Security Holder” means holder or beneficial owner of an Equity Security of a Group Company.

“Series E Preferred Share Purchase Agreement” means the the Series E Preferred Share Purchase Agreement entered into by and among the Company, the Founders, the FounderCos, the Domestic Companies, the WFOE and certain other parties thereto on March 8th, 2018 attached hereto as Exhibit G.

“Shares” means any of the Preferred Shares and the Ordinary Shares.

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“Shareholders Agreement” means the Shareholders Agreement to be entered into by and among the parties named therein, which shall be in substantially the form and substance attached hereto as Exhibit F.

“Subsidiary” means, with respect to a specific entity, (i) any entity (x) more than fifty percent (50%) of whose shares or other interests entitled to vote in the election of directors or (y) more than a fifty percent (50%) of whose interests in the profits or capital of such entity are owned or Controlled directly or indirectly by the subject entity or through one (1) or more Subsidiaries of the subject entity; (ii) any entity whose profit and loss and net earnings are consolidated with the profit and loss and net earnings of the subject entity and are recorded on the books of the subject entity for financial reporting purposes in accordance with the Accounting Standards; and (iii) any entity with respect to which the subject entity has the power to otherwise direct the business, management and policies (with respect to operational or financial control or otherwise) of that entity directly or indirectly through another Subsidiary, any contractual arrangement or otherwise (for the avoidance of doubt, each Domestic Company, all the direct and indirect Subsidiaries of each PRC Domestic Company shall be regarded as Subsidiaries of the Company).

“Tax” means any form of taxation, levy, duty, charge, contribution, or withholding of whatever nature (including any related fine, penalty, surcharge or interest) imposed, collected or assessed by, or payable to, any national, provincial, municipal or local government or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.

“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.

“Transaction Documents” means this Agreement, the Articles of Association, Onshore Share Transfer Agreement, Restructuring Framework Agreement and each of the other agreements and documents otherwise required in connection with implementing the transactions contemplated by any of the foregoing (including the issuance of any Equity Securities by the Company).

“Domestic M&A Loans” means the loan provided by China Merchants Bank as set forth in the Section 4.2 of Exhibit D of this Agreement.

“US Dollar” or “US$” means the lawful currency of the United States of America.

“Warrantors” means collectively, the Founders, the FounderCos, the Group Companies and “Warrantor” means any of them.
"WFOE" means the wholly foreign owned enterprise with limited liability to be established by the Hong Kong Subsidiary under the Laws of the PRC after the execution of this Agreement, but before the Closing.

1.2. References. The following terms have the meaning in the Sections set forth below:

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1.3. **References.** In this Agreement, a reference to:

(a) a “holding company” means, with respect to a company, any other company which directly or indirectly owns more than 50 per cent of the voting shares, registered capital or other equity interest in the first mentioned company;

(b) a “person” includes a reference to any individual, company, enterprise or other economic organisation, or any Governmental Authority or agency, or any joint venture, association, partnership, collective, trade union or employee representative body (whether or not having separate legal personality) and includes a reference to that person’s legal personal representatives, successors and permitted assigns;

(c) a “Party” or “Parties”, unless the context otherwise requires, is a reference to a party or parties to this Agreement and includes a reference to that party’s legal personal representatives, successors and permitted assigns;

(d) an agreement or a document is a reference to such agreement or document as amended, restated or supplemented from time to time, unless otherwise expressed to the contrary;

(e) any reference to a party’s “knowledge” means such party’s actual knowledge after due and diligent inquiries of officers and directors of such party reasonably believed to have knowledge of the matter in question;

(f) a document in the “agreed form” is a reference to a document in a form approved and for the purposes of identification initialed by or on behalf of each party;

(g) a clause, paragraph or Schedule, unless the context otherwise requires, is a reference to a clause or paragraph of, or Schedule to, this Agreement;
(h) when the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation”;

(i) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, unless otherwise specified herein, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement;

(j) the headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;

(k) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;

(l) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;

(m) pronouns of either gender or neuter shall include, as appropriate, the other pronoun forms;

(n) references in this Agreement to a “Party” or any other Person are also to its successors and permitted assigns and transferees;

(o) a statutory provision includes a reference to the statutory provision as modified from time to time before the date of this Agreement and any implementing regulations made under the statutory provision (as so modified) before the date of this Agreement;

(p) liability under, pursuant to or arising out of (or any analogous expression) any agreement, contract, deed or other instrument includes a reference to contingent liability under, pursuant to or arising out of (or any analogous expression) that agreement, contract, deed or other instrument; and

the singular includes the plural and vice versa unless the context otherwise requires.

SECTION 2

ISSUANCE OF THE PURCHASED SHARES

2.1. Authorization of Issuance of Purchased Shares. As of the Closing, the Company shall have authorized, pursuant to the terms and conditions of this Agreement, the issuance to the Purchasers of 2,500,000 Series A Preferred Shares and 440,792 Series B-1 Preferred Shares.

2.2. Issuance of Purchased Shares. Subject to the terms and conditions hereof and in consideration of the Purchase Price set forth below, the Company hereby agrees to issue and sell to the Purchasers, and the Purchasers hereby agrees to purchase from the Company, 2,500,000 Series A Preferred Shares and 440,792 Series B-1 Preferred Shares (details of which are set forth opposite such Purchase’s name under the caption “Number and Type of Purchased Shares” in Schedule B attached hereto), for an aggregate purchase price of US$ 197,443,500 (the “Purchase Price”) (details of which are set forth opposite such Purchase’s name under the caption “Purchase Price” in Schedule B attached hereto).

SECTION 3

CLOSING

3.1. Closing of Issuance of Purchased Shares. The closing of the purchase and sale of the Purchased Shares hereunder (the “Closing”, and such date the “Closing Date”) shall take place remotely via the exchange of documents and signatures on a date specified by the Parties as soon as practical after satisfaction or otherwise waiver of the conditions as set forth in Section 7 and Section 8 (but in any event within three (3) Business Days thereafter, except for the conditions to be satisfied at the Closing), or at such other time and place as mutually agreed by the Parties.

3.2. Deliveries by Company. At the Closing, in addition to any items the delivery of which is made an express closing condition pursuant to Sections 7 and 8 hereof, the Company shall deliver to the Purchasers:

(a) a copy of the updated register of members of the Company as of the Closing Date, certified by the registered office provider of the Company, reflecting the issuance to the Purchasers of the numbers of the Purchased Shares pursuant to Sections 2.1 and 2.2;
(b) share certificate(s) representing the numbers of the Purchased Shares being purchased by the Purchasers, registered in the name of the Purchasers and certified by the registered office provider of the Company (and within five (5) Business Days following the Closing, the Company shall deliver to the Purchasers the original copy of such share certificates duly executed in accordance with the Articles of Association); and

(c) a copy of the updated register of directors of the Company as of the Closing Date, certified by the registered office provider of the Company, evidencing the appointment of the Sequoia Directors designated by the Purchasers as contemplated by Section 8.12.

3.3. Deliveries by the Purchasers. Within five (5) Business Days after the Closing, the Purchasers shall deliver to the Company the Purchase Price to (i) the escrow bank account which shall be set up and jointly controlled by the Purchasers and the Company not less than five (5) Business Days prior to the Closing, or (ii) to the bank account which shall be designated by the Company in writing to the Purchaser not less than five (5) Business Days prior to the Closing.
SECTION 4

REPRESENTATIONS AND WARRANTIES OF THE PURCHASERS

Each of the Purchasers hereby represents and warrants to the Company that the following statements are true and correct as of the date of this Agreement 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 and warranties will be true and correct as of such particular date):

4.1. **Authorization.** Each of the Purchasers has all requisite power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement. This Agreement has been duly authorized, executed and delivered by each of the Purchasers. This Agreement, when executed and delivered by the Purchasers, will constitute valid and legally binding obligations of the Purchasers, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors’ rights generally and to general equitable principles.

4.2. **Restrictions on Transfer.** Each of the Purchasers understands that the Purchased Shares are characterized as “restricted securities” under the United States federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended (the “Act”), only in certain limited circumstances. In this connection, each of the Purchasers represents that it is familiar with SEC Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act. Each of the Purchasers understands that the Purchased Shares have not been and will not be registered under the Act and have not been and will not be registered or qualified in any state in which they are offered, and thus the Purchasers will not be able to resell or otherwise transfer its Purchased Shares unless they are registered under the Act and registered or qualified under applicable state securities laws, or an exemption from such registration or qualification is available.

SECTION 5

REPRESENTATIONS AND WARRANTIES OF THE WARRANTORS

The Warrantors hereby, jointly and severally, represent and warrant to the Purchasers that the following statements are true and correct as of the date of this Agreement 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 and warranties will be true and correct as of such particular date):
5.1. Organization, Good Standing and Qualification.

(a) Each of the Group Companies and the FounderCos is duly organized, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, or by virtue of, the laws of their jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. Each of Group Companies and the FounderCos is duly qualified to transact business and is in good standing in each jurisdiction in which such qualification is required.

(b) Each Founder possesses the legal capacity to execute and deliver this Agreement and to perform his obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, and such execution, delivery, performance and consummation shall not result in: (i) a breach of, or constitute a default under, any instrument to which such Founder is a party or by which such Founder is bound and which is material in the context of the transactions contemplated by this Agreement; or (ii) a breach of any Applicable Laws which are material in the context of the transactions contemplated by this Agreement.

(c) Each Warrantor has all requisite right, power and authority, and has taken all action necessary, to execute, deliver and to exercise its rights, and perform its obligations, under this Agreement. The Company has the authority to allot and issue the Purchased Shares in accordance with terms of this Agreement.

5.2. Capitalization.

(a) Company. Immediately prior to the Closing, the authorized share capital of the Company shall be US$50,000 divided into 500,000,000 Shares of par value US$0.0001 each. The Company is a holding company and save for its shareholding in the Company, it has not carried out any business since the date of its incorporation and does not have any assets or liabilities, and is free of any Encumbrances.

(b) Each FounderCo is a holding company and save for its shareholding in the Company, it has not carried out any business since the date of its incorporation and does not have any assets or liabilities, and is free of any Encumbrances.

(c) BVI Subsidiary. Immediately prior to the Closing, the total number of issued and outstanding shares of the BVI Subsidiary is 1, which is issued and owned by the Company free of any Encumbrances.

(d) Hong Kong Subsidiary. Immediately prior to the Closing, the total number of issued and outstanding shares of the Hong Kong Subsidiary is 1, which is issued to and owned by the BVI Subsidiary free of any Encumbrances.

(e) There is no Encumbrance, and there is no agreement, arrangement or obligation to create or give any Encumbrance, in relation to any of shares or equity interests in the capital of any Group Company. Except as set forth in the Articles of Association, (i) no Group Company is a party or subject to any contract that affects or relates to the voting or giving or written consents with respect to, or the right to cause the redemption, or repurchase of, any Equity Security of such Group Company, and (ii) the Company has not granted any registration rights or information rights to any other person, nor is the Company obligated to list any of the Equity Securities of any Group Company on any security exchange. Except as contemplated under this Agreement, there are no voting or similar agreements which relate to the share capital or registered capital of any Group Company.
5.3. **Subsidiaries.** None of the Group Companies has any Subsidiary or owns or Controls, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity (other than the relevant Group Companies) and does not maintain any offices or branches. None of the Founders presently owns or Controls, directly or indirectly, any interest in any corporation, partnership, trust, joint venture, association, or any other entity other than the Group Companies. None of the PRC Companies has been liquidated nor is it insolvent, or subject to any board or shareholder resolution for its winding up or any undertakings to merge, reconstruct or liquidate itself, and no proceedings have been commenced or been threatened which might render any of the PRC Companies liquidated or insolvent.

5.4. **Authorization.** All corporate actions on the part of each Group Company and the FounderCos, its officers, directors and shareholders/stockholders necessary for the authorization, execution and delivery of this Agreement, and the performance of all obligations of each Group Company hereunder and thereunder, and the authorization, issuance (or reservation for issuance), sale and delivery of the Purchased Shares have been taken or will be taken prior to the Closing. This Agreement, when executed and delivered, constitutes the valid and legally binding obligation of each of the Group Companies, the Founders and FounderCos, enforceable against each of the Group Companies, the Founders and the FounderCos in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium fraudulent conveyance, or other laws of general application affecting the enforcement of creditors’ rights generally, and (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies. The issuance of any of the Purchased Shares is not subject to any preemptive rights or rights of first refusal, or if any such preemptive rights or rights of first refusal exist, waiver of such rights has been obtained from the holders thereof.

5.5. **Valid Issuance of Shares.**

(a) The Purchased Shares, when issued, sold, delivered and paid for in accordance with the terms and for the consideration set forth in this Agreement, will be validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, applicable securities laws and liens or encumbrances created by or imposed by the Purchasers. Subject in part to the accuracy of the representations of the Purchasers in Section 4 of this Agreement, the Purchased Shares will be issued in compliance with all applicable securities laws. The ordinary shares issuable upon conversion of the Purchased Shares (“Conversion Shares”) have been duly and validly reserved for issuance and, upon issuance in accordance with the terms of the Articles of Association, will be duly and validly issued, fully paid and nonassessable and free of restrictions on transfer other than restrictions on transfer under this Agreement, applicable securities laws and liens or encumbrances created by or imposed by the Purchasers. The Conversion Shares will be issued in compliance with all applicable securities laws.
(b) All presently outstanding Ordinary Shares of the Company and all outstanding options and other securities of the Company were duly and validly issued, fully paid and non-assessable, and are free and clear of any liens and have been issued in full compliance with the requirements of all applicable securities laws and regulations, including, to the extent applicable, the Act.

5.6. Organization, Good standing and Qualification. Each of the PRC Companies is duly organized, validly existing and in good standing under the laws of the PRC and has all requisite corporate power and authority to carry on its business as now conducted and as proposed to be conducted. Each of the PRC Companies is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would, individually or in the aggregate, have a Material Adverse Effect.

5.7. Compliance with Laws; Consents and Permits. Each of the Group Companies has not conducted any activity in violation of any Applicable Laws or restriction of any domestic or foreign government or any instrumentality or agency thereof in respect of the conduct of its business or the ownership of its properties. All consents, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings by or with any Governmental Authority and any third party which are required to be obtained or made by each of the Group Companies, the Founders and the FounderCos in connection with the consummation of the transactions contemplated hereunder shall have been obtained or made prior to and remain effective as of the Closing. Each of the Group Companies has all approvals, franchises, permits, licenses and any similar authority necessary for the conduct of its business. None of the Group Companies, the Founders or the FounderCo is in default under any of such approvals, permits, licenses or other similar authority, nor is it or him or her in receipt of any letter or notice from any relevant Governmental Authority notifying revocation of any such approvals, permits or licenses for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by such Group Company, such Founder or the FounderCo. In respect of approvals, licenses or permits requisite for the conduct of any part of the business of any Group Company which are subject to periodic renewal by any Governmental Authorities, neither any Group Company, nor any Founder, nor the FounderCo has any reason to believe that such requisite renewals will not be granted by the relevant Governmental Authorities.

No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any Governmental Authority is required on the part of the Group Companies is required in connection with the valid execution, delivery and consummation of the transactions contemplated by this Agreement or the offer, sale, issuance or reservation for issuance of the Purchased Shares and the Ordinary Shares issuable upon conversion of the Purchased Shares.
5.8. **Compliance with Other Instruments and Agreements.** The Group Companies, the Founders and the FounderCos are not in, nor shall the conduct of their business as currently or proposed to be conducted result in, any violation, breach or default of any term of its Charter Documents, and none of the Group Companies is in breach, violation or default of any term or provision of any mortgage, indenture, contract, agreement or instrument to which it is a party or by which it may be bound ("Other Instruments") or of any provision of any Governmental Order applicable to or binding upon such Group Company. The execution, delivery and performance of and compliance with this Agreement 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 Charter Documents or any Other Instruments, or a violation of any Governmental Order, or an event which results in the creation of any Encumbrance upon any asset of any Group Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to any Group Company, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed in Section 5.8 of the Disclosure Schedule, there are no penalties and fines of whatsoever nature that have ever been imposed on any Group Company.

5.9. **Liabilities.** Except as disclosed in the Financial Statements (as defined below), each Group Company does not have 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. No event of default has occurred under any agreement entered into by any Group Company relating to borrowings or indebtedness in the nature of borrowings.

5.10. **Litigation.** There is no Action currently pending or threatened (i) against any of the Founders, the FounderCos, or Group Companies or any officer, director or employee of any Group Company that would, individually or in aggregate, reasonably be expected to have a Material Adverse Effect; or (ii) questions the validity of this Agreement, the right of any Group Company or the Founder to enter into this Agreement, or to consummate the transactions contemplated hereby and thereby, or (iii) that might result, individually or in the aggregate, in any Material Adverse Effect. None of the Founders, the FounderCos and the Group Companies, its officers or directors is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality. There is no Action by any Group Company currently pending or that any Group Company intends to initiate. The foregoing includes, without limitation, Actions pending or threatened in writing (or any basis therefor known to the Warrantors) involving the prior employment of any of the Group Company’s employees, their services provided in connection with Group Company’s business, or any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

5.11. **Disclosure.** The Warrantors have fully provided the Purchasers with all the information that the Purchasers has reasonably requested for deciding whether to purchase the Purchased Shares and all the information that the Warrantors believe is reasonably necessary to enable the Purchasers to make such decision. No representation or warranty by any Warrantor in this Agreement and no information or materials provided by any Warrantor to the Purchasers in connection with the due diligence investigation of any Group Company or the negotiation and execution of this Agreement contains or will contain any untrue statement of a material fact or omits or will omit 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.
5.12. ** Entire Business.** The Group Companies are engaged solely in the Principal Business and have no other business activities. There are no material facilities, services, assets or properties shared with any entity other than the Group Company which are used in connection with the businesses of the Group Companies.

### SECTION 6

**COVENANTS OF WARRANTORS**

6.1. **Use of Proceeds.** The proceeds paid by the Purchasers for the purchase of the Purchased Shares shall not be used by the Group Companies until the Domestic Company II has fully paid off the purchase price to Purchasers’ Affiliates pursuant to the Onshore Share Transfer Agreement (the “Domestic Purchase Price”) or with prior written consent of the Purchasers.

6.2. **Registration with Governmental Authorities.** Each of the Group Companies, the Founders and the FounderCos shall ensure that all applicable filings and registrations with the PRC Governmental Authorities so required shall be duly completed in accordance with the relevant rules and regulations, including, without limitation, any such filings and registrations with the Ministry of Commerce, the Ministry of Information Industry, the SAIC, the SAFE, tax bureau, customs authorities, product registration authorities and the local counter-part of each of the aforementioned Governmental Authorities, in each case, as applicable.

6.3. **Business of the PRC Companies.** The PRC Companies shall, and the Founders shall cause the PRC Companies to, restrict their business to the Principal Business.

6.4. **Composition of the Board of Directors.** The Board of Directors shall be constituted in accordance with the Articles of Association, and the board of directors of each Group Company shall be so constituted that it shall have the same number of directors and the same composition as the Company, unless otherwise approved by the Board of Directors.

6.5. **Joinder of other Subsidiaries to this Agreement.** If any Group Company or its Affiliates or Associates forms or acquires an equity stake in any other Subsidiary, each Warrantor covenants and agrees to take all actions necessary to cause such other Subsidiary to enter into and become a party to this Agreement, as a “Group Company,” and a “Warrantor.”
6.6. **Access.** Between the date hereof and the Closing Date, the Warrantors shall permit the Purchasers, or any representative thereof, at their own expense, upon reasonable advance notice, during working hours to (a) visit and inspect the properties of the Group Companies, (b) inspect the contracts, books of account, records, ledgers, and other documents and data of the Group Companies, (c) discuss the business, affairs, finances and accounts of the Group Companies with officers and employees of the Group Companies and (d) review such other information as the Purchasers reasonably requests, in such a manner so as not to unreasonably interfere with their normal operations.

6.7. **Control Documents.** The Warrantors shall cause the WFOE, the Domestic Companies and each of the Shareholders of the Domestic Companies respectively to execute the Control Document in form and substance satisfactory to the Purchaser in a timely manner after the Closing, and the Company shall take full control of the Domestic Companies upon the effectiveness of such Control Documents. The Company shall provide the executed copies of the Control Documents to the Purchasers within three (3) business days upon the execution of the Control Documents.

6.8. **Execution of Shareholders Agreement.** The Warrantors shall cause the Company and its shareholders to execute a Shareholders Agreement in substantially the form and substance attached hereto as Exhibit F on the closing date as contemplated in Series E Preferred Share Purchase Agreement.

6.9. **Transfer of Purchase Price.** If the Purchase Price is delivered pursuant to subsection (ii) of Section 3.3, the Warrantors shall procure the Company to set up an escrow account jointly controlled by the Purchaser and the Company and transfer the Purchase Price to such account within sixty (60) days after the Closing. Notwithstanding the foregoing, after the Purchase Price is transferred by the Company to such escrow account mentioned above, the Company shall be entitled to decrease the amount of funds deposited under such escrow account along with the payment of the Domestic Purchase Price, such that the aggregate amount of funds deposited under such escrow account shall always in proportion to the unpaid part of the Domestic Purchase Price.

6.10. **FCPA.** The Company represents that it shall not and shall not permit any of its Subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to promise, authorize or make any payment to, or otherwise contribute any item of value, directly or indirectly, to any third party, including any non-U.S. official, in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall and shall cause each of its Subsidiaries and Affiliates to cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anticorruption law. The Company further represents that it shall and shall cause each of its Subsidiaries and Affiliates to maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. For the purpose of this Section 7.11, “FCPA” means the United States Foreign Corrupt Practices Act, 15 U.S.C. §78-dd-1, et seq.; “U.K. Bribery Act” means United Kingdom Bribery Act 2010.
SECTION 7

CONDITIONS TO COMPANY’S OBLIGATIONS AT THE CLOSING

The obligations of the Company under this Agreement at the Closing are subject to the fulfillment, to its satisfaction, or waiver by the Company, at or before the Closing, of the following conditions:

7.1. **Representations and Warranties True and Correct.** The representations and warranties of the Purchasers contained in Section 4 shall be true and correct when made, and shall be true and correct as of the date of the Closing, with the same force and effect as if they had been made on and as of such dates, subject to changes contemplated by this Agreement.

7.2. **Performance of Obligations.** The Purchasers shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.

7.3. **Consents and Waivers.** The Purchasers shall have obtained any and all consents and waivers necessary for consummation of the transactions contemplated by this Agreement, including, but not limited to, all permits, authorizations, approvals, consents or permits of any Governmental Authority or regulatory body.

SECTION 8

CONDITIONS TO THE PURCHASERS’ OBLIGATIONS AT THE CLOSING

The obligations of the Purchasers under this Agreement at the Closing are subject to the fulfillment, to its satisfaction, or waiver by the Purchasers, at or before the Closing, of the following conditions:

8.1. **Representations and Warranties True and Correct.** The representations and warranties of the Warrantors contained in Section 5 shall be true and correct when made, and shall be true and correct as of the date of the Closing with the same force and effect as if they had been made on and as of such date, subject to changes contemplated by this Agreement.

8.2. **Performance of Obligations.** Each of the Warrantors shall have performed and complied with all agreements, obligations and conditions contained in this Agreement that are required to be performed or complied with by it on or before the Closing.
8.3. **Legal Compliance.** The Group Companies, the Founders and the FounderCos shall have satisfied any applicable legal requirements including, without limitation, compliance with applicable PRC laws.

8.4. **Proceedings and Documents.** All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions, to be passed, executed and/or delivered by the Group Companies and the FounderCos shall be satisfactory in substance and form to the Purchasers, and the Purchasers shall have received all such counterpart originals or certified or other copies of such documents as it may reasonably request.

8.5. **No Material Adverse Effect.** No Material Adverse Effect shall have occurred since the date of this Agreement and be continuing.

8.6. **Approvals, Consents and Waivers.** Each Warrantor shall have obtained any and all approvals, consents and waivers necessary for consummation of the sale and purchase of the Purchased Shares as contemplated hereby, including, but not limited to, (i) all permits, authorizations, approvals, consents or permits of any Governmental Authority or regulatory body, and (ii) the waiver by the existing shareholders of the Company of any anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Purchased Shares at the Closing.

8.7. **Register of Members.** The Purchasers shall have received a copy of the Company’s register of members, certified by the registered agent of the Company as true and complete as of the date of the Closing, updated to show the Purchasers as the holder of the Purchased Shares as of the Closing.

8.8. **Adoption of Articles of Association.** The Articles of Association shall have been duly adopted by the Company by all necessary action of the Board of Directors and/or the members of the Company, and such adoption shall become effective prior to the Closing with no alternation or amendment as of the Closing, and shall be duly filed with the Registrar of Companies of the Cayman Islands as soon as practicable after the Closing.

8.9. **Board of Directors.** The Purchasers shall be entitled to appoint one (1) director in the Board of the Company. The Purchasers shall have received a copy of the Company’s updated register of directors, certified by the registered agent of the Company as true and complete as of the date of the Closing.

8.10. **Indemnification Agreements.** The Company shall have delivered to the Purchasers a copy of indemnification agreement among the Company, the Purchasers and the director appointed by the Purchasers, duly executed by the Company (the “Indemnification Agreement”) in substantially the form and substance attached hereto as Exhibit E.

8.11. **Transaction Documents.** Each of the parties to the Transaction Documents, other than the Purchasers, shall have executed and delivered such Transaction Documents to the Purchasers, and none of the Group Companies have any breach of the Transaction Documents.

8.12. **SAFE Registration.** The Founders of the Company (as applicable) shall have complied with all reporting and/or registration requirements (including filings of amendments to existing registrations) under the SAFE Rules and Regulations, including without limitation, Circular 37, with copies of documents evidencing the same delivered to the Purchasers.

### SECTION 9

**INDEMNITY**

9.1. **Indemnification.** To the fullest extent permitted by Applicable Laws, each Warrantor, jointly and severally (other than Section 9.1, covenants and agrees to indemnify and hold harmless each of the Purchasers and its affiliates, limited partners, members, shareholders, employees, agents and representatives (each an “Indemnified Person”), from and against any and all losses, claims, Actions, damages, Liabilities and expenses (joint or several), including attorneys’ fees and disbursements and all other expenses incurred in investigating, preparing, compromising or defending against any such litigation, commenced or threatened, or any claim whatsoever and all amounts paid in settlement of any such claim or litigation, to which any of the Indemnified Persons may become subject (“Losses”), as incurred, insofar as such Losses arise out of or are based upon:

(a) any inaccuracy in or breach of any representations or warranties made by the Warrantors in this Agreement;

(b) any failure of any Warrantor to perform any of its obligations under, or comply with any provisions of, this Agreement;

(c) any delay in payment or underpayment of, or any failure to pay, welfare funds, social benefits, medical benefits, social insurance, housing funds, retirement benefits, pensions or the like on or before the Closing;
(d) any Loss attributable to any failure of any Warrantor to comply with Applicable Laws or obtain any governmental approval, license or permit necessary to carry out the business of the Group Companies on or prior to the Closing Date;

(e) any Loss attributable to (i) any Taxes (or the non-payment thereof) of any Group Company for all taxable periods ending on or before the Closing and the portion through the end of the Closing for any taxable period that includes (but does not end on) the Closing, and (ii) all Liability for any Taxes of any other person imposed by any Governmental Authority or instrumentality on any Group Company as a transferee, successor, or withholding agent in connection with an event or transaction occurring before the Closing; provided that the Warrantors shall not be liable for the Loss arising as a result of (i) a provision or reserve in respect of the Liability made in the Financial Statements being insufficient by reason of any increase in tax rates announced after the Closing with retrospective effect, and (ii) any law applicable to such Group Company, which comes into force after the Closing with retroactive effect.
9.2. **Procedure.** Each Indemnified Person will notify each Warrantor in writing of any action against such Indemnified Person in respect of which any Warrantor is or may be obligated to provide indemnification hereunder promptly after the receipt of notice or knowledge of the commencement thereof. The failure of any Indemnified Person to notify any Warrantor shall not relieve such Warrantor from any Liability which it may have to such Indemnified Person under this Section 9.2 or otherwise unless the failure to so notify results in the forfeiture by such Warrantor of substantial rights and defenses and will not in any event relieve such Warrantor from any obligations other than the indemnification provided for herein. Each Warrantor will have the right to participate in, and, to the extent the indemnifying Party so desires, to assume the defense thereof, with counsel reasonably satisfactory to the Indemnified Person. However, the Indemnified Person will have the right to retain separate counsel and to participate in the defense thereof, with the reasonable documented fees and expenses of such counsel to be paid by the Warrantors if representation of such Indemnified Person by the counsel retained by the Warrantors would be, in the Indemnified Person’s view, inappropriate due to actual or potential differing interests between such Indemnified Person and any other party represented by such counsel in such proceeding. The Warrantors will be responsible for the expenses of such defense even if the indemnifying Party does not elect to assume such defense. None of the Warrantors may, except with the consent of the Indemnified Person, consent to the entry of any judgment or enter into any settlement which does not include as a term thereof the unconditional release of the Indemnified Person of all Liability in respect of such claim or litigation.

9.3. **Indemnification Non-Exclusive.** The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable or common-law remedy any Party or Indemnified Person may otherwise have.

9.4. **Restrictions on Indemnification.** The amount of indemnification liability of any Founder or his FounderCo under this Section 9 to all Indemnified Persons shall be limited to the value of all the Shares then held by such Founder or his FounderCo. For the avoidance of doubt, such Founder or FounderCo is entitled to choose the following ways to perform and assume its indemnification liabilities: (i) payment by cash, (ii) transfer of Shares held by it, or (iii) other ways permitted by Applicable Laws.

SECTION 10

MISCELLANEOUS

10.1. **Governing Law.** This Agreement shall be governed by and construed exclusively in accordance the internal 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 Hong Kong to the rights and duties of the parties hereunder.
10.2. **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. This Agreement and the rights and obligations herein may not be assigned by any party without the written consent of all other parties, provided that the Purchasers may assign any or all of its rights and obligations herein to a Person designated by the Purchasers prior to the Closing.

10.3. **Entire Agreement.** This Agreement and the schedules and exhibits hereto, 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 shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements contained in any written agreements or instruments 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.

10.4. **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 Schedule C 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 Schedule C or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the parties as set forth in Schedule C 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 10.4 by giving, the other party written notice of the new address in the manner set forth above.

10.5. **Amendments and Waivers.** Any term of this Agreement may be amended only with the written consent of all Parties hereto.

10.6. **Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any party hereto, upon any breach or default of any other party hereto under this Agreement, shall impair any such right, power or remedy of such former 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.

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10.7. **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 and Exhibits herein are to Sections and Exhibits of this Agreement.

10.8. **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 and this Agreement shall only take effect upon the execution by each of the Parties hereto.

10.9. **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 effects the parties’ intent in entering into this Agreement.

10.10. **Confidentiality and Non-Disclosure.**

(a) **Disclosure of Terms.** The terms and conditions of this Agreement and all exhibits and schedules attached hereto (collectively, the “Financing Terms”), including their existence, 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.

(b) **Permitted Disclosures.** Notwithstanding the foregoing, any party may disclose any of the Financing Terms to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys on a need-to-know basis, in each case only where such persons or entities are under appropriate nondisclosure obligations.

(c) **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 or any of the exhibits and schedules attached hereto, or any of the Financing Terms hereof in contravention of the provisions of this Section 10.10, 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.
(d) **Other Information.** The provisions of this Section 10.10 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.

(e) **Restriction on the Use of “Sequoia”.** Without the written consent of Sequoia Capital, the Company, the HK Co, the Domestic Companies, the WFOE and their shareholders (excluding Sequoia Capital) shall not use the name or brand of Sequoia Capital or its Affiliate, claim itself as a partner of Sequoia Capital or its Affiliate, or make any similar representations. Without the written approval of Sequoia Capital, the Company, the HK Co, the Domestic Companies, the WFOE and their shareholders (excluding Sequoia Capital) shall not make or cause to be made any press release, public announcement or other disclosure to any third party in respect of this Agreement, any other Transaction Documents or Sequoia Capital’s subscription of share interest of the Company.

10.11. **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.

10.12. **Dispute Resolution.** Any controversy or claim (each a “Dispute”) arising out of or relating to this Agreement, or the interpretation, breach, termination, validity or invalidity thereof, shall be referred to arbitration upon the demand of either party to the dispute with notice (the “Arbitration Notice”) to the other. The Dispute shall be settled by arbitration in Hong Kong by the Hong Kong International Arbitration Centre (the “HKIAC”) in accordance with the Hong Kong International Arbitration Centre Administered Arbitration Rules (the “HKIAC Rules”) in force at the time when the Arbitration Notice is submitted. There shall be three (3) arbitrators. The complainant and the respondent to such dispute shall each select one arbitrator within thirty (30) days after giving or receiving the demand for arbitration (the “Selection Period”). Such arbitrators shall be freely selected, and the parties shall not be limited in their selection to any prescribed list. The chairman of the HKIAC shall select the third arbitrator. If either party to the arbitration fails to appoint an arbitrator with the Selection Period, the relevant appointment shall be made by the chairman of the HKIAC. The arbitral proceedings shall be conducted in English. To the extent that the HKIAC Rules are in conflict with the provisions of this Section 10.12, including the provisions concerning the appointment of the arbitrators, this Section 10.12 shall prevail. Each party to the arbitration shall cooperate with each other party to the arbitration in making full disclosure of and providing complete access to all information and documents requested by such other party in connection with such arbitral proceedings, subject only to any confidentiality obligations binding on such party. The award of the arbitral tribunal shall be final and binding upon the parties thereto, and the prevailing party may apply to a court of competent jurisdiction for enforcement of such award. Any party to the Dispute shall be entitled to seek preliminary injunctive relief, if possible, from any court of competent jurisdiction pending the constitution of the arbitral tribunal. During the course of the arbitral tribunal’s adjudication of the Dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.
10.13. **Expenses.** The Warrantors shall pay all of their own costs and expenses incurred in connection with the negotiation, execution, delivery and performance of this Agreement and the transactions contemplated hereby. The Company shall reimburse the Purchasers for all out-of-pocket documented legal, professional and other third-party fees, costs and expenses incurred by the Purchasers in connection with the conduct of its industry, legal and financial due diligence and its negotiation, preparation, execution and completion of this Agreement hereunder up to a maximum of US$250,000. The Company shall reimburse the Purchasers pursuant to this Section 10.13 within ten (10) Business Days after receiving the reimbursement request from the Purchasers.

10.14. **Termination.** This Agreement may be terminated by the Purchasers with respect to its own rights and obligations on or after June 30, 2018, by written notice to each of the other Parties, if the Closing has not occurred on or prior to such date. Such termination shall be without prejudice to any claims for damages or other remedies that the parties may have under this Agreement or Applicable Law.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**COMPANY:**

DouYu International Holdings Limited

By: /s/ CHEN Shaojie  
Name: CHEN Shaojie (陈少吉)  
Title: Director

**BVI SUBSIDIARY:**

DouYu Network Inc.

By: /s/ CHEN Shaojie  
Name: CHEN Shaojie (陈少吉)  
Title: Director

**HONG KONG SUBSIDIARY:**

Douyu Hong Kong Limited  
(豆鱼国际香港有限公司)

By: /s/ CHEN Shaojie  
Name: CHEN Shaojie (陈少吉)  
Title: Director

[DouYu International Holdings Limited - Signature Page to Share Purchase Agreement]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**PRC COMPANIES**

_Wuhan Douyu Internet Technology Co., Ltd._

(武漢鬥魚網絡技術有限公司)

By: /s/ CHEN Shaojie  
Name: CHEN Shaojie (陳少傑)  
Title: Legal Representative

/s/ Seal of Wuhan Douyu Internet Technology Co., Ltd.

_Wuhan Ouyue Online TV Co., Ltd._

(武漢歐月在線電視有限公司)

By: /s/ CHEN Shaojie  
Name: CHEN Shaojie (陳少傑)  
Title: Legal Representative

/s/ Seal of Wuhan Ouyue Online TV Co., Ltd.

[DouYu International Holdings Limited - Signature Page to Share Purchase Agreement]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

**FOUNDERCOS:**

**Warrior Ace Holding Limited**

By: /s/ CHEN Shaojie  
   Name: CHEN Shaojie (陈少杰)  
   Title: Director

**Starry Zone Investments Limited**

By: /s/ ZHANG Wenming  
   Name: ZHANG Wenming (张雯敏)  
   Title: Director

**FOUNDERS:**

/s/ CHEN Shaojie  
Name: CHEN Shaojie (陈少杰)

/s/ ZHANG Wenming  
Name: ZHANG Wenming (张雯敏)

[DouYu International Holdings Limited - Signature Page to Share Purchase Agreement]
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SUBSIDIARIES OF EACH DOMESTIC COMPANY:

Wuhan Yuxing Tianxia Culture Media Co., Ltd.
/s/ Seal of Wuhan Yuxing Tianxia Culture Media Co., Ltd.

Wuhan Yu Leyou Internet Technology Co., Ltd.
/s/ Seal of Wuhan Yu Leyou Internet Technology Co., Ltd.

Wuhan Yuyin Raoliang Culture Media Co., Ltd.
/s/ Seal of Wuhan Yuyin Raoliang Culture Media Co., Ltd.

Wuhan Douyu Education Consulting Co., Ltd.
/s/ Seal of Wuhan Douyu Education Consulting Co., Ltd.

Wuhan Yuwan Culture Media Co., Ltd.
/s/ Seal of Wuhan Yuwan Culture Media Co., Ltd.

Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd.
/s/ Seal of Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd.

INVESTORS:

SCC Growth IV 2018-D, L.P.

By: SC China Growth IV Management, L.P.
a Cayman Islands Exempted Limited partnership

By: SC China Holding Limited
a Cayman Islands limited liability company
its General Partner

By:

/s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory

SCC Growth IV 2018-F, L.P.

By: SC China Growth IV Management, L.P.
a Cayman Islands Exempted Limited partnership

By: SC China Holding Limited
a Cayman Islands limited liability company
its General Partner

By:

/s/ Ip Siu Wai Eva
Name: Ip Siu Wai Eva
Title: Authorized Signatory
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

INVESTORS:

SEQUOIA CAPITAL GLOBAL GROWTH FUND II, L.P.
SEQUOIA CAPITAL GLOBAL GROWTH II PRINCIPALS FUND, L.P.
Each a Cayman Islands exempted limited partnership

By: SC GLOBAL GROWTH II MANAGEMENT, L.P., a Cayman Islands exempted limited partnership General Partner of Each

By: SC US (TTGP), LTD., a Cayman Islands exempted company, its General Partner

By:

/s/ Douglas W. Leone
Name: Douglas W. Leone
Title: Authorized Signatory

[DouYu International Holdings Limited - Signature Page to Share Purchase Agreement]
Exhibit 10.7

Amended and Restated Strategic Cooperation Framework Memorandum

Shenzhen Tencent Computer Systems Company Ltd.

&

Wuhan Douyu Network Technology Co., Ltd.
Amended and Restated Strategic Cooperation Framework Memorandum

This Amended and Restated Strategic Cooperation Framework Memorandum (this “Framework Memorandum”) is entered into by the following parties in Nanshan District, Shenzhen City, the People’s Republic of China (the “PRC”) on April 1, 2019:

(1) Shenzhen Tencent Computer Systems Company Ltd., a limited liability company duly established and existing under the laws of the PRC, with its address at Floors 5-10, Fiyta Building, Gao Xin Nan Yi Street, High-tech Park, Nanshan District, Shenzhen (“Party A”); and

(2) Wuhan Douyu Network Technology Co., Ltd., a limited liability company duly established and existing under the laws of the PRC, with its address at Building F3, Optical Valley Software Park, Donghu Development Area, Wuhan City (“Party B”).

In this Framework Memorandum, Party A and Party B are referred to as the “Parties” collectively or a “Party” individually.

The Parties entered into a Strategic Cooperation Framework Memorandum (the “Original Memorandum”) on January 31, 2018, agreeing to engage in strategic cooperation with each other with respect to resources, contents, information synchronization and industry standards. Now, after friendly negotiation, the Parties agree to amend and restate the Original Memorandum in its entirety as follows:

Article 1 Definitions and Interpretation

1.1 Definitions

Unless otherwise specified in this Framework Memorandum or the context clearly indicates otherwise, the following terms, for the purpose of this Framework Memorandum, shall have the meanings, respectively, ascribed to them below.

**Affiliate(s)** refers to any person who directly or indirectly (through one or more intermediaries) controls, is controlled by, or is under common control with a party. The term “control” means that a party (i) directly or indirectly, whether through ownership of voting shares, by contracts or otherwise, holds more than fifty percent (50%) of the total shares with voting rights, registered capital or other equity interests, or (ii) has the power to appoint or nominate the general manager, legal representative or a majority of members of the management committee, the board of directors or other equivalent decision-making bodies, or exercise any other kind of substantial control, including but not limited to managing finance, human resources and business. For the avoidance of any doubt, Party A’s Affiliates stated in Article 2.3.3 hereof refer in particular to Tencent Technology (Shenzhen) Co., Ltd., Tencent Technology (Shanghai) Co., Ltd., Tencent Technology (Chengdu) Co., Ltd., Tencent Technology (Beijing) Co., Ltd., and Tencent Technology (Wuhan) Co., Ltd.

**Online Games** refer to game products and services composed of software programs and information data, that are provided via information networks such as the internet and mobile communication network, mainly including online games that run in client side, web browser and other terminals, and stand-alone games made available to the public through information network. Other terminals refer to mobile phones, personal digital processors, networked game consoles and all kinds of information appliances connected to the information network.

**Online Game Distribution** refers to the service of providing the public with access to download of or links to Online Games through self-owned or controlled platforms (including but are not limited to browsers, webpages and Apps).

**Party B’s Platforms** collectively refer to all platform websites and platform software owned, controlled and operated by Party B or its Affiliates that provide application software (including game software) access service to themselves and Third Parties. Currently, Party B’s Platforms include but are not limited to the existing live streaming platform controlled by Party B or its Affiliates, that is, Douyu Live.

**Third Party** refers to any person that is not a Party hereto and has no affiliated relationship with the Parties or their respective Affiliates.
1.2 Interpretation

(1) Headings of articles are for reference purposes only, and in no way define, limit, interpret or describe such articles, and shall not affect the construction of the articles to which they relate;

(2) Reference to any “Article” is to that article of this Framework Memorandum;

(3) References to a “Party” shall be deemed to include that Party’s successors, heirs or assignees;

(4) References to any law, rule, regulation, notice or statutory provision shall be construed to include all supplements, amendments or reenactments thereto by competent legislative authority.

Article 2 Cooperation Arrangement

2.1 Online Game Distribution

2.1.1 Exclusive Operation

Party B agrees to cooperate with Party A in Online Game Distribution through Party B’s Platforms. During the term of cooperation agreed in this Framework Memorandum, Party A shall have the right to exclusively operate the Online Game Distribution business through Party B’s Platforms.

2.1.2 Exercise of Right

Party B will provide written lists of promotion resources (such resources may be presented or displayed via website, App, bumper advertisement, embedded content or in other ways) to be used for distribution of Online Games. Party A will be in charge of introducing quality Online Games based on the resources, data and operation needs of Party B’s Platforms, and will independently enter into memorandums of cooperation with developers with respect to the distribution services provided through Party B’s Platforms. The Parties further confirm that, Party A has the right to decide whether or not to introduce a particular Online Game to Party B’s Platforms, and has the right to request that the Online Games distributed through Party B’s Platforms shall use SDKs provided by Party A. The Parties will negotiate the profit sharing ratio based on the amount of the Online Games and the resources utilized for the distribution and promotion of the Online Games, and enter into a memorandum of cooperation separately.

2.1.3 Game Distribution Area

In order to improve the distribution of Party A’s Online Games, Party B undertakes that it will set up specific distribution areas for Party A’s Online Games at prominent positions on its platforms, including but are not limited to, primary interfaces of Party B’s Apps, Party B’s web home pages or main PC user interfaces, or other prominent positions.
2.1.4 Limitation and Reservation of Right

Notwithstanding the foregoing, certain games subject to separate agreements by the Parties (the “Excluded Games”) shall not be affected. Party B undertakes and guarantees that:

(1) upon expiration of the cooperation term applicable to any Excluded Game, Party B shall not further carry on any cooperation relating to such Excluded Game in a way conflicting with Party A’s rights under Articles 2.1.1 and 2.1.2 hereof during the term of cooperation of this Framework Memorandum;

(2) for Online Games other than the Excluded Games, Party A will be entitled to exclusive cooperation and operation of related distribution business in accordance with Articles 2.1.1 and 2.1.2 hereof.

2.2 Party A’s Game Area

2.2.1 Set Up of Specific Area

Party B undertakes that it will set up specific game areas for Party A’s Online Games at prominent positions on Party B’s Platforms including but are not limited to primary interfaces of Party B’s Apps, Party B’s web home pages or main PC user interfaces, or other prominent positions (“Party A’s Game Area”), for the publicity and promotion of live streaming, competition and other derivative contents relating to Party A’s Online Games.

2.2.2 Content of Specific Area

The launching of and specific names used in Party A’s Game Area will be subject to Party A’s written confirmation. In addition to the regular live streaming content, Party A’s Game Area will also serve the purpose of facilitating the development of user community, broadcasting related official promotion and related official press release, and will feature related programs or live streaming contents in line with significant timings and events of Party A’s game operation.

2.2.3 Operation of Specific Area

Party B agrees to equip a full-time team for Party A’s Game Area to conduct operational work according to the plan made by Party A’s game operation team. The features of the Game Area, the types and amount of resources devoted, and specific operational plan will be further negotiated by the Parties, and Party A has the veto right with respect to the aforementioned operational planning of Party A’s Game Area.

2.3 Streamer Resource Cooperation

2.3.1 Streamer Cooperation

The Parties hereto will provide support in terms of high-quality streamer resources to Party A under this Framework Memorandum, including but are not limited to cultivating and promoting Party A’s certified streamers, as well as safeguarding the streamers’ interests. The Parties will enter into separate agreements for specific cooperation actions.
2.3.2 Content License

In order to promote Party A's Online Games and increase the exposure of quality content on Party B's Platforms, Party A has the right to use the contents (including but are not limited to video, audio and pictures) relevant to Party A's Online Games, which have been published on Party B's Platforms, on the platforms (including but are not limited to Party A's Online Games, game official Weibo account, game official Weixin/WeChat account, Tencent Video, etc.) operated by Party A or its Affiliates, provided that Party B has the full intellectual property rights or has been legally authorized to license third parties to use the above-mentioned contents. When using such contents, Party A shall specify the source (i.e. Party B's Platforms) and streamer and author information of the contents, and shall not defame or deride Party B, Party B's Platforms and the streamers.

2.3.3 Live Streaming License

(1) Party A licenses Party B to use the game screen content of Party A's Online Games (refer in particular to online game products that Party A and its Affiliates have copyright ownership or Party A is entitled to operate as agent and grant live streaming sublicense to Party B) (the “Game Screen Content”) in live streaming services on Party B’s Platforms within twelve (12) months after January 31, 2018 (the “Live Streaming License”). For the avoidance of doubt, the Parties further specify that, (1) Party A shall sublicense Party B to use the Game Screen Content of the Online Games that Party A operates as agent, unless Party A does not have the right to grant a sublicense of the live streaming content or has agreed otherwise with the content owner of the Online Games, provided that the Parties will separately discuss and agree on the details of such sublicense arrangement, and (2) the aforementioned license does not cover eSports competition organized by Party A or its Affiliates in relation to Party A’s Online Games and their derivative programs, as well as other variety shows, movie and television works or other video contents created or adapted based on Party A’s Online Games. If Party B intends to obtain license for the aforementioned excluded contents, it shall separately execute license agreements with Party A or Party A’s Affiliates and pay corresponding license fee. Within thirty (30) calendar days before the expiration of the aforementioned license term (the “Execution Report”, the details of which are to be separately determined by the Parties). If Party A fails to explicitly notify Party B in writing not to extend the license term within ten (10) calendar days after the receipt of the Execution Report, the Live Streaming License shall be automatically extended for another twelve (12) months after expiration. By that analogy, live streaming license term shall count twelve (12) months as a period, and Party B shall submit an Execution Report to Party A for evaluation within thirty (30) calendar days before the expiration of every live streaming license term, until this Framework Memorandum is expired or terminated due to Party B's breach hereof.

(2) The Parties further agree that, the content and scope of the license granted to Party B under this Article 2.3.3 shall not be less favorable than that offered by Party A to relevant live streaming platforms as separately identified by the Parties on the same condition.

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2.4 Restrictive Covenants

Based on the cooperation agreed under this Framework Memorandum, Party B agrees to undertake certain restrictive obligations, in order to protect Party A's legitimate interests in its invested resources. Specific restrictive obligations will be separately agreed by the Parties.

2.5 Information Synchronization

2.5.1 Scope of Information Synchronization

Party B is obliged to synchronize certain information to Party A under this Framework Memorandum. The Parties will enter into separate agreement regarding details on information synchronization.

2.5.2 Approach of Information Synchronization

The Parties agree to communicate in respect of synchronizing the information specified in accordance with Article 2.5.1 by way of system connection (including but are not limited to providing Party A with access to information on Party B’s Platforms, and periodically transmitting information through port designated by Party A) within five (5) working days after January 31, 2018, and complete such system connection before June 1, 2018. Such term for completion may be reasonably extended upon consent of both Parties.

2.6 Code of Streaming Conduct

2.6.1 Ensure Compliance
Party B shall regulate the conducts of broadcasters on Party B’s Platforms in connection with the broadcasting of Party A’s Online Games, and ensure that relevant broadcasters comply with the Live Streaming Rules issued by Party A from time to time. Prohibited conducts include but are not limited to:

(1) any conduct that violates laws, regulations and ethical norms, such as physical violence, verbal assault or abuse;

(2) any conduct that violates the rules of the games or the spirit of competition, such as negative competition, malicious hanging up;

(3) any conduct that endangers the physical and mental health of game users, such as smoking, alcoholism or over-revealing clothes;

(4) any conduct that harms the fairness of game competitiveness, such as issuing game leveling, plugging advertisement, spreading game loopholes;

(5) any conduct that adversely affects games user experience and the brands of Party A's games.

2.6.2 Measures to Be Taken

If any broadcaster of Party B’s Platforms fails to comply with the code of conduct stipulated in Article 2.6.1, Party A has the right to require Party B to restrict such broadcaster to continue to live stream Party A’s Online Games, and to take measures, including but are not limited to, temporary or permanent closure or suspension of such broadcaster’s live streaming account on Party B’s Platforms, and deletion or blocking links to related live streams content, and Party B shall cooperate with Party A to take such measures.
Article 3 Confidentiality

3.1 Confidentiality

The Parties agree to keep strictly confidential the cooperation relation between the Parties under this Framework Memorandum, the existence of this Framework Memorandum and terms herein, as well as the process and details of negotiation and communication relating to the execution of this Framework Memorandum. If any Party intends to publish any of the contents mentioned above which should be kept in confidential, such Party shall obtain prior written consent of the other Party. The confidentiality duties and obligations hereunder shall remain valid and legally binding after the termination of this Framework Memorandum.

3.2 Non-disclosure

Each Party shall keep confidential the commercial information disclosed by the other Party or accessed for reason of work or acquired through other channels (i.e. all technological, financial, commercial or other confidential information not known to the public owned by the other Party and/or its Affiliates, and information or data that can bring economic benefits to such other Party and/or its Affiliates and for which such other Party and/or its Affiliates take confidentiality measures). Without prior written consent by such other Party, a Party shall not provide, disclose or transfer the other Party’s trade secrets to any Third Party, with or without consideration. Each Party shall use the other Party’s trade secrets acquired or known by such Party solely for the purpose of this Framework Memorandum.

Article 4 Term of Memorandum

4.1 Effectiveness

This Framework Memorandum shall enter into effect upon signature or stamp by the Parties on the date first written above. This Framework Memorandum amends and restates the Original Memorandum and supersedes in its entirety the Original Memorandum. The Original Memorandum shall terminate automatically upon effectiveness of this Framework Memorandum.
4.2 **Term of Memorandum**

The agreed term of this Framework Memorandum shall be three (3) years from the date of the Original Memorandum, starting on January 31, 2018 and ending on January 30, 2021. Within thirty (30) days before the expiry of the agreed term, the Parties may renegotiate whether to renew this Framework Memorandum. Without written notice by either Party in such thirty-day period, and on the condition that the equity shares held by Nectarine Investment Limited (Party A’s Affiliate) and/or other Party A’s Affiliates (collectively, “Tencent”) in DouYu International Holdings Limited (Party B’s Affiliate) (“Douyu Cayman”) are not less than half of the equity shares held by Tencent in Douyu Cayman as of the date of this Framework Memorandum (the basis of calculation of the number of shares shall be adjusted appropriately to reflect any split, declaration or restructuring of shares or other similar arrangements carried out by Douyu Cayman), this Framework Memorandum shall be automatically extended for another three (3) years after expiration.

**Article 5 Miscellaneous**

5.1 **Default**

Non-performance of this Framework Memorandum or non-compliance of the performance with the provisions hereof by either Party shall be deemed as a default. The defaulting Party shall compensate the non-defaulting Party for any and all losses resulting therefrom, and the non-defaulting Party may require the defaulting Party to bear other default liabilities according to the provisions under the applicable laws.

If any provision of this Framework Memorandum is held to be wholly or partially invalid or unenforceable for any reason whatsoever, or in violation of any applicable law, such provision shall be deemed removed from this Framework Memorandum, but all remaining provisions of this Framework Memorandum shall remain in full force and effect and shall continue to bind the Parties.

5.2 **Notices and Service**

All notices sent by one Party to the other Party shall be made in Chinese in writing, and shall be delivered in person (including express mail service) or by registered mail, unless the Parties agree to deliver by email. Emails or written notices under this Framework Memorandum shall be deemed as being served upon by sending them to the following addresses or e-mails:

**If to Shenzhen Tencent Computer Systems Company, Ltd.**

First Contact: Shen Yang

Address: 16th Floor, Building C1, Kexing Science Park. No. 15 Keyuan Road, Nanshan District, Shenzhen City

Tel: ***************

Email: ***************

Second Contact: Zhao Chan
Address: 32nd Floor, Tencent Building, No.10000 Shennan Avenue, Nanshan District, Shenzhen City
Tel: *************
Email: *************
If to Wuhan Douyu Network Technology Co., Ltd.
Contact: Su Mingming
Address: 19th Floor, Building F3, Optical Valley Software Park, Donghu Development Area, Wuhan City
Tel: *************
Email: *************

5.3 **Governing law**

The execution, effectiveness, interpretation, performance and dispute resolution relating to this Framework Memorandum shall be governed by the laws of the mainland China.

5.4 **Dispute Resolution**

Any dispute arising from or in connection with this Framework Memorandum (the “Dispute”) shall be settled by the Parties through friendly negotiation. The Party proposing the Dispute shall promptly inform the other Party of the occurrence and nature of the Dispute by delivering a dated written notice. Where the Parties fail to settle the Dispute through negotiation within sixty (60) days following the date of the aforesaid notice, either Party may submit the Dispute to a people’s court with jurisdiction over the defendant’s domicile.

5.5 **Counterparts**

This Framework Memorandum is executed in two counterparts, with each Party holding one counterpart, and both of which shall have the same legal effect.
IN WITNESS WHEREOF, the Parties have caused this Framework Memorandum to be executed by their respective duly authorized representatives as of the date first above written.

Shenzhen Tencent Computer Systems Company, Ltd.

(Seal of Shenzhen Tencent Computer Systems Company, Ltd.)

/s/ Seal of Shenzhen Tencent Computer Systems Company, Ltd.

Date: April 1, 2019

Wuhan Douyu Network Technology Co., Ltd.

(Seal of Wuhan Douyu Network Technology Co., Ltd.)

/s/ Seal of Wuhan Douyu Network Technology Co., Ltd.

Date: April 1, 2019
Exhibit 10.8

Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of January 10, 2019 by and among the following parties in Beijing, China:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

**Party B:** Shaojie Chen (“Pledgor”)
Identification Card No. [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is a citizen of the People's Republic of China (the “PRC”) and owns 35.1533% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. **Definition**

   Unless otherwise provided herein, the following terms shall have the following meaning:

   1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.1 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.2 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. **Pledge**

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 35.1533% equity of Party C (including the registered capital of CNY7,853,822 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.
2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc. provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.
5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.

5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on January 10, 2019, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.
6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.

6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder. Pledgor shall compensate for all losses suffered by Pledgee due to Pledgor’s failure to perform or fully perform its warranties, covenants, agreements, representations and conditions.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make all efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Where it is possible that the Equity will depreciate, which is sufficient to jeopardize Pledgee’s rights, Pledgee may require Pledgor to provide additional mortgage or security, and if Pledgor fails to provide the same, Pledgee may auction or sell the Equity at any time, and use the proceeds obtained thereby for repayment of the Secured Debt in advance or deposition; any costs incurred thereby shall be solely borne by Pledgor.

6.7 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “**Extra Equity**”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.
6.8 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.9 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.10 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.11 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.12 Party C agrees to strictly comply with the obligations under Articles 6.7, 6.8 and 6.9 hereof, jointly with Pledgor.

6.13 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.14 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.15 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

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6.16 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.17 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.18 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.9, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;
Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to immediately pay all outstanding amount due and payable under the Business Cooperation Agreement and all other due and payable amounts to Pledgee, and/or repay the loan and/or dispose the Pledge in accordance with Article 8 hereof.

8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.
8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Pledgor, except for those required by laws to be borne by Pledgee.

9. Assignment

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.

9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. Termination

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. Fees and Other Charges

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. Confidentiality Liabilities

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. Governing Law and Dispute Resolution

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. Notice

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Shaojie Chen
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Tel: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]
14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

18. **Miscellaneous**

Upon the effectiveness of this Agreement, the share pledge contract entered into by and among Pledgee, Pledgor and Party C as of May 14, 2018 (the “**Agreement 2018**”) shall be automatically terminated, in such case, the performance of the part provided under the Agreement 2018 that has not been performed shall cease; with regard to the part provided under the Agreement 2018 that has been performed, Pledgee, Pledgor and Party C jointly accept and recognize the legal validity thereof and that there is no dispute arising out from such performance.

*(The remainder of this page is intentionally left blank.)*
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party A:**

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

By:  /s/ Shaojie Chen

**Party C:**

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.

By:  /s/ Shaojie Chen
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party B:**

**Shaojie Chen**

By: /s/ Shaojie Chen ___________________________
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.

2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 8, 2018 by and among the following parties in Beijing, China:

Party A:  Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

Party B:  Wenming Zhang (“Pledgor”)  
Identification Card No. [   ]

Party C:  Wuhan Douyu Internet Technology Co. Ltd.  
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is a citizen of the People's Republic of China (the “PRC”) and owns 3.916% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. Definition

Unless otherwise provided herein, the following terms shall have the following meaning:

1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 3.916% equity of Party C (including the registered capital of CNY875,000 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.
2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledger to any third party.

5.5 All documents, materials, statements and certificates etc. provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.

5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;
6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.
6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder. Pledgor shall compensate for all losses suffered by Pledgee due to Pledgor’s failure to perform or fully perform its warranties, covenants, agreements, representations and conditions.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make all efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Where it is possible that the Equity will depreciate, which is sufficient to jeopardize Pledgee’s rights, Pledgee may require Pledgor to provide additional mortgage or security, and if Pledgor fails to provide the same, Pledgee may auction or sell the Equity at any time, and use the proceeds obtained thereby for repayment of the Secured Debt in advance or deposition; any costs incurred thereby shall be solely borne by Pledgor.

6.7 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.8 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.9 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.
Party C covenants and further agrees that:

6.10 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.11 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.12 Party C agrees to strictly comply with the obligations under Articles 6.7, 6.8 and 6.9 hereof, jointly with Pledgor.

6.13 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.14 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.15 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.16 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.17 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.18 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.
7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.9, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.
7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to immediately pay all outstanding amount due and payable under the Business Cooperation Agreement and all other due and payable amounts to Pledgee, and/or repay the loan and/or dispose the Pledge in accordance with Article 8 hereof.

8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Pledgor, except for those required by laws to be borne by Pledgee.

9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.
9.3 **Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.**

9.4 **In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.**

9.5 **Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.**

10. **Termination**

   Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

   Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

   The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.
13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C's equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C's equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. **Notice**

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:
14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of
delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated
confirmation of transmission.

14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** **Wuhan Douyu Culture Network Technology Co., Ltd.**
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** **Wenming Zhang**
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Tel: [ ]

**Party C:** **Wuhan Douyu Internet Technology Co. Ltd.**
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under
any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no
way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid,
illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting
expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic
effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.
17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of fourteen (14) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party A:**

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

-/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

By: /s/ Shaojie Chen

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**Party C:**

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

-/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.

By: /s/ Shaojie Chen
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party B:

Wenming Zhang

By: /s/ Wenming Zhang
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.
2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

Party A:  Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Dongqing Cai

Party B:  Dongqing Cai (“Pledgor”)
Identification Card No. [   ]

Party C:  Wuhan Douyu Internet Technology Co. Ltd.
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Dongqing Cai

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is a citizen of the People’s Republic of China (the “PRC”) and owns 13.179% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

2. Definition

Unless otherwise provided herein, the following terms shall have the following meaning:

2.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
2.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

2.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

2.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

2.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

2.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

3. **Pledge**

3.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 13.179% equity of Party C (including the registered capital of CNY2,944,395 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

3.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

3.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

3.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

3.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

3.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

3.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.

3.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date (“Accounting Date”). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.
Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

4. **Term of Pledge**

4.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

4.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

5. **Custody of Records for Equity subject to Pledge**

5.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

5.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.

6. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:
6.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

6.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

6.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

6.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

6.5 All documents, materials, statements and certificates etc. provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

6.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

6.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

6.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

6.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.
6.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

6.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

7. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

7.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

7.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

7.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

7.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

7.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

7.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.
7.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder. Pledgor shall compensate for all losses suffered by Pledgee due to Pledgor’s failure to perform or fully perform its warranties, covenants, agreements, representations and conditions.

7.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make all efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

7.6 Where it is possible that the Equity will depreciate, which is sufficient to jeopardize Pledgee’s rights, Pledgee may require Pledgor to provide additional mortgage or security, and if Pledgor fails to provide the same, Pledgee may auction or sell the Equity at any time, and use the proceeds obtained thereby for repayment of the Secured Debt in advance or deposition; any costs incurred thereby shall be solely borne by Pledgor.

7.7 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

7.8 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

7.9 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.
7.10 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

7.11 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

7.12 Party C agrees to strictly comply with the obligations under Articles 6.7, 6.8 and 6.9 hereof, jointly with Pledgor.

7.13 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

7.14 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

7.15 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

7.16 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

7.17 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

7.18 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.
8. **Event of Default**

8.1 Each of the following events shall be regarded as an Event of Default:

8.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.9, if any, or breaches any other obligation of Party C thereunder;

8.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

8.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

8.1.4 Where Pledgor and Party C breach any provision of this Agreement;

8.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

8.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

8.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

8.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

8.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

8.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

8.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.
8.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

8.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactorily to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to immediately pay all outstanding amount due and payable under the Business Cooperation Agreement and all other due and payable amounts to Pledgee, and/or repay the loan and/or dispose the Pledge in accordance with Article 8 hereof.

9. **Exercise of the Pledge**

9.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

9.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

9.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

9.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

9.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

9.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Pledgor, except for those required by laws to be borne by Pledgee.

10. **Assignment**

10.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

10.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.
10.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.

10.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

10.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

11. Termination

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

12. Fees and Other Charges

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

13. Confidentiality Liabilities

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.
14. **Governing Law and Dispute Resolution**

14.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

14.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C's equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C's equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

14.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

15. **Notice**

15.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:
15.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

15.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

15.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:**  
**Wuhan Douyu Culture Network Technology Co., Ltd.**  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email: [ ]  
Tel: [ ]

**Party B:**  
**Dongqing Cai**  
Address: [ ]  
Attn.: Rong Li  
Tel: [ ]

**Party C:**  
**Wuhan Douyu Internet Technology Co. Ltd.**  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email: [ ]  
Tel: [ ]

15.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

16. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

17. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.
18. **Effectiveness**

18.1 This Agreement shall take effect as of the day immediately following the expiry of fifteen (15) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.

18.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

*(The remainder of this page is intentionally left blank.)*

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13
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party A:**

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

**Party C:**

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party B:

Dongqin Cai

By: /s/ Dongqin Cai
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.
2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

**Party B:** Beijing Fengye Equity Investment Center (Limited Partnership) (“Pledgor”)
Registered Address: C2112, 2/F, Building 16, 37 Chaoqian Road, Science and Technology Park, Changping District, Beijing
Managing Partner: Sequoia Capital Equity Investment Management (Tianjin) Co., Ltd.

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

**WHEREAS,**

1. Pledgor is Beijing Fengye Equity Investment Center (Limited Partnership) and owns 13.163% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

**1. Definition**

Unless otherwise provided herein, the following terms shall have the following meaning:

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1
1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.

1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 13.163% equity of Party C (including the registered capital of CNY2,940,792 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or
2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.

2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.
5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.
6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.7 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

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6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.10 Without prior written consent of Pledgor, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgor, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgor in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY 100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgor under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgor in writing and per the reasonable request of Pledgor, take all necessary measures to ensure the pledge interest of Pledgor over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgor under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgor with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgor, so as to ensure the pledge interest of Pledgor over the Equity and the exercise and realization of such interest.

6.17 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgor, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;
7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.
8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.
9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. Notice

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.

Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei

Attn.: Mingming Su

Email: [    ]

Tel: [    ]

**Party B:** Beijing Fengye Equity Investment Center (Limited Partnership)

Address: Unit 3606, Tower 3, China Central Place, No.77 Jianguo Road, Chaoyang District, Beijing

Attn.: Xi Cao

Tel: [    ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.

Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei

Attn.: Mingming Su

Email: [    ]

Tel: [    ]

14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.
This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party A:**

**Wuhan Douyu Culture Network Technology Co., Ltd.** (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

**Party C:**

**Wuhan Douyu Internet Technology Co. Ltd.** (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party B:**

**Beijing Fengye Equity Investment Center (Limited Partnership) (Seal)**

/s/ Seal of Beijing Fengye Equity Investment Center (Limited Partnership)

By: /s/ Ziqi He _________________________________
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.
2. Exclusive Business Cooperation Agreement
This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
- Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
- Legal Representative: Shaojie Chen

**Party B:** Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership) (“Pledgor”)
- Registered Address: 568, Room 301, Building 16, Office Building, Eco-City Science Park, 2018 Zhongtian Road, Eco-City, Tianjin
- Managing Partner: Nanshan Asset Management (Tianjin) Co., Ltd.

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
- Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
- Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership) and owns 4.354% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. **Definition**

   Unless otherwise provided herein, the following terms shall have the following meaning:

1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. **Pledge**

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 4.354% equity of Party C (including the registered capital of CNY972,733 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.
2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.
5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.
6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.7 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.10 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.
6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.17 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;
7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.
8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.
9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. Notice

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:**  
**Wuhan Douyu Culture Network Technology Co., Ltd.**  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email: [ ]  
Tel: [ ]

**Party B:**  
**Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership)**  
Address: 2001, 2002, Tower A, Phoenix Place, Sanyuanqiao, Chaoyang District, Beijing  
Attn.: Jia He  
Email: [ ]  
Tel: [ ]

**Party C:**  
**Wuhan Douyu Internet Technology Co. Ltd.**  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email: [ ]  
Tel: [ ]

Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.
This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

**Wuhan Douyu Culture Network Technology Co., Ltd.** (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

**Wuhan Douyu Internet Technology Co. Ltd.** (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party B:**

Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership) (Seal)

/\s/ Seal of Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership)

By: /\s/ Jia He

________________________________________
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.

2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

Party A:  Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

Party B:  Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership) (“Pledgor”)
Registered Address: 226, Room 301, 3/F, Building 9, Eco-Construction Apartment, South of Zhongbin Road, West of Zhongcheng Road, Sino-Singapore Eco-City, Binhai New Area, Tianjin
Managing Partner: Nanshan Asset Management (Tianjin) Co., Ltd.

Party C:  Wuhan Douyu Internet Technology Co. Ltd.
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership) and owns 0.754% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. Definition

Unless otherwise provided herein, the following terms shall have the following meaning:

1
1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.

1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 0.754% equity of Party C (including the registered capital of CNY168,506 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or
2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.

2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.
5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.
6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.7 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:
6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.10 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.17 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;
7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.
8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.
9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. **Notice**

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership)
Address: 2001, 2002, Tower A, Phoenix Place, Sanyuanqiao, Chaoyang District, Beijing
Attn.: Jia He
Email: [ ]
Tel: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties ("**Effective Date**"). Any amendment, change and supplement to this Agreement shall be made in writing.
17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on
the date first written above.

**Party B:**

**Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership)** (Seal)

/\s/ Seal of Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership)

By: /\s/ Jia He

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Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.
2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

Party A: Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)  
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)  
Legal Representative: Shaojie Chen

Party B: Linzhi Lichuang Information Technology Co., Ltd. (“Pledgor”)  
Registered Address: 202-5, Nyingchi Biotechnology Industrial Park, Bayi Town, Bayi District, Nyingchi Prefecture, Tibet  
Legal Representative: Yuxin Ren

Party C: Wuhan Douyu Internet Technology Co. Ltd.  
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan  
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is Linzhi Lichuang Information Technology Co., Ltd. and owns 18.975% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. Definition

Unless otherwise provided herein, the following terms shall have the following meaning:

1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. **Pledge**

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 18.975% equity of Party C (including the registered capital of CNY4,239,376 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

   2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

   2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

   2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

   2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.
2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.

5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;
6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.
6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.7 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

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6.10 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.17 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;
7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.
8. Exercise of the Pledge

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

9. Assignment

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.
9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. Notice

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

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For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Linzhi Lichuang Information Technology Co., Ltd.
Address: Tencent Seafront Tower, 33 Haitianer Road, Nanshan District, Shenzhen, Guangdong
Postal Code: 518064
Attn.: Transaction Compliance Department
Email: [ ]

With a copy to:

Tencent Building, Kejizhongyi Avenue, Hi-tech Part, Nanshan District, Shenzhen
Postal Code: 518057
Attn.: Investment and M&A Department
Email: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

**15. Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

**16. Appendix**

The appendices attached hereto shall be integral parts of this Agreement.
17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

*The remainder of this page is intentionally left blank.*)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.

IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party B:

Linzhi Lichuang Information Technology co., Ltd. (Seal)

/s/ Seal of Linzhi Lichuang Information Technology co., Ltd.
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.

2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

Party A: Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

Party B: Beijing Fenghuang Fuju Investment Management Center (Limited Partnership) (“Pledgor”)
Registered Address: 1 Hunan East Road, Yanqing Town, Yanqing District, Beijing (Zone C, Room 204, Management Committee of Yanqing Economic Development Zone)
Managing Partner: Beijing Fenghuang High Growth Equity Investment Co. Ltd.

Party C: Wuhan Douyu Internet Technology Co. Ltd.
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgor, Pledgee and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is Beijing Fenghuang Fuju Investment Management Center (Limited Partnership) and owns 8.084% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. Definition

Unless otherwise provided herein, the following terms shall have the following meaning:
1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.

1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 8.084% equity of Party C (including the registered capital of CNY1,806,049 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;
2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.

2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.
4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.

5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.
5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.

5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.
6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.

6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.7 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.
6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.10 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.
6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.17 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;
7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.

8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.
9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.

9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.
12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. **Notice**

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:**  
**Wuhan Douyu Culture Network Technology Co., Ltd.**  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email:  
Tel:  

**Party B:**  
**Beijing Fenghuang Fuju Investment Management Center (Limited Partnership)**  
Address: 808, Fenghuishidai Mansion East, Taipingqiao Avenue, Xicheng District, Beijing  
Attn.: Li Li  
Email:  
Tel:  

**Party C:**  
**Wuhan Douyu Internet Technology Co. Ltd.**  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email:  
Tel:  

14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
15. Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. Appendix

The appendices attached hereto shall be integral parts of this Agreement.

17. Effectiveness

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“Effective Date”). Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party B:**

**Beijing Fenghuang Fuju Investment Management Center (Limited Partnership)** (Seal)

/s/ Seal of Beijing Fenghuang Fuju Investment Management Center
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.

2. Exclusive Business Cooperation Agreement
This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)  
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)  
Legal Representative: Shaojie Chen

**Party B:** Shenzhen Innovation Investment Group Co., Ltd. (“Pledgor”)  
Registered Address: Zone B, 11/F, Investment Bldg., 4009 Shennan Street, Futian District, Shenzhen  
Legal Representative: Zewang Ni

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.  
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan  
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is Shenzhen Innovation Investment Group Co., Ltd. and owns 1.895% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. **Definition**

   Unless otherwise provided herein, the following terms shall have the following meaning:

1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 1.895% equity of Party C (including the registered capital of CNY423,293 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.

2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date (“Accounting Date”). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. Term of Pledge

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located (“Registration Authority”) registers and creates the same, and the term of such Pledge (“Term of Pledge”) shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.
3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. Custody of Records for Equity subject to Pledge

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.
4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.

5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.
5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.

5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.
In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.

Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.
6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.10 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.
6.17 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. Event of Default

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;
7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactorily to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.

8. **Exercise of the Pledge**

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

8.5 When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

8.6 All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.
9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/she is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.

9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.
13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. **Notice**

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email:  
Tel:  

**Party B:** Shenzhen Innovation Investment Group Co., Ltd.
Address: Room 2108, Building 4, Zhuoyue Shiji Center, Fuhua 3 road & Jintian Road, Futian Avenue, Futian District, Shenzhen
Attn.: Bo Yi
Email:  
Tel:  

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email:  
Tel:  

14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“Effective Date”). Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party B:

Shenzhen Innovation Investment Group Co., Ltd. (Seal)

/s/ Seal of Shenzhen Innovation Investment Group Co., Ltd.

By: /s/ Zewang Ni
Name: Zewang Ni
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.
2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 14, 2018 by and among the following parties in Beijing, China:

Party A: Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

Party B: Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (“Pledgor”)
Registered Address: Building 15, Dongshahu Equity Investment Centre, 183 Suhong East Road, Suzhou Industrial Park
Managing Partner: Nanshan Asset Management (Tianjin) Co., Ltd.

Party C: Wuhan Douyu Internet Technology Co. Ltd.
Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership and owns 0.526% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei Province, the PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 14, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. Definition

Unless otherwise provided herein, the following terms shall have the following meaning:
1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.

1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 14, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.5 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.6 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 0.526% equity of Party C (including the registered capital of CNY117,587 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or
2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.

2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date ("Accounting Date"). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. Term of Pledge

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located ("Registration Authority") registers and creates the same, and the term of such Pledge ("Term of Pledge") shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. Custody of Records for Equity subject to Pledge

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.
4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.

5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc., if any, provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.
5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.

5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

   6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 14, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

   6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

   6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.
6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.

6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to do all acts required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to execute all certificiates, agreements, deeds and/or covenants required by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require within reasonable period.

6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make best reasonable efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.

6.7 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party (“Equity Transferee”) in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.
6.8 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.9 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.10 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.11 Party C agrees to strictly comply with the obligations under Articles 6.6, 6.7 and 6.8 hereof, jointly with Pledgor.

6.12 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.13 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.14 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

6.15 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.16 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.
In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.8, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;

7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

8
Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

Unless the Event of Default listed in this Article 7.1 has been resolved satisfactorily to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to dispose the Pledge in accordance with Article 8 hereof.

Exercise of the Pledge

Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.

When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Party C. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.
9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.

9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.

12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused
by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, 
decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon 
the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration 
award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the 
breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss 
suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the 
courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, 
which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or 
enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to 
grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper 
circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the 
breaching party may not act in furtherance of the loss suffered by Party A.
In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. **Notice**

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership
Address: Building 15, Dongshahu Share Investment Center, No.183 Suhong East Road, Industrial Park, Suzhou, Jiangsu
Attn.: Zhanwei Zhang
Email: [ ]
Tel: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect as of the day immediately following the expiry of ten (10) business days after the signature or seal by the Parties (“**Effective Date**”). Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

**Wuhan Douyu Culture Network Technology Co., Ltd.** (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

**Wuhan Douyu Internet Technology Co. Ltd.** (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

**Party B:**

**Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (Limited Partnership)** (Seal)

/s/ Seal of Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (Limited Partnership)

By:  /s/ Jia He  
Name: Jia He
Appendix:

1. Register of Shareholders of Wuhan Douyu Internet Technology Co. Ltd.
2. Exclusive Business Cooperation Agreement
Share Pledge Agreement

This Share Pledge Agreement (this “Agreement”) is entered into as of May 29, 2018 by and among the following parties in Beijing, China:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd. (“Pledgee”)
Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)
Legal Representative: Shaojie Chen

**Party B:** Shaojie Chen (“Pledgor”)
Identification Card No. [          ]

**Party C:** Wuhan Ouyue Online TV Co., Ltd.
Registered Address: Room 01, 7th Floor, Building B4, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan
Legal Representative: Shaojie Chen

Pledgee, Pledgor and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Pledgor is a citizen of the People’s Republic of China (the “PRC”) and owns 100% equity of Party C. Party C is a limited liability company incorporated in Wuhan, Hubei, PRC. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide necessary assistance for the registration of such pledge;

2. Pledgee is a wholly foreign-owned enterprise incorporated in the PRC. Pledgee and Party C entered into the Exclusive Business Cooperation Agreement on May 29, 2018;

3. In order to guarantee that Pledgee receives all payments due and payable by Party C from Party C, including but not limited to the consultation and service fee, Pledgor pledges all of its equity in Party C for the payment of the consultation and service fee by Party C under the Exclusive Business Cooperation Agreement.

1. **Definition**

Unless otherwise provided herein, the following terms shall have the following meaning:

1.1 “Pledge” refers to the security interest granted by Pledgor to Pledgee under Article 2 hereof, that is, the right of Pledgee of being paid in priority with the proceeds from the conversion, auction or sale of the Equity.
1.2 “Equity” refers to all equity lawfully now held and hereafter acquired by Pledgor in Party C.

1.3 “Term of Pledge” refers to the term set forth in Article 3 hereof.

1.4 “Business Cooperation Agreement” refers to the Exclusive Business Cooperation Agreement entered into on May 29, 2018 by and between Pledgee and Party C which is partly owned by Pledgor.

1.1 “Event of Default” refers to any circumstance stated in Article 7 hereof.

1.2 “Notice of Default” refers to the notice issued by Pledgee in accordance with this Agreement declaring an Event of Default.

2. Pledge

2.1 As the guarantee for the immediate and full payment and performance of any or all payments (including but not limited to the consultation and service fee payable to Pledgee under the Business Cooperation Agreement when due and payable, whether on the stipulated due date, by acceleration or otherwise, collectively as the “Secured Debt”) owed by Party C under the Business Cooperation Agreement, Pledgor hereby pledges its 100% equity of Party C (including the registered capital of CNY10,000,000 (contribution amount) of Party C currently owned by Pledgor and all equity interests related thereto, and further registered capital of Party C (contribution amount) that Pledgor may obtain in the future and all equity interests related thereto) to Pledgee as first priority pledge.

2.2 The Parties understand and agree that the monetary valuation arising out of or in connection with the Secured Debt until the Accounting Date (as defined below) shall be changing and floating valuation.

2.3 In case of any of the following events (“Accounting Event”), the value of the Secured Debt shall be determined per the total payable Secured Debt due but unpaid to Pledgee on the latest date before the occurrence of the Accounting Event or on the occurrence date thereof (“Determined Debt”):

2.3.1 Where the Business Cooperation Agreement expires or terminates pursuant to its relevant terms;

2.3.2 Where an Event of Default set forth in Article 7 hereof occurs and has not been cured, causing Pledgee to serve a Notice of Default to Pledgor in accordance with Article 7.3 hereof;

2.3.3 Pledgee, upon proper investigation, reasonably believes that Pledgor and/or Party C is insolvent or may be put into insolvency; or

2.3.4 Any other matter as required by the PRC laws to determine the Secured Debt.
2.4 For the avoidance of doubt, the occurrence date of Accounting Event shall be the accounting date (“Accounting Date”). Pledgee shall be entitled to enforce the Pledge at its option on or after the Accounting Date in accordance with Article 8.

2.5 Within the Term of Pledge (as defined below), Pledgee shall be entitled to collect any dividend or other distributable profit arising from the Equity.

3. **Term of Pledge**

3.1 The Pledge shall take effect as of the date on which the administration for commerce and industry at the place where Party C is located (“Registration Authority”) registers and creates the same, and the term of such Pledge (“Term of Pledge”) shall last until the repayment or performance of the last obligation secured by such Pledge. The Parties agree that upon the execution and effectiveness of this Agreement, Pledgor and Party A shall immediately (and in no event later than the 20th day as of the Effective Date hereof) apply with the Registration Authority for registration of the creation of the Equity Pledge in accordance with the Measures for the Registration of Equity Pledge with the Administration for Commerce and Industry. The Parties further agree to complete all Equity pledge registration formalities, obtain the registration notice issued by the Registration Authority and have the Registration Authority fully and accurately record the pledge of the Equity on the register of equity pledge, within fifteen (15) days as of the official acceptance of the Equity pledge registration application by the Registration Authority. Party C acknowledges the respective rights and obligations of Pledgor and Pledgee hereunder and agrees to provide any necessary assistance for the registration of such pledge.

3.2 Within the Term of Pledge, if Party C fails to pay the exclusive consultation or service fee or any Secured Debt pursuant to the Business Cooperation Agreement or perform other aspect thereof, Pledgee has the right but not the obligation to dispose such Pledge in accordance with this Agreement.

4. **Custody of Records for Equity subject to Pledge**

4.1 Party C shall register the pledge hereunder in the register of shareholders of Party C on the Effective Date hereof, and provide Pledgee with a photocopy or scanned copy of such register of shareholders. Within the Term of Pledge set forth herein, Pledgee shall deliver the original of the contribution certificate of the Equity and the register of shareholders recording the Pledge (and other document as Pledgee may reasonably require, including but not limited to the Equity Registration Notice issued by the administration for commerce and industry) to Pledgee for custody within one week as of the creation of the Pledge upon registration. Pledgee shall always keep such items during the whole Term of Pledge set forth herein.

4.2 Within the Term of Pledge, Pledgee shall be entitled to collect the dividends arising from the Equity.
5. **Representations and Warranties of Pledgor and Party C**

Pledgor represents and warrants to Pledgee that:

5.1 Pledgor is the sole legal and beneficial owner of the Equity, and except for being subject to the agreement otherwise entered into by and between Pledgor and Pledgee, it has legal, complete and full ownership to and in the Equity.

5.2 Pledgee shall be entitled to dispose the Equity in accordance with this Agreement.

5.3 Except for the Pledge and the agreement otherwise entered into by and between Pledgor and Pledgee, Pledgor has not created any security interest or other encumbrance over the Equity, and the Equity has no dispute over its ownership, is not subject to any detention or other legal proceeding or has similar threat, and may be pledged and transferred pursuant to applicable laws.

5.4 The execution of this Agreement and exercise of its rights hereunder or performance of its obligations hereunder by Pledgor will not violate any law, regulation, any agreement or contract to which Pledgor is a party, or any undertaking made by Pledgor to any third party.

5.5 All documents, materials, statements and certificates etc. provided to Pledgee by Pledgor are accurate, authentic, complete and valid.

Party C represents and warrants to Pledgee that:

5.6 It is a limited liability company duly registered and lawfully existing under the PRC Laws with independent legal personality, and has full and independent legal status and capacity to execute, deliver and perform this Agreement.

5.7 This Agreement, upon duly execution by it, constitutes its legal, valid and binding obligations.

5.8 It has full internal right and authorization to execute and deliver this Agreement and all other documents related to the transactions contemplated hereby as well as full right and authorization to consummate the transactions contemplated hereby.

5.9 With respect to its assets, there is no security interest or other encumbrance which may materially affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

5.10 There is no pending or to the knowledge of Party C threatened litigation, arbitration or other legal proceeding against the Equity, Party C or its assets in any court or arbitral tribunal which has not been disclosed to Party A and Party B, and there is no pending or to the knowledge of Party C threatened administrative proceeding or administrative punishment against the Equity, Party C or its assets in any governmental authority or administrative authority which has not been disclosed to Party A and Party B, which in each case will have material or adverse effect on Party C’s economic status or the capacity of Pledgor to perform the obligations and security liability.
5.11 Party C hereby agrees to be jointly and severally liable to Pledgee for the representations and warranties made hereunder by all Pledgors or any one of them.

5.12 Party C hereby warrants to Pledgee that the said representations and warranties will be true and correct and fully complied with at any time and in any case before the obligations hereunder are fully performed or the Secured Debt is fully discharged.

6. **Covenants and Further Agreement of Pledgor and Party C**

Pledgor covenants and further agrees that:

6.1 During the term of this Agreement, Pledgor hereby covenants to Pledgee that Pledgor will:

6.1.1 Except for the performance of the Exclusive Option Agreement entered into by and among Pledgor, Pledgee and Party C on May 29, 2018, without prior written consent of Pledgee, not transfer all or part of the Equity, create or allow any security interest or other encumbrance which may affect the rights and interests of Pledgee in the Equity, or permit others to do so;

6.1.2 Comply with all laws and regulations applicable to the pledge of rights; present to Pledgee the notices, orders or suggestions with respect to the Pledge (or any other related respect) issued or made by relevant government authorities within five (5) days upon receipt of such notices, orders or suggestions, without violating any laws or regulations and to the extent allowed by the competent authority; and comply with such notices, orders or suggestions or, alternatively, at the reasonable request of Pledgee or with consent of Pledgee, raise objection and provide statement to such notices, orders or suggestions;

6.1.3 Immediately notify Pledgee about any event or any notice received by Pledgor which may affect Pledgee’s right to all or any part of the Equity, and any event or any notice received by Pledgor which may affect Pledgor’s warranties and other obligations hereunder.

6.2 Pledgor agrees that Pledgee’s rights to the Pledge acquired hereunder shall not be interrupted or jeopardized by any legal proceeding initiated by Pledgor or any successor or representative of Pledgor or any other person.
6.3 In order to protect or effect the security interest granted by this Agreement for the payment of the consultation and service fee under the Business Cooperation Agreement and the performance of the Business Cooperation Agreement, Pledgor hereby covenants that it will sincerely execute and cause other parties which have interest in the Pledge to execute all certificates, agreements, deeds and/or covenants required by Pledgee. Pledgor further covenants that it will do and cause other parties which have interest in the Pledge to do all acts required by Pledgee in furtherance of Pledgee’s exercise of its rights and authority granted hereby, and enter into all documents regarding the ownership of the Equity with Pledgee or a (natural/legal) person designated by Pledgee. Pledgor covenants that it will provide all notices, orders and decisions regarding the Pledge as Pledgee may require to Pledgee within reasonable period.

6.4 Pledgor hereby covenants to Pledgee that it will comply with and perform all warranties, covenants, agreements, representations and conditions hereunder. Pledgor shall compensate for all losses suffered by Pledgee due to Pledgor’s failure to perform or fully perform its warranties, covenants, agreements, representations and conditions.

6.5 In the event that the Equity pledged hereunder is subject to any mandatory measures imposed by the court or other governmental authority for whatsoever reason, Pledgor shall make all efforts, including (but not limited to) providing other guarantees to the court or taking other measures, to terminate such mandatory measures taken by the court or other governmental authority.

6.6 Where it is possible that the Equity will depreciate, which is sufficient to jeopardize Pledgee’s rights, Pledgee may require Pledgor to provide additional mortgage or security, and if Pledgor fails to provide the same, Pledgee may auction or sell the Equity at any time, and use the proceeds obtained thereby for repayment of the Secured Debt in advance or deposition; any costs incurred thereby shall be solely borne by Pledgor.

6.7 Without prior written consent of Pledgee, neither Pledgor nor Party C shall (or assist other party to) increase, decrease or transfer Party C’s registered capital (or its contribution amount to Party C) or create any encumbrance over the same (including the Equity). Subject to this provision, Party C’s equity registered and obtained by Pledgor after the date hereof shall be referred to as the “Extra Equity”. Pledgor and Party C shall, at the time when Pledgor obtains the Extra Equity, immediately enter into a supplementary equity pledge agreement with Pledgee with respect to the Extra Equity, and cause the board of directors and the shareholders’ meeting of Party C to approve such supplementary equity pledge agreement, and provide Pledgee with all documents necessary for the supplementary equity pledge agreement, including but not limited to: (a) the original of the shareholder’s contribution certificate with respect to the Extra Equity issued by Party C; and (b) the photocopy of the capital verification report with respect to the Extra Equity issued by a Chinese Certified Public Accountant. Pledgor and Party C shall go through the pledge registration formalities for the Extra Equity in accordance with Article 3.1 hereof.
6.8 Unless with the prior written instructions of Pledgee to the contrary, Pledgor and/or Party C agree that in case of any transfer of all or part of the Equity between Pledgor and any third party ("Equity Transferee") in breach of this Agreement, Pledgor and/or Party C shall procure Equity Transferee to unconditionally acknowledge the Pledge and fulfill necessary pledge registration change formalities (including but not limited to execution of relevant documents), so as to ensure the existence of the Pledge.

6.9 If Pledgee provides a loan to Party C, Pledgor and/or Party C agree to grant the pledge to Pledgee with the Equity as the collateral to guarantee such loan, and fulfill relevant formalities, if any, as soon as possible pursuant to the laws, regulations or local customs, including but not limited to execution of relevant documents and handling relevant pledge creation (or change) registration formalities.

Party C covenants and further agrees that:

6.10 Where the execution and performance of this Agreement and the grant of the Equity Pledge hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, exemption of any governmental authority, or registration or filing with any governmental authority (if required by law), then Party C shall try to assist in obtaining and maintaining the same fully valid within the term hereof.

6.11 Without prior written consent of Pledgee, Party C will not assist or allow Pledgor to create any new pledge or grant any other security interest over the Equity, nor assist or allow Pledgor to transfer the Equity.

6.12 Party C agrees to strictly comply with the obligations under Articles 6.7, 6.8 and 6.9 hereof, jointly with Pledgor.

6.13 Without prior written consent of Pledgee, Party C shall not transfer Party C’s assets or create or allow the existence of any security interest or other encumbrance which may affect the right and interest of Pledgee in and to the Equity, including but not limited to transfer of any intellectual property right or asset with a value of over CNY100,000 of Party C, or any title or use encumbrance over such assets.

6.14 In case of any legal litigation, arbitration or other claim, which may have adverse effect on Party C, the Equity or the interests of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement, Party C covenants that it will promptly and timely notify Pledgee in writing and per the reasonable request of Pledgee, take all necessary measures to ensure the pledge interest of Pledgee over the Equity.

6.15 Party C shall not do or allow any act or action which may have adverse effect on the interest of Pledgee under the cooperation agreements (including but not limited to the Business Cooperation Agreement) and this Agreement or the Equity.

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6.16 Party C will provide Pledgee with the financial statements of Party C for the previous calendar quarter in the first month of each calendar quarter, including but not limited to the balance sheet, income statement and cash flow statement.

6.17 Party C covenants to take all necessary measures and execute all necessary documents per the reasonable request of Pledgee, so as to ensure the pledge interest of Pledgee over the Equity and the exercise and realization of such interest.

6.18 In case of any transfer of Equity arising out of the exercise of the Pledge hereunder, Party C covenants to take all measures to complete such transfer.

7. **Event of Default**

7.1 Each of the following events shall be regarded as an Event of Default:

7.1.1 Where Party C fails to fully pay the consultation and service fee payable under the Business Cooperation Agreement or any Secured Debt, or repay the loan mentioned in Article 6.9, if any, or breaches any other obligation of Party C thereunder;

7.1.2 Where any representation or warranty made by Pledgor in Article 5 hereof contains serious misrepresentation or error, and/or Pledgor breaches any warranty in Article 5 hereof;

7.1.3 Where Pledgor and Party C fail to complete the Equity pledge registration with the Registration Authority pursuant to Article 3.1 hereof;

7.1.4 Where Pledgor and Party C breach any provision of this Agreement;

7.1.5 Where Pledgor transfers or purports to transfer or waive the pledged Equity, or without written consent of Pledgee, assign the pledged Equity, except under the specified circumstance set forth in Article 6.1.1;

7.1.6 Where any of Pledgor’s own loans, guarantees, compensations, undertakings or other debt liabilities to any third party (1) is required for early repayment or performance due to Pledgor’s default; or (2) becomes due but cannot be repaid or performed as scheduled, causing material adverse effect on Pledgor’s ability to perform the obligations hereunder;

7.1.7 Where any approval, permit, license or authorization of the governmental authority which makes this Agreement enforceable, lawful and effective is withdrawn, suspended, invalid or substantially changed;
7.1.8 Where this Agreement becomes illegal or Pledgor cannot continue performing its obligations hereunder due to the promulgation of any applicable law;

7.1.9 Where there is any adverse change to the properties owned by Pledgor, which causes Pledgee to believe that the ability of Pledgor to perform the obligations hereunder has been affected;

7.1.10 Where the successor or trustee of Party C may only partially perform or refuses to perform, the payment obligations under the Business Cooperation Agreement; and

7.1.11 Other circumstances where Pledgee cannot or may not exercise its rights to and in the Pledge.

7.2 Pledgor shall immediately notify Pledgee in writing once it is aware of or finds out any circumstance set forth in Article 7.1 or the occurrence of any event which may lead to the said circumstance.

7.3 Unless the Event of Default listed in this Article 7.1 has been resolved satisfactory to Pledgee within thirty (30) days as of the notice of Pledgee to Pledgor and/or Party C requiring the latter to remedy their/its default, Pledgee may give a Notice of Default to Pledgor at any time thereafter, requiring the Pledgor to immediately pay all outstanding amount due and payable under the Business Cooperation Agreement and all other due and payable amounts to Pledgee, and/or repay the loan and/or dispose the Pledge in accordance with Article 8 hereof.

8. Exercise of the Pledge

8.1 Prior to the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee set forth thereunder, without written consent of Pledgee, Pledgor shall not transfer the Pledge or its Equity in Party C.

8.2 Pledgee may give a Notice of Default to Pledgor when it intends to exercise the Pledge.

8.3 Subject to Article 7.3, Pledgee may exercise the right to enforce the Pledge simultaneously with or at any time after the issuance of the Notice of Default in accordance with Article 7.2. Once Pledgee chooses to enforce the Pledge, Pledgor shall no longer own any right or interest relating to the Equity.

8.4 In case of default, within the permitted scope and in accordance with applicable laws, Pledgee shall be entitled to legally dispose the pledge Equity; and the balance, if any, of all proceeds received by Pledgee from its exercise of the Pledge after discharge of the secured obligation shall be paid to Pledgor or the person entitled to receive such amount, without interest.
When Pledgee disposes the Pledge in accordance with this Agreement, Pledgor and Party C shall give necessary assistance so that Pledgee may enforce the Pledge in accordance with this Agreement.

All actual expenses, taxes and all legal costs, etc. relating to the creation of equity pledge hereunder and the realization of the rights of Pledgee shall be borne by Pledgor, except for those required by laws to be borne by Pledgee.

9. **Assignment**

9.1 Pledgor may not assign or delegate its rights and obligations hereunder without prior written consent of Pledgee.

9.2 This Agreement shall be binding upon Pledgor and his successors and permitted assigns and effective for Pledgee and each of its successors and permitted assigns.

9.3 Pledgee may assign any and all of its rights and obligations under the Business Cooperation Agreement to any (natural/legal) person designated by it at any time, in which case, the assignee shall enjoy and assume the rights and obligations of Pledgee hereunder, as if he/it is an original party hereto. When Pledgee assigns the rights and obligations under the Business Cooperation Agreement, at the request of Pledgee, Pledgor shall execute the relevant agreements and/or other documents with respect to such assignment.

9.4 In case that pledgee changes due to such assignment, then at the request of Pledgee, Pledgor and Party C shall enter into a new pledge contract with the same terms and conditions as this Agreement, with the new pledgee.

9.5 Pledgor shall be in strict compliance with this Agreement and other contracts jointly or severally signed with all or one of the other Parties hereto, including the Exclusive Option Agreement and the Power of Attorney granted to Pledgee, and perform its obligations under this Agreement and other contracts, and refrain from any act/omission which may affect the validity and enforceability thereof. Pledgor shall not exercise any of its remaining right over the Equity pledged hereunder unless otherwise instructed by Pledgee in writing.

10. **Termination**

Upon the full performance of the Business Cooperation Agreement and the full payment of the consultation and service fee thereunder, and after the obligations of Party C thereunder terminate, this Agreement shall terminate, and Pledgee shall terminate this Agreement as soon as reasonably practicable.

11. **Fees and Other Charges**

Party C shall be responsible for all fees and actual expenses in relation to this Agreement, including but not limited to attorney’s fee, production costs, stamp duty and any other taxes and charges. Should applicable laws require Pledgee or Pledgor to assume several taxes and fees, Party C shall fully reimburse Pledgee or Pledgor for the taxes and fees that have been paid.
12. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances:

(a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

13. **Governing Law and Dispute Resolution**

13.1 The execution, validity, interpretation and performance of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

13.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C's equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C's equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
13.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

14. Notice

14.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

14.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

14.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

14.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Shaolie Chen
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Tel: [ ]

**Party C:** Wuhan Ouyue Online TV Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]
14.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

15. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

16. **Appendix**

The appendices attached hereto shall be integral parts of this Agreement.

17. **Effectiveness**

17.1 This Agreement shall take effect upon the signature or seal by the Parties. Any amendment, change and supplement to this Agreement shall be made in writing.

17.2 This Agreement is written in Chinese and made in quadruplicate (4). Pledgor, Pledgee and Party C shall each hold one (1) copy and file one (1) copy with the Registration Authority. Each copy of this Agreement shall have the same effect.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.
By:  /s/ Shaojie Chen
Name: Shaojie Chen

Party C:

Wuhan Ouyue Online TV Co., Ltd. (Seal)

/s/ Seal of Wuhan Ouyue Online TV Co., Ltd.
By:  /s/ Shaojie Chen
Name: Shaojie Chen
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Share Pledge Agreement on
the date first written above.

Party B:

Shaojie Chen

By: /s/ Shaojie Chen

________________________________________
Appendix:

1. Register of Shareholders of Wuhan Ouyue Online TV Co., Ltd.

2. Exclusive Business Cooperation Agreement
Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of January 10, 2019 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Shaojie Chen, a PRC citizen ID card No. [             ].

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Party B holds approximately 35.1533% equity interest of Party C; and

2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. ** Purchase and Sale of Equity

   1.1 Grant of Rights

   Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B ("Equity Purchase Notice"), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B ("Purchased Equity"); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity ("Equity Purchase Price") shall be CNY1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, "Security Interest" includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, security interest excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof ("Share Pledge Agreement"), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof ("Exclusive Business Cooperation Agreement").
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several Persons it designates ("Designee") from Party C at any time, once or more times, per the exercise steps at Party A's sole discretion and at the price set forth in Article 2.3 hereof ("Asset Purchase Option"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C's assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a "Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("Notice for Assets Purchase"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("Purchased Assets"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets ("Assets Purchase Price") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.

2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;
2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C each hereby covenants that:

3.1.1 Without the prior written consent of Party A, it shall not supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall maintain the corporate existence of Party C according to good financial and business standards and practices, and prudently and effectively conduct its business and transact its affairs, and cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;

3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;
3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall always conduct all of Party C’s business in the ordinary course of business to maintain the asset value of Party C, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, Party C shall take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to maintain Party C’s ownership over all of its assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall procure Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns;
3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby jointly and severally represent and warrant to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “**Transfer Contract**”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;
4.3 Party B has good and marketable title to Party C’s equity held by it. Except for the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

6.2 Dispute Resolution

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule on enforcing provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the
8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [            ]
Tel: [            ]

**Party B:** Shaojie Chen
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Tel: [            ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [            ]
Tel: [            ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances:

(a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.
11. Miscellaneous

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

Upon this Agreement becoming effective, the exclusive option agreement entered into by and among the Parties as of May 14, 2018 (the “Agreement 2018”) shall be automatically terminated, in such case, the performance of the part provided under the Agreement 2018 that has not been performed shall cease; with regard to the part provided under the Agreement 2018 that has been performed, the Parties accept and recognize the legal validity thereof and that there is no dispute arising out from such performance.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.
11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

By: /s/ Shaojie Chen  
Name: Shaojie Chen

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

By: /s/ Shaojie Chen  
Name: Shaojie Chen
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

**Shaojie Chen**

By: /s/ Shaojie Chen

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Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 8, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Wenming Zhang, a PRC citizen ID card No. [             ].

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the "Parties" and individually as a "Party".

WHEREAS,

1. Party B holds approximately 3.916% equity interest of Party C; and
2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B ("Equity Purchase Notice"), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B ("Purchased Equity"); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity ("Equity Purchase Price") shall be CNY1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, security interest excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof ("Share Pledge Agreement"), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof ("Exclusive Business Cooperation Agreement").

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2. **Purchase and Sale of Assets**

2.1 **Grant of Rights**

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several Persons it designates ("Designee") from Party C at any time, once or more times, per the exercise steps at Party A's sole discretion and at the price set forth in Article 2.3 hereof ("Asset Purchase Option"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C's assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a "Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 **Exercise Steps**

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("Notice for Assets Purchase"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("Purchased Assets"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 **Assets Purchase Price and Payment Thereof**

The purchase price for the Purchased Assets ("Assets Purchase Price") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.

2.4 **Transfer of Purchased Assets**

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/ or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;
2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. **Covenants**

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C each hereby covenants that:

3.1.1 Without the prior written consent of Party A, it shall not supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall maintain the corporate existence of Party C according to good financial and business standards and practices, and prudently and effectively conduct its business and transact its affairs, and cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;

3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;
3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall always conduct all of Party C’s business in the ordinary course of business to maintain the asset value of Party C, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, Party C shall take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to maintain Party C’s ownership over all of its assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall procure Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns;
3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby jointly and severally represent and warrant to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;
4.3 Party B has good and marketable title to Party C’s equity held by it. Except for the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

5. **Effective Date**

   This Agreement shall take effect after fourteen (14) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 Governing Law

   The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
6.2 Dispute Resolution

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

7. Taxes and Expenses

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. Notice

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Wenming Zhang
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Tel: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances:
(a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.
11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11
11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

By:  /s/ Shaojie Chen
Name: Shaojie Chen

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.

By:  /s/ Shaojie Chen
Name: Shaojie Chen
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

Wenming Zhang

By: /s/ Zhang Wenming
Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Dongqing Cai, a PRC citizen ID card No. [ ].

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the "Parties" and individually as a "Party".

WHEREAS,

1. Party B holds approximately 13.179% equity interest of Party C; and
2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the "PRC"), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates ("Designee") from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof ("Equity Call Option"). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B (“Equity Purchase Notice”), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B (“Purchased Equity”); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity (“Equity Purchase Price”) shall be CNY1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, security interest excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several Persons it designates ("Designee") from Party C at any time, once or more times, per the exercise steps at Party A's sole discretion and at the price set forth in Article 2.3 hereof ("Asset Purchase Option"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C's assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a "Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("Notice for Assets Purchase"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("Purchased Assets"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets ("Assets Purchase Price") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.

2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;
2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C each hereby covenants that:

3.1.1 Without the prior written consent of Party A, it shall not supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall maintain the corporate existence of Party C according to good financial and business standards and practices, and prudently and effectively conduct its business and transact its affairs, and cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;

3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall always conduct all of Party C’s business in the ordinary course of business to maintain the asset value of Party C, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall provide Party A with all information on the operational and financial condition of Party C;
3.1.10 If requested by Party A, Party C shall take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to maintain Party C’s ownership over all of its assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall procure Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns;
3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby jointly and severally represent and warrant to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;
4.3 Party B has good and marketable title to Party C’s equity held by it. Except for the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

5. **Effective Date**

This Agreement shall take effect after fifteen (15) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
6.2 Dispute Resolution

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

7. Taxes and Expenses

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. Notice

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [          ]
Tel: [         ]

**Party B:** Dongqing Cai
Address: [         ]
Attn.: Rong Li
Tel: [         ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [          ]
Tel: [         ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.
11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.
11.7   Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8   Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:
Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)
/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:
Wuhan Douyu Internet Technology Co. Ltd. (Seal)
/s/ Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

**Dongqing Cai**

By:  

/s/ Dongqing Cai
Exhibit 10.22

Exclusive Option Agreement

This Exclusive Option Agreement (“Agreement”) is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Beijing Fengye Equity Investment Center (Limited Partnership), a limited partnership established and existing under the PRC laws, with its registered address at C2112, 2/F, Building 16, 37 Chaoqian Road, Science and Technology Park, Changping District, Beijing.

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Party B holds approximately 13.163% equity interest of Party C; and
2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B ("Equity Purchase Notice"), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B ("Purchased Equity"); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity ("Equity Purchase Price") shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/ or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof ("Share Pledge Agreement"), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof ("Exclusive Business Cooperation Agreement").
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates (“Designee”) from Party C at any time, one or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 2.3 hereof (“Asset Purchase Option”). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a “person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C (“Notice for Assets Purchase”), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C (“Purchased Assets”); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets (“Assets Purchase Price”) shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;
3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;
3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.
4. **Representations and Warranties**

Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

4.3 Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.
5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 Dispute Resolution

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party C's equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

| Party A: Wuhan Douyu Culture Network Technology Co., Ltd. |
| Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei |
| Attn.: Mingming Su |
| Email: [ ] |
| Tel: [ ] |

| Party B: Beijing Fengye Equity Investment Center (Limited Partnership) |
| Address: Unit 3606, Tower 3, China Central Place, No.77 Jianguo Road, Chaoyang District, Beijing |
| Attn.: Xi Cao |
| Tel: [ ] |

| Party C: Wuhan Douyu Internet Technology Co. Ltd. |
| Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei |
| Attn.: Mingming Su |
| Email: [ ] |
| Tel: [ ] |

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.
11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Call Option Contract on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Call Option Contract on the date first written above.

Party B:

Beijing Fengye Equity Investment Center (Limited Partnership) (Seal)

/s/ Seal of Beijing Fengye Equity Investment Center (Limited Partnership)

By:  /s/ Ziqi He
Name: Ziqi He
Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership), a limited partnership established and existing under the PRC laws, with its registered address at 568, Room 301, Building 16, Office Building, Eco-City Science Park, 2018 Zhongtian Road, Eco-City, Tianjin.

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the "Parties" and individually as a "Party".

WHEREAS,

1. Party B holds approximately 4.354% equity interest of Party C; and

2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. **Purchase and Sale of Equity**

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the "PRC"), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates ("Designee") from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof ("Equity Call Option"). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a "Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B ("Equity Purchase Notice"), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B ("Purchased Equity"); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity ("Equity Purchase Price") shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof ("Share Pledge Agreement"), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof ("Exclusive Business Cooperation Agreement").
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates (“Designee”) from Party C at any time, one or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 2.3 hereof (“Asset Purchase Option”). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a “person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C (“Notice for Assets Purchase”), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C (“Purchased Assets”); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets (“Assets Purchase Price”) shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;

3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);
3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;
3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenant of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;
4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

4.3 Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.
5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 **Governing Law**

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 **Dispute Resolution**

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.

Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei

Attn.: Mingming Su

Email: [ ]

Tel: [ ]

**Party B:** Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership)

Address: 2001, 2002, Tower A, Phoenix Place, Sanyuanqiao, Chaoyang District, Beijing

Attn.: Jia He

Email: [ ]

Tel: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.

Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei

Attn.: Mingming Su

Email: [ ]

Tel: [ ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.
11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:
Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)
/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:
Wuhan Douyu Internet Technology Co. Ltd. (Seal)
/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership) (Seal)

/s/ Seal of Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership)

By:  /s/ Jia He

Name:  Jia He
Exhibit 10.24

Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership), a limited partnership established and existing under the PRC laws, with its registered address at 226, Room 301, 3/F, Building 9, Eco-Construction Apartment, South of Zhongbin Road, West of Zhongcheng Road, Sino-Singapore Eco-City, Binhai New Area, Tianjin.

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Party B holds approximately 0.754% equity interest of Party C; and

2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B ("Equity Purchase Notice"), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B ("Purchased Equity"); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity ("Equity Purchase Price") shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof ("Share Pledge Agreement"), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof ("Exclusive Business Cooperation Agreement").
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates ("Designee") from Party C at any time, one or more times, per the exercise steps at Party A's sole discretion and at the price set forth in Article 2.3 hereof ("Asset Purchase Option"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a “person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("Notice for Assets Purchase"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("Purchased Assets"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets ("Assets Purchase Price") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;
3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;
3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:
4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

4.3 Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.
5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 **Governing Law**

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 **Dispute Resolution**

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereeto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal or rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership)
Address: 2001, 2002, Tower A, Phoenix Place, Sanyuanqiao, Chaoyang District, Beijing
Attn.: Jia He
Email: [ ]
Tel: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.
11.4 **Language**

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 **Successor**

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 **Survival**

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 **Waiver**

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

*(The remainder of this page is intentionally left blank.)*

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IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership) (Seal)

/s/ Seal of Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership)

By:  /s/ Jia He
Name:  Jia He
Exclusive Option Agreement

This Exclusive Option Agreement (“Agreement”) is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Linzhi Lichuang Information Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 202-5, Nyingchi Biotechnology Industrial Park, Bayi Town, Bayi District, Nyingchi Prefecture, Tibet.

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Party B holds approximately 18.975% equity interest of Party C; and

2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B (“Equity Purchase Notice”), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B (“Purchased Equity”); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity (“Equity Purchase Price”) shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

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2. **Purchase and Sale of Assets**

2.1 **Grant of Rights**

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates ("**Designee**") from Party C at any time, one or more times, per the exercise steps at Party A's sole discretion and at the price set forth in Article 2.3 hereof ("**Asset Purchase Option**"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a **“person”** refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 **Exercise Steps**

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("**Notice for Assets Purchase**"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("**Purchased Assets**"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 **Assets Purchase Price and Payment Thereof**

The purchase price for the Purchased Assets ("**Assets Purchase Price**") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;
3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;
4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

4.3 Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.
5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 **Governing Law**

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 **Dispute Resolution**

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Linzhi Lichuang Information Technology Co., Ltd.
Address: Tencent Seafront Tower, 33 Haitianer Road, Nanshan District, Shenzhen, Guangdong
Postal Code: 518064
Attn.: Transaction Compliance Department
Email: [ ]

With a copy to:
Tencent Building, Kejizhongyi Avenue, Hi-tech Part, Nanshan District, Shenzhen
Postal Code: 518057
Attn.: Investment and M&A Department
Email: [ ]

**Party C:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]
8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.
11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

:

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

Linzhi Lichuang Information Technology co., Ltd. (Seal)

/s/ Seal of Linzhi Lichuang Information Technology co., Ltd.
Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Beijing Fenghuang Fuju Investment Management Center (Limited Partnership), a limited liability company incorporated/ a limited partnership established and existing under the PRC laws, with its registered address at 1 Hunan East Road, Yanqing Town, Yanqing District, Beijing (Zone C, Room 204, Management Committee of Yanqing Economic Development Zone).

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the "Parties" and individually as a "Party".

WHEREAS,

1. Party B holds approximately 8.084% equity interest of Party C; and
2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the "PRC"), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates ("Designee") from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof ("Equity Call Option"). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a "Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B ("Equity Purchase Notice"), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B ("Purchased Equity"); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity ("Equity Purchase Price") shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof ("Share Pledge Agreement"), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof ("Exclusive Business Cooperation Agreement").
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates (“Designee”) from Party C at any time, one or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 2.3 hereof (“Asset Purchase Option”). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a “person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C (“Notice for Assets Purchase”), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C (“Purchased Assets”); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets (“Assets Purchase Price”) shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;
3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereon or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:
4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

4.3 Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.
5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 **Governing Law**

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 **Dispute Resolution**

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A: Wuhan Douyu Culture Network Technology Co., Ltd.**
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [  ]
Tel: [  ]

**Party B: Beijing Fenghuang Fuju Investment Management Center (Limited Partnership)**
Address: 808, Fenghuishidai Mansion East, Taipingqiao Avenue, Xicheng District, Beijing
Attn.: Li Li
Email: [  ]
Tel: [  ]

**Party C: Wuhan Douyu Internet Technology Co. Ltd.**
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [  ]
Tel: [  ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances:

(a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.
11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement
on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

Beijing Fenghuang Fuju Investment Management Center (Limited Partnership) (Seal)

/s/ Seal of Beijing Fenghuang Fuju Investment Management Center (Limited Partnership)
Exhibit 10.27

Exclusive Option Agreement

This Exclusive Option Agreement (“Agreement”) is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Shenzhen Innovation Investment Group Co., Ltd., a limited liability company incorporated/a limited partnership established and existing under the PRC laws, with its registered address at Zone B, 11/F, Investment Bldg., 4009 Shennan Street, Futian District, Shenzhen.

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Party B holds approximately 1.895% equity interest of Party C; and

2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B (“Equity Purchase Notice”), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B (“Purchased Equity”); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity (“Equity Purchase Price”) shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

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2. **Purchase and Sale of Assets**

2.1 **Grant of Rights**

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates ("Designee") from Party C at any time, one or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 2.3 hereof ("Asset Purchase Option"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a “person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 **Exercise Steps**

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("Notice for Assets Purchase"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("Purchased Assets"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 **Assets Purchase Price and Payment Thereof**

The purchase price for the Purchased Assets ("Assets Purchase Price") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;
3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A's request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;
Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.

5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 **Governing Law**

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 **Dispute Resolution**

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other
jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:**  
*Wuhan Douyu Culture Network Technology Co., Ltd.*  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email: [ ]  
Tel: [ ]

**Party B:**  
*Shenzhen Innovation Investment Group Co., Ltd.*  
Address: Room 2108, Building 4, Zhuoyue Shiji Center, Fuhua 3 road & Jintian Road, Futian Avenue, Futian District, Shenzhen  
Attn.: Bo Yi  
Email: [ ]  
Tel: [ ]

**Party C:**  
*Wuhan Douyu Internet Technology Co. Ltd.*  
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei  
Attn.: Mingming Su  
Email: [ ]  
Tel: [ ]

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.
9. Confidentiality Liabilities

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. Further Assurance

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. Miscellaneous

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.
11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

Shenzhen Innovation Investment Group Co., Ltd. (Seal)

/s/ Seal of Shenzhen Innovation Investment Group Co., Ltd.

By: /s/ Zewang Ni 
Name: Zewang Ni
Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 14, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (Limited Partnership), a limited partnership established and existing under the PRC laws, with its registered address at Building 15, Dongshahu Equity Investment Centre, 183 Suhong East Road, Suzhou Industrial Park.

Party C: Wuhan Douyu Internet Technology Co. Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS,

1. Party B holds approximately 0.526% equity interest of Party C; and

2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates ("Designee") from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof ("Equity Call Option"). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B (“Equity Purchase Notice”), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B (“Purchased Equity”); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity (“Equity Purchase Price”) shall be CNY 1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several persons it designates (“Designee”) from Party C at any time, one or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 2.3 hereof (“Asset Purchase Option”). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C’s assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a “person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C (“Notice for Assets Purchase”), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C (“Purchased Assets”); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets (“Assets Purchase Price”) shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.
2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely call for the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;

2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “security interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C hereby severally and not jointly covenants that:

3.1.1 Without the prior written consent of Party A, it shall neither agree to nor cause other to supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall make its best efforts to cause Party C to maintain its existence according to good financial and business standards and practices, and make its best efforts to cause Party C to prudently and effectively conduct its business and transact its affairs, and make its best efforts to cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;
3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;

3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall make its best efforts to cause Party C to maintain the asset value of Party C in the ordinary course of business, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall make its best efforts to cause Party C to provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, it shall make its best efforts to cause Party C to take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall, to the extent of its knowledge, make its best efforts to cause Party C to immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C's asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to make its best efforts to cause Party C to maintain its ownership over all of its assets, it shall make its best efforts to cause Party C to execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall cause Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby severally and not jointly covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;
3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall, to the extent of its knowledge, immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and cause Party C to timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;

3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

   Party B and Party C hereby severally and not jointly represents and warrants to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;
4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;

4.3 Party B has good and marketable title to Party C’s equity held by it. Except for this Agreement and the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and except for this Agreement, Party C has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

Articles 4.4, 4.5, 4.6, 4.7 and 4.8 above are Party C’s sole representations and warranties, for which Party B assumes no representation or warranty liability.
5. **Effective Date**

This Agreement shall take effect after ten (10) business days from the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 **Governing Law**

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which, the PRC laws officially published and publicly available, are silent.

6.2 **Dispute Resolution**

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7. **Taxes and Expenses**

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. **Notice**

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

8.2 For the purpose of notice, the addresses of the Parties shall be as follows:

<table>
<thead>
<tr>
<th>Party</th>
<th>Address</th>
<th>Attn.</th>
<th>Email</th>
<th>Tel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party A:</td>
<td>Wuhan Douyu Culture Network Technology Co., Ltd.</td>
<td>Mingming Su</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Party B:</td>
<td>Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (Limited Partnership)</td>
<td>Zhanwei Zhang</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building 15, Dongshahu Share Investment Center, No.183 Suhong East Road, Industrial Park, Suzhou, Jiangsu</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Party C:</td>
<td>Wuhan Douyu Internet Technology Co. Ltd.</td>
<td>Mingming Su</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8.3 Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required
for or are conducive to the implementation of the provisions and purpose of this Agreement.

11. **Miscellaneous**

11.1 Amendment, Change and Supplement

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 Entire Agreement

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 Heading

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.
11.4 Language

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 Successor

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 Survival

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.

11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank.)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:
Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.

Party C:
Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:
Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (Limited Partnership) (Seal)

/s/ Seal of Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (Limited Partnership)

By: /s/ Jia He
Name: Jia He
Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed as of May 29, 2018 by and among the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone).

Party B: Shaojie Chen, a PRC citizen ID card No. of [ ].

Party C: Wuhan Ouyue Online TV Co., Ltd., a limited liability company incorporated and existing under the PRC laws, with its registered address at Room 01, 7th Floor, Building B4, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan.

Party A, Party B and Party C are hereinafter collectively referred to as the "Parties" and individually as a "Party".

WHEREAS,

1. Party B holds approximately 100% equity interest of Party C; and
2. Party B intends to grant Party A an irrevocable and exclusive option to purchase all equity of Party C held by Party B; and Party B and Party C intend to grant Party A an irrevocable and exclusive option to purchase all assets of Party C;

NOW, THEREFORE, the Parties, upon negotiation, hereby agree as follows:

1. Purchase and Sale of Equity

1.1 Grant of Rights

Party B hereby irrevocably grants Party A, to the extent permitted by the laws of the People’s Republic of China (the “PRC”), an irrevocable and exclusive option to purchase all or part of equity of Party C held by Party B by itself or one or several persons it designates (“Designee”) from Party B at any time, once or more times, per the exercise steps at Party A’s sole discretion and at the price set forth in Article 1.3 hereof (“Equity Call Option”). No third person other than Party A and the Designee may enjoy the Equity Call Option or other rights related to the equity held by Party B. Party C hereby agrees that Party B grants the Equity Call Option to Party A. For the purpose of this clause and this Agreement, a “Person” refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.
1.2 Exercise Steps

Party A shall exercise its Equity Call Option subject to the PRC laws and regulations. When exercising the Equity Call Option, Party A shall give a written notice to Party B (“Equity Purchase Notice”), specifying (a) the decision made by Party A or the Designee on the exercise of the Equity Call Option; (b) the percentage of equity proposed to be purchased by Party A or the Designee from Party B (“Purchased Equity”); and (c) the purchase date/transfer date of the Purchased Equity.

1.3 Equity Purchase Price and Payment Thereof

The purchase price for the Purchased Equity (“Equity Purchase Price”) shall be CNY1 or the lowest price permitted by the then PRC laws or the competent governmental authority, whichever lower, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Equity Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Equity Purchase Price to the account designated by Party B within seven (7) days as of the official transfer of the Purchased Equity to Party A or the Designee.

1.4 Transfer of Purchased Equity

At each exercise of the Equity Call Option by Party A:

1.4.1 Party B shall cause Party C to timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Equity from Party B to Party A and/or the Designee;

1.4.2 Party B shall enter into an equity transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Equity Purchase Notice;

1.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Equity to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Equity. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, security interest excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

2
2. Purchase and Sale of Assets

2.1 Grant of Rights

Party C hereby irrevocably grants Party A, to the extent permitted by the PRC laws, an irrevocable and exclusive option to purchase all or part of assets of Party C by itself or one or several Persons it designates ("Designee") from Party C at any time, once or more times, per the exercise steps at Party A's sole discretion and at the price set forth in Article 2.3 hereof ("Asset Purchase Option"). No third person other than Party A and the Designee may enjoy the Asset Purchase Option or other rights related to Party C's assets. Party B, as a shareholder of Party C, hereby agrees that Party C grants the Asset Purchase Option to Party A. For the purpose of this clause and this Agreement, a "Person" refers to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization.

2.2 Exercise Steps

Party A shall exercise its Asset Purchase Option subject to the PRC laws and regulations. When exercising the Asset Purchase Option, Party A shall give a written notice to Party C ("Notice for Assets Purchase"), specifying (a) the decision made by Party A or the Designee on the exercise of the Asset Purchase Option; (b) the assets share proposed to be purchased by Party A or the Designee from Party C ("Purchased Assets"); and (c) the purchase date/transfer date of the Purchased Assets.

2.3 Assets Purchase Price and Payment Thereof

The purchase price for the Purchased Assets ("Assets Purchase Price") shall be the lowest price permitted by the then PRC laws or the competent governmental authority, unless the PRC laws or the competent governmental authority requires evaluation thereof when Party A or the Designee exercises the option. Upon necessary tax withholding and payment for the Assets Purchase Price in accordance with the PRC laws, if necessary, Party A or the Designee shall pay the Assets Purchase Price to the account designated by Party C within seven (7) days as of the official transfer of the Purchased Assets to and the registration thereof in the name of Party A or the Designee. The Assets Purchase Price shall be refunded in full to Party A or the Designee within one month as of the receipt by Party C.

2.4 Transfer of Purchased Assets

At each exercise of the Asset Purchase Option by Party A:

2.4.1 Party C shall timely convene the shareholders’ meeting, on which, a resolution shall be adopted to approve the transfer of the Purchased Assets from Party C to Party A and/ or the Designee. As for the adoption of such resolution, the shareholders of Party C shall give all necessary cooperation;
2.4.2 Party C shall enter into an assets transfer contract with Party A and/or (where applicable) the Designee for each transfer in accordance with the provisions of this Agreement and the Assets Purchase Notice;

2.4.3 The relevant parties shall sign all other requisite contracts, agreements or documents (including but not limited to the amendment to the articles of association), obtain all requisite licenses and permits from the government (including but not limited to the business license of the company), and take all necessary actions, so as to transfer the valid ownership of the Purchased Assets to Party A and/or the Designee free of any security interest and cause Party A and/or the Designee to be the registered owner of the Purchased Assets. For the purpose of this clause and this Agreement, “Security Interest” includes guarantee, mortgage, third-party right or interest, any share option, right to acquire, right of first refusal, right of offset, retention of title or other security arrangements; and for the sake of clarity, excludes any security interest created under this Agreement and Party B’s Share Pledge Agreement. The term of “Party B’s Share Pledge Agreement” mentioned in this clause and this Agreement refers to the share pledge agreement entered into by Party A, Party B and Party C on the date hereof (“Share Pledge Agreement”), whereby Party B pledges all equity of Party C held by Party B to Party A for the purpose of guaranteeing Party C’s performance of the obligations under the Exclusive Business Cooperation Agreement by and between Party C and Party A entered into on the date hereof (“Exclusive Business Cooperation Agreement”).

3. Covenants

3.1 Covenants concerning Party C

Party B, as a shareholder of Party C, and Party C each hereby covenants that:

3.1.1 Without the prior written consent of Party A, it shall not supplement, revise or amend the articles of association or bylaws of Party C in any form, or increase or decrease its registered capital, or otherwise change its registered capital structure;

3.1.2 It shall maintain the corporate existence of Party C according to good financial and business standards and practices, and prudently and effectively conduct its business and transact its affairs, and cause Party C to perform its obligations under the Exclusive Business Cooperation Agreement;

3.1.3 Without the prior written consent of Party A, it shall not sell, transfer, mortgage or otherwise dispose any legal or beneficial interests in and to any assets, business or revenue of Party C, or permit the creation of any encumbrance of security interests thereon, at any time from the date hereof;
3.1.4 Upon the statutory liquidation set forth in Article 4.6, Party B will pay any remaining residual value collected by it on a non-two-way payment basis to Party A in full amount, or cause such payment. If the PRC laws prohibit such payment, Party B shall pay Party A or the party designated by Party A such revenue to the extent permitted by the PRC laws;

3.1.5 Without the prior written consent of Party A, Party C shall not incur, inherit, guarantee or permit the existence of any debt, except for (i) debts arising in the ordinary course of business other than through loan; and (ii) debts disclosed to Party A and consented by Party A in writing;

3.1.6 It shall always conduct all of Party C’s business in the ordinary course of business to maintain the asset value of Party C, and refrain from any act or omission which may affect the operating condition or asset value of Party C;

3.1.7 Without prior written consent of Party A, it shall not cause Party C to enter into any material contract, other than in the ordinary course of business (for the purpose of this paragraph, if the value of a contract exceeds CNY100,000, it shall be deemed as a material contract);

3.1.8 Without the prior written consent of Party A, it shall not cause Party C to provide any loan or credit or security in any form to any person;

3.1.9 At the request of Party A, it shall provide Party A with all information on the operational and financial condition of Party C;

3.1.10 If requested by Party A, Party C shall take out insurance for Party C’s assets and business with an insurer acceptable by Party A, the amount and types of which shall be consistent with those of the companies engaging in similar business;

3.1.11 Without prior written consent of Party A, it shall not cause or allow Party C to merge or consolidate with any person, or acquire or invest in any person, or cause or allow Party C to sell its asset with a value of more than CNY100,000;

3.1.12 It shall immediately notify Party A about any pending or threatened litigation, arbitration, or administrative proceeding in connection with Party C’s asset, business or income and any circumstance which may have adverse effect on Party C’s existence, business operation, financial conditions, asset or goodwill, and timely take all measures accepted by Party A to eliminate such adverse conditions or take remedial measures effective upon such conditions;
3.1.13 In order to maintain Party C’s ownership over all of its assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.1.14 Without prior written consent of Party A, it shall procure Party C not to distribute dividends in any form to its shareholders, provided that at the written request of Party A, Party C shall immediately distribute all distributable profits to its shareholders; and

3.1.15 At the request of Party A, it shall appoint any person designated by Party A as the director of Party C and/or remove any current director of Party C.

3.2 Covenants of Party B and Party C

Party B and Party C hereby covenants that:

3.2.1 Without the prior written consent of Party A, Party B shall not sell, transfer, mortgage or otherwise dispose any of its legal or beneficial interest in any equity of Party C it holds, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.2 Party B shall not require Party C to pay dividend or make other form of profit distribution with respect to Party C’s equity held by Party B, or propose any matter related thereto for resolution at the shareholders’ meeting, or vote in favor of such matter for resolution at the shareholders’ meeting. In any event, should Party B receive any proceeds, profit distribution, dividends from Party C, Party B shall, to the extent permitted by the PRC laws, immediately pay or transfer the same to Party A or a party designated by Party A for the benefit of Party C, as the Service Fee payable by Party C to Party A under the Exclusive Business Cooperation Agreement.

3.2.3 Party B shall cause the shareholders’ meeting and/or board of directors of Party C not to approve, without the prior written consent of Party A, to sell, transfer, mortgage or otherwise dispose any of the legal or beneficial interest in any equity of Party C held by Party B, or permit the creation of any encumbrance of security interests thereon, except for the pledge created on such equity pursuant to the Party B’s Share Pledge Agreement;

3.2.4 Party B shall cause the shareholders’ meeting or board of directors of Party C not to approve, without the prior written consent of Party A, to merge or consolidate with any person, or acquire or invest in any person;

3.2.5 Party B shall immediately notify Party A about any pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity it owns;
3.2.6 Party B shall cause the shareholders’ meeting or board of directors of Party C to vote in favor of the transfer of the Purchased Equity hereunder and take any and all other actions as Party A may request;

3.2.7 In order to maintain its ownership over Party C’s equity, Party B shall execute all necessary or appropriate documents, take all necessary or appropriate actions, file all necessary or appropriate complaints, or make all necessary and appropriate defenses against all claims;

3.2.8 At the request of Party A, Party B shall appoint any person designated by Party A as the director of Party C;

3.2.9 At Party A’s request at any time, Party B shall immediately and unconditionally transfer its equity of Party C to the Designee of Party A per the Equity Call Option hereunder, and Party B hereby waives its right of first refusal, if any, over the equity transfer of other existing shareholders of Party C; and

3.2.10 Party B shall be in strict compliance with this Agreement, other contracts entered into by Party B, Party C and Party A jointly or severally, perform its obligations hereunder and thereunder, and refrain from any act/omission which may affect the validity and enforceability thereof. In the event that Party B has any remaining rights with respect to the equity under this Agreement or the share pledge agreement among the Parties hereto or under the Power of Attorney granted in favor of Party A, then unless otherwise instructed by Party A in writing, Party B shall not exercise such rights.

4. **Representations and Warranties**

Party B and Party C hereby jointly and severally represent and warrant to Party A on the date hereof and each date of transfer of the Purchased Equity that:

4.1 It has the authority to execute and deliver this Agreement and any equity transfer contract to which it is a party in connection with its equity to be transferred hereunder (each a “Transfer Contract”) and perform its obligations under this Agreement and any Transfer Contract. Party B and Party C agree that when Party A exercises the Equity Call Option, it will execute a Transfer Contract with the same terms as this Agreement. This Agreement and a Transfer Contract to which it is a party constitute or will constitute its legal, valid and binding obligations and shall be enforceable against it in accordance with their terms;

4.2 Neither the execution and delivery of this Agreement or any Transfer Contract nor the obligations under this Agreement or any Transfer Contract will: (i) violate any applicable PRC laws; (ii) conflict with the articles of association, by-laws or other organization documents of Party C; (iii) violate, or constitute default under, any contract or instrument to which it is a party or which is binding upon it; (iv) cause violation of any condition for granting and/or maintaining the validity of any license or permit granted to any of them; or (v) cause any license or permit granted to any of them to be suspended, canceled or imposed with additional conditions;
4.3 Party B has good and marketable title to Party C’s equity held by it. Except for the Party B’s Share Pledge Agreement, Party B has not created any security interest on such equity;

4.4 Party C has good and marketable title to the assets it owns and has not created any security interest over such assets;

4.5 Party C has no outstanding debt, except for (i) debts arising in the ordinary course of business; and (ii) debts disclosed to Party A and consented by Party A in writing;

4.6 If Party C is dissolved or liquidated as required by the PRC laws, Party C shall, to the extent permitted by the PRC laws, sell all of its assets to Party A or other qualified entity designated by Party A at the lowest price permitted by the PRC laws. Party C shall exempt Party A or the qualified entity designated by Party A from any payment obligation incurred thereby, as applicable under the then-current valid PRC laws; or the proceeds from any of such transaction shall be paid to Party A or the qualified entity designated by Party A as part of the Service Fee under the Exclusive Business Cooperation Agreement, as applicable under the then-current valid PRC laws;

4.7 Party C will comply with all PRC laws and regulations applicable to asset acquisition; and

4.8 There is no pending or threatened litigation, arbitration or administrative proceedings relating to Party C’s equity, Party C’s assets or Party C.

5. **Effective Date**

This Agreement shall take effect as of the date when the Parties execute this Agreement and be valid for 10 years, and Party A may choose to extend the term. This Agreement shall automatically extend if Party A fails to confirm the extension of this Agreement upon the expiry of the term hereof, until Party A delivers a confirmation letter specifying the extended term of this Agreement.

6. **Governing Law and Dispute Resolution**

6.1 Governing Law

The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.
6.2 Dispute Resolution

Any dispute arising out of the interpretation and performance of this Agreement shall be first resolved by the Parties through friendly negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party to other Parties for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party C’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party C to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party C, or the courts at the place where the main assets of Party C or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party C’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.

7. Taxes and Expenses

Any and all transfer and registration taxes, expenses and costs paid for the preparation and execution of this Agreement and the Transfer Contract and the completion of the transaction contemplated by this Agreement and the Transfer Contract shall be borne by Party A or Party C.

8. Notice

8.1 All notices and other communications required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

8.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

8.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.
For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Shaojie Chen
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Tel: [ ]

**Party C:** Wuhan Ouyue Online TV Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

Either Party may change its address for notice at any time upon notice to the other Parties per this Article.

9. **Confidentiality Liabilities**

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Parties, it shall not disclose any relevant information to any third party except under the following circumstances:
(a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations; or (c) where a Party discloses such information for the purpose of the transaction contemplated herein to its legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.

10. **Further Assurance**

The Parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement and take further actions that are reasonably required for or are conducive to the implementation of the provisions and purpose of this Agreement.
11. **Miscellaneous**

11.1 **Amendment, Change and Supplement**

Any amendment, change or supplement to this Agreement shall be made in a written agreement signed by all Parties.

11.2 **Entire Agreement**

Except for the amendments, supplements or changes made in writing after the execution of this Agreement, this Agreement shall constitute the entire agreement reached by and among the Parties hereto with respect to the subject matter hereof, and shall supersede all prior oral and written consultations, representations and contracts reached with respect to the subject matter of this Agreement.

11.3 **Heading**

The headings of this Agreement are for reading convenience only, and shall not be used to interpret, explain or otherwise affect the meanings of the provisions of this Agreement.

11.4 **Language**

This Agreement shall be written in Chinese and made in triplicate (3), with Party A, Party B and Party C each holding one (1) copy of the same legal effect.

11.5 **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

11.6 **Successor**

This Agreement shall be binding upon and inure to the benefit of the respective successors and permitted assigns of the Parties.

11.7 **Survival**

11.7.1 Any obligation due or accrued due to this Agreement prior to the expiration or early termination of this Agreement shall survive the expiration or early termination of this Agreement.
11.7.2 Articles 6, 8, 9 and 11.7 shall survive the termination of this Agreement.

11.8 Waiver

Any Party may waive the terms and conditions of this Agreement, provided that such waiver shall be made in writing and signed by the Parties. No waiver by a Party of the breach of other Parties in certain circumstances shall be deemed as a waiver by such Party of any similar breach in other circumstances.

(The remainder of this page is intentionally left blank)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.
By:   /s/ Shaojie Chen
Name: Shaojie Chen

Party C:

Wuhan Ouyue Online TV Co., Ltd. (Seal)

/s/ Seal of Wuhan Ouyue Online TV Co., Ltd.
By:   /s/ Shaojie Chen
Name: Shaojie Chen
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Option Agreement on the date first written above.

Party B:

**Shaojie Chen**

By: /s/ Shaojie Chen  
Name: Shaojie Chen
Exhibit 10.30

Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement ("Agreement") is made as of May 14, 2018 by and between the following parties in Beijing, China.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd.

Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)

Party B: Wuhan Douyu Internet Technology Co. Ltd.

Registered Address: 11th floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake Development Zone, Wuhan

Party A and Party B are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS:

1. Party A is a wholly foreign-owned enterprise incorporated in the People’s Republic of China ("PRC") with resources necessary for the provision of technical services and business consulting services;

2. Party B is a domestic company incorporated in the PRC, mainly engaging in game video program editing, processing and transmission (including live broadcast, broadcast and on demand, etc.), and technical research and development, information technology consulting services related to the aforesaid business.

3. Party A agrees to utilize its human resources, technology and information advantages to provide exclusive technical services, technical consulting and other services, the specific scope of which is stated below, to Party B, and Party B agrees to accept such services provided by Party A or the party designated by Party A in accordance with this Agreement.

NOW, THEREFORE, Party A and Party B agree as follows upon negotiation:

1. Provision of Services by Party A

1.1 Pursuant to the terms and conditions of this Agreement, Party B hereby engages Party A as the exclusive service provider to provide comprehensive business support, technical services and consulting services, which specifically include all or part of services within the business scope of Party B as Party A may from time to time determine, including but not limited to technical services, network support, business consulting, intellectual property license, device or leasing, marketing consultation, system integration, product R&D and system maintenance ("Services"), during the term of this Agreement.

1.2 Party B agrees to accept the consultation and services provided by Party A. Party B further agrees that, except with prior written consent of Party A, during the term hereof, Party B shall neither directly or indirectly accept any identical or similar consultation and/or services provided by, nor cooperate with, any third party, with respect to the matters stated herein. Party A may designate other party, which may enter into a certain agreement described in Article 1.3 hereof with Party B, to provide the consultation and/or services hereunder to Party B.
1.3 Service Provision Method

1.3.1 Party A and Party B agree that during the term hereof, the Parties may, directly or through their respective affiliates, enter into other technical services agreements and consultation service agreements, so as to specify the specific content, method, personnel and charge of certain technical services and consulting services.

1.3.2 In order to perform this Agreement, Party A and Party B agree that during the term hereof, the Parties may, directly or through their respective affiliates, enter into license agreement(s) for intellectual property rights (including without limitation, software copyright, trademark, patent, know-how).

1.3.3 In order to perform this Agreement, Party A and Party B agree that during the term hereof, the Parties may, directly or through their respective affiliates, enter into device, office or asset leasing agreements.

1.3.4 Party A may at its sole discretion subcontract part of the Services which shall be provided to Party B hereunder to a third party.

2. Calculation, Payment Terms of Service Fee; Financial Statements, Audit and Tax

2.1 The Parties agree that with respect to the Services provided by Party A, Party B shall pay 100% of its monthly net revenue on a consolidated basis to Party A as service fee (“Service Fee”). The Service Fee shall be paid on a monthly basis. During the term of this Agreement, Party A shall be entitled to adjust the said Service Fee at its sole discretion without Party B’s consent. Party B shall (a) provide the management statement and operational data of Party B of the month to Party A, specifying the net revenue on a consolidated basis of Party B of that month (“Monthly Net Revenue”); and (b) pay 100% of its monthly net revenue on a consolidated basis to Party A (“Monthly Payment”). Upon receipt of the management statement and operational data, Party A shall issue the corresponding invoice for technical Service Fee to Party B within seven (7) days. Party B shall pay the amount indicated on the invoice within seven (7) days upon receipt of the invoice. All payments shall be transferred into the bank account designated by Party A by means of remittance or other means agreed by the Parties. The Parties agree that Party A may change such payment instructions by giving a notice to Party B from time to time, and Party B shall accept such arrangement.
Within 90 days upon the end of each fiscal year, Party B shall (a) provide Party A with the audited financial statements of Party B of the fiscal year which shall be audited and certified by an independent Certified Public Accountant approved by Party A; and (b) pay the difference to Party A, if there is any deficiency between the audited financial statements and the aggregate of Monthly Payments made by Party B to Party A in such fiscal year.

Party B shall prepare the financial statements in compliance with Party A’s requirements per laws and business practices.

Upon five (5) business days’ advance written notice of Party A, Party B shall allow Party A and/or its designated auditor to audit relevant books and records of Party B and copy such books and records as necessary in the principal office place of Party B, so as to verify the accuracy of the revenue amount and the statements of Party B.

The Parties shall be responsible for their own taxes arising out of the performance of this Agreement.

**3. Intellectual Property Rights, Confidentiality Clause and No Competition**

Party A shall have sole, exclusive and proprietary, rights and interests in and to all rights, ownership, interest and intellectual property rights arising from or created by the performance of this Agreement, including but not limited to copyright, patent, patent application, trademark, software, know-how, trade secret and others, whether developed by Party A or Party B.

The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Party, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations, or by order of governmental authority or court; or (c) where a Party discloses such information on a “need-to-know” basis for the purpose of the transaction contemplated herein to its shareholder, director, employee, legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.
Without prior written permission of Party A, Party B shall neither directly or indirectly engage in any business in the PRC in competition with Party A’s business, including investment in any entity engaging in any business in competition with Party A’s business, nor engage in any business beyond the scope agreed by Party A in writing.

The Parties agree that this Article shall survive the change, annulment or termination of this Agreement.

4. **Representations and Warranties**

4.1 Party A represents and warrants that:

4.1.1 It is a wholly foreign-owned enterprise duly incorporated and validly existing under the PRC laws;

4.1.2 Its execution and performance of this Agreement is within its corporate capacity and business scope; and it has taken necessary corporate action and been duly authorized and has obtained consents and approvals from the third party and the government authority, and violates no legal or other restrictions binding upon or affecting it.

4.1.3 This Agreement constitutes its legal, valid and binding obligations enforceable against it in accordance with terms of this Agreement.

4.2 Party B represents and warrants that:

4.2.1 It is a company duly incorporated and validly existing under the PRC laws.

4.2.2 Its execution and performance of this Agreement is within its corporate capacity and business scope; and it has taken necessary corporate action and been duly authorized and has obtained consents and approvals from the third party and the government authority, and violates no legal or other restraint binding upon or affecting it.

4.2.3 This Agreement constitutes its legal, valid and binding obligations enforceable against it in accordance with terms of this Agreement.

5. **Effectiveness and Term**

5.1 This Agreement is signed on the date first written above and shall take effect ten (10) business days thereafter. This Agreement shall be valid for 10 years, unless terminated pursuant to this Agreement or any other agreement otherwise signed by the Parties.
5.2 Where Party A does not terminate the cooperation hereunder by giving a written notice to Party B at least 30 days prior to the expiry of this Agreement, this Agreement shall automatically extend for 10 years, and so on, without limitation on times of extension. Party B shall unconditionally accept such extended term.

6. **Termination**

6.1 This Agreement shall terminate on the expiry date unless it is extended in accordance with relevant provisions hereof.

6.2 During the term hereof, Party B shall in no case terminate this Agreement before the expiry date. However, Party A may terminate this Agreement at any time after giving a written notice to Party B thirty (30) days in advance.

6.3 Upon the termination of this Agreement, the rights and obligations of the Parties under Articles 3, 7, 8 and 9 shall continue in full force and effect.

6.4 Neither the early termination nor the expiration of this Agreement for whatsoever reason may exempt either Party from all payment obligations (including without limitation, for the Service Fee) hereunder due before the termination date or the expiration date hereof, or any liability for breach of contract arising before the termination of this Agreement. The Service Fee payable accrued before the termination of this Agreement shall be paid to Party A within fifteen (15) business days as of the termination hereof.

7. **Governing Law, Dispute Resolution and Changes in Law**

7.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

7.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A’s loss caused by the breach of contract of the other Party hereto with respect to Party B’s equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party B to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party B, or the courts at the place where the main assets of Party B or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party B’s equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

7.4 After the date hereof, in the event that at any time, due to the promulgation or change of any PRC laws, regulations or rules, or the change of the interpretation or application of such laws, regulations or rules, the following shall apply: (a) if the change of laws or the newly promulgated regulation is more favorable to either Party than the relevant laws, regulations, decrees or rules effective prior to the date hereof (while the other Party is not thus materially and adversely affected), the Parties shall timely apply for the benefits brought by such change or new regulations. The Parties shall make their best efforts to obtain approval for such application; and (b) where due to the change of the said laws or the newly promulgated regulations, the economic interests of either Party hereunder are directly or indirectly materially and adversely affected, this Agreement shall continue being performed per the original clauses. The Parties shall use all lawful means to obtain exemption from compliance with such change or regulations. If the adverse effect on the economic interests of either Party cannot be resolved per this Agreement, then upon notice of the affected Party to the other Party, the Parties shall timely discuss and make all necessary amendments to this Agreement to maintain the economic interests of the affected Party hereunder.

8. **Compensation**

Party B shall compensate and keep Party A harmless against any loss, damage, liability or costs incurred by any litigation, claim or other demand against Party A arising out of or in connection with the consultation and services provided by Party A at the request of Party B, unless such loss, damage, liability or cost is incurred due to Party A’s serious negligence or willful misconduct.
9. Notice

9.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

9.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

9.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

9.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

**Party B:** Wuhan Douyu Internet Technology Co. Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Mingming Su
Email: [ ]
Tel: [ ]

9.3 Either Party may change its address for notice at any time upon notice to the other Party per this Article.

10. Assignment

10.1 Without prior written consent of Party A, Party B may not assign its rights or obligations hereunder to any third party.

10.2 Party B agrees that Party A may assign its rights and obligations hereunder to any other third party with prior written notice to Party B, without consent of Party B.
11. Severability

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by the Laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.

12. Amendment and Supplement

Any amendment and supplement to this Agreement shall be made in writing. Any amendment and supplementary agreement signed by the Parties shall be an integral part of this Agreement and have same legal effect as this Agreement.

13. Language and Counterpart

This Agreement shall be written in Chinese and made in duplicate, with each Party holding one copy of the same legal effect.

(The remainder of this page is intentionally left blank)
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.
By: /s/ Shaojie Chen
Name: Shaojie Chen

Party B:

Wuhan Douyu Internet Technology Co. Ltd. (Seal)

/s/ Seal of Wuhan Douyu Internet Technology Co. Ltd.
By: /s/ Shaojie Chen
Name: Shaojie Chen
Exclusive Business Cooperation Agreement

This Exclusive Business Cooperation Agreement ("Agreement") is made as of May 29, 2018 by and between the following parties.

Party A: Wuhan Douyu Culture Network Technology Co., Ltd.

Registered Address: No.007, Room A301, 3rd Floor, Building B1, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan (Wuhan Free Trade Zone)

Party B: Wuhan Ouyue Online TV Co., Ltd.

Registered Address: Room 01, 7th Floor, Building B4, Software Industry Phase 4.1, No.1 Software Park East Road, East Lake New Technology Development Zone, Wuhan

Party A and Party B are hereinafter collectively referred to as the “Parties” and individually as a “Party”.

WHEREAS:

1. Party A is a wholly foreign-owned enterprise incorporated in the People’s Republic of China ("PRC") with resources necessary for the provision of technical services and business consulting services;

2. Party B is a domestic company incorporated in the PRC, mainly engaging in the service of producing audio-visual programs spreading via information network, and technical research and development, information technology consulting services related to the aforesaid business.

3. Party A agrees to utilize its human resources, technology and information advantages to provide exclusive technical services, technical consulting and other services, the specific scope of which is stated below, to Party B, and Party B agrees to accept such services provided by Party A or the party designated by Party A in accordance with this Agreement.

NOW, THEREFORE, Party A and Party B agree as follows upon negotiation:

1. Provision of Services by Party A

1.1 Pursuant to the terms and conditions of this Agreement, Party B hereby engages Party A as the exclusive service provider to provide comprehensive business support, technical services and consulting services, which specifically include all or part of services within the business scope of Party B as Party A may from time to time determine, including but not limited to technical services, network support, business consulting, intellectual property license, device or leasing, marketing consultation, system integration, product R&D and system maintenance ("Services"), during the term of this Agreement.

1.2 Party B agrees to accept the consultation and services provided by Party A. Party B further agrees that, except with prior written consent of Party A, during the term hereof, Party B shall neither directly or indirectly accept any identical or similar consultation and/or services provided by, nor cooperate with, any third party, with respect to the matters stated herein. Party A may designate other party, which may enter into a certain agreement described in Article 1.3 hereof with Party B, to provide the consultation and/or services hereunder to Party B.
1.3 Service Provision Method

1.3.1 Party A and Party B agree that during the term hereof, the Parties may, directly or through their respective affiliates, enter into other technical services agreements and consultation service agreements, so as to specify the specific content, method, personnel and charge of certain technical services and consulting services.

1.3.2 In order to perform this Agreement, Party A and Party B agree that during the term hereof, the Parties may, directly or through their respective affiliates, enter into license agreement(s) for intellectual property rights (including without limitation, software copyright, trademark, patent, know-how).

1.3.3 In order to perform this Agreement, Party A and Party B agree that during the term hereof, the Parties may, directly or through their respective affiliates, enter into device, office or asset leasing agreements.

1.3.4 Party A may at its sole discretion subcontract part of the Services which shall be provided to Party B hereunder to a third party.

2. Calculation, Payment Terms of Service Fee; Financial Statements, Audit and Tax

2.1 The Parties agree that with respect to the Services provided by Party A, Party B shall pay 100% of its monthly net revenue on a consolidated basis to Party A as service fee ("Service Fee"). The Service Fee shall be paid on a monthly basis. During the term of this Agreement, Party A shall be entitled to adjust the said Service Fee at its sole discretion without Party B’s consent. Party B shall (a) provide the management statement and operational data of Party B of the month to Party A, specifying the net revenue on a consolidated basis of Party B of that month ("Monthly Net Revenue"); and (b) pay 100% of its monthly net revenue on a consolidated basis to Party A ("Monthly Payment"). Upon receipt of the management statement and operational data, Party A shall issue the corresponding invoice for technical Service Fee to Party B within seven (7) days. Party B shall pay the amount indicated on the invoice within seven (7) days upon receipt of the invoice. All payments shall be transferred into the bank account designated by Party A by means of remittance or other means agreed by the Parties. The Parties agree that Party A may change such payment instructions by giving a notice to Party B from time to time, and Party B shall accept such arrangement.
2.2 Within 90 days upon the end of each fiscal year, Party B shall (a) provide Party A with the audited financial statements of Party B of the fiscal year which shall be audited and certified by an independent Certified Public Accountant approved by Party A; and (b) pay the difference to Party A, if there is any deficiency between the audited financial statements and the aggregate of Monthly Payments made by Party B to Party A in such fiscal year.

2.3 Party B shall prepare the financial statements in compliance with Party A’s requirements per laws and business practices.

2.4 Upon five (5) business days’ advance written notice of Party A, Party B shall allow Party A and/or its designated auditor to audit relevant books and records of Party B and copy such books and records as necessary in the principal office place of Party B, so as to verify the accuracy of the revenue amount and the statements of Party B.

2.5 The Parties shall be responsible for their own taxes arising out of the performance of this Agreement.

3. **Intellectual Property Rights, Confidentiality Clause and No Competition**

3.1 Party A shall have sole, exclusive and proprietary rights and interests in and to all rights, ownership, interest and intellectual property rights arising from or created by the performance of this Agreement, including but not limited to copyright, patent, patent application, trademark, software, know-how, trade secret and others, whether developed by Party A or Party B.

3.2 The Parties acknowledge that any oral or written information exchanged with respect to this Agreement shall be confidential information. Each Party shall keep in confidential all such information, and without written consent of the other Party, it shall not disclose any relevant information to any third party except under the following circumstances: (a) where such information is or becomes known by the general public (for reasons other than the disclosure to the public by the Party receiving such information); (b) where the disclosure of such information is required by applicable laws or stock exchange rules or regulations, or by order of governmental authority or court; or (c) where a Party discloses such information on a “need-to-know” basis for the purpose of the transaction contemplated herein to its shareholder, director, employee, legal or financial advisor which is also bound by the confidentiality obligation similar to that provided in this Article. The disclosure of any confidential information by the staff or organization hired or engaged by a Party shall be deemed as the disclosure of such confidential information by such Party, and such Party shall be held liable for breach of this Agreement. This Article shall survive the termination of this Agreement for whatsoever reason.
3.3 Without prior written permission of Party A, Party B shall neither directly or indirectly engage in any business in the PRC in competition with Party A's business, including investment in any entity engaging in any business in competition with Party A's business, nor engage in any business beyond the scope agreed by Party A in writing.

3.4 The Parties agree that this Article shall survive the change, annulment or termination of this Agreement.

4. **Representations and Warranties**

4.1 Party A represents and warrants that:

4.1.1 It is a wholly foreign-owned enterprise duly incorporated and validly existing under the PRC laws;

4.1.2 Its execution and performance of this Agreement is within its corporate capacity and business scope; and it has taken necessary corporate action and been duly authorized and has obtained consents and approvals from the third party and the government authority, and violates no legal or other restrictions binding upon or affecting it.

4.1.3 This Agreement constitutes its legal, valid and binding obligations enforceable against it in accordance with terms of this Agreement.

4.2 Party B represents and warrants that:

4.2.1 It is a company duly incorporated and validly existing under the PRC laws.

4.2.2 Its execution and performance of this Agreement is within its corporate capacity and business scope; and it has taken necessary corporate action and been duly authorized and has obtained consents and approvals from the third party and the government authority, and violates no legal or other restrain binding upon or affecting it.

4.2.3 This Agreement constitutes its legal, valid and binding obligations enforceable against it in accordance with terms of this Agreement.

5. **Effectiveness and Term**

5.1 This Agreement is signed and takes effect on the date first written above. This Agreement shall be valid for 10 years, unless terminated pursuant to this Agreement or any other agreement otherwise signed by the Parties.

5.2 Where Party A does not terminate the cooperation hereunder by giving a written notice to Party B at least 30 days prior to the expiry of this Agreement, this Agreement shall automatically extend for 10 years, and so on, without limitation on times of extension. Party B shall unconditionally accept such extended term.
6. **TERMINATION**

6.1 This Agreement shall terminate on the expiry date unless it is extended in accordance with relevant provisions hereof.

6.2 During the term hereof, Party B shall in no case terminate this Agreement before the expiry date. However, Party A may terminate this Agreement at any time after giving a written notice to Party B thirty (30) days in advance.

6.3 Upon the termination of this Agreement, the rights and obligations of the Parties under Articles 3, 7, 8 and 9 shall continue in full force and effect.

6.4 Neither the early termination nor the expiration of this Agreement for whatsoever reason may exempt either Party from all payment obligations (including without limitation, for the Service Fee) hereunder due before the termination date or the expiration date hereof, or any liability for breach of contract arising before the termination of this Agreement. The Service Fee payable accrued before the termination of this Agreement shall be paid to Party A within fifteen (15) business days as of the termination hereof.

7. **Governing Law, Dispute Resolution and Changes in Law**

7.1 The execution, validity, interpretation, performance, amendment and termination of this Agreement and the resolution of dispute hereunder shall be governed by the PRC laws officially published and publicly available. International legal principles and practices shall apply to the matters on which the PRC laws officially published and publicly available are silent.

7.2 Any dispute arising out of the interpretation and performance of this Agreement shall be resolved by the Parties through good-faith negotiation. In case that the Parties fail to resolve such dispute within 30 days as of the request of a Party for resolution through negotiation, either Party then may submit such dispute to the China International Economic and Trade Arbitration Commission for arbitration in accordance with its arbitration rules then in force. The arbitration shall take place in Beijing and the language of arbitration shall be Chinese. The arbitration award shall be final and binding upon the Parties. The arbitral tribunal may rule on compensating or offsetting Party A's loss caused by the breach of contract of the other Party hereto with respect to Party B's equity interest, asset or property interest, decide on injunctive relief with respect to business or mandatory asset transfer, or order Party B to go bankrupt. Upon the effectiveness of the arbitral award, either Party may apply with a competent court for enforcement of the arbitration award. When necessary, the arbitration institution may, before the final award on the dispute of the parties, rule that the breaching party immediately ceases the breach or that the breaching party may not act in furtherance of the loss suffered by Party A. The competent courts in Hong Kong, the Cayman Islands or other jurisdiction (including the courts at the domicile of Party B, or the courts at the place where the main assets of Party B or Party A are located, which shall be deemed as competent) shall also be entitled to grant or enforce the award of the tribunal and rule or enforce provisional relief in respect of Party B's equity interest or property interest, and also make decision or ruling to grant provisional relief to the Party requesting for arbitration pending the composition of the tribunal or in other proper circumstances, such as decision or ruling that the breaching party immediately ceases the breach of contract or that the breaching party may not act in furtherance of the loss suffered by Party A.
7.3 In case of any dispute arising out of the interpretation and performance of this Agreement, or during the arbitration of any dispute, except for the disputed matter, the Parties shall continue exercising their rights and performing their obligations hereunder.

7.4 After the date hereof, in the event that at any time, due to the promulgation or change of any PRC laws, regulations or rules, or the change of the interpretation or application of such laws, regulations or rules, the following shall apply: (a) if the change of laws or the newly promulgated regulation is more favorable to either Party than the relevant laws, regulations, decrees or rules effective prior to the date hereof (while the other Party is not thus materially and adversely affected), the Parties shall timely apply for the benefits brought by such change or new regulations. The Parties shall make their best efforts to obtain approval for such application; and (b) where due to the change of the said laws or the newly promulgated regulations, the economic interests of either Party hereunder are directly or indirectly materially and adversely affected, this Agreement shall continue being performed per the original clauses. The Parties shall use all lawful means to obtain exemption from compliance with such change or regulations. If the adverse effect on the economic interests of either Party cannot be resolved per this Agreement, then upon notice of the affected Party to the other Party, the Parties shall timely discuss and make all necessary amendments to this Agreement to maintain the economic interests of the affected Party hereunder.

8. Compensation

Party B shall compensate and keep Party A harmless against any loss, damage, liability or costs incurred by any litigation, claim or other demand against Party A arising out of or in connection with the consultation and services provided by Party A at the request of Party B, unless such loss, damage, liability or cost is incurred due to Party A's serious negligence or willful misconduct.
9. **Notice**

9.1 All notices and other communication required or permitted hereunder shall be sent to the following address of the Party by personal delivery, or registered mail with postage prepaid, commercial courier service or fax. For each notice, a confirmation shall be also be sent via email. Such notice shall be deemed validly served on the date below:

9.1.1 If given by personal delivery, courier service or registered mail with postage prepaid, on the date of delivery or refusal at the recipient address designated in the notice.

9.1.2 If given by fax, on the date of successful transmission, as evidenced by an automatically generated confirmation of transmission.

9.2 For the purpose of notice, the addresses of the Parties shall be as follows:

**Party A:** Wuhan Douyu Culture Network Technology Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: attn.Su Mingming
Email: [ ]
Tel: [ ]

**Party B:** Wuhan Ouyue Online TV Co., Ltd.
Address: 18th Floor, Building F4, Guanggu Software Park, Guanshan Avenue, Hongshan District, Wuhan, Hubei
Attn.: Su Mingming
Email: [ ]
Tel: [ ]

9.3 Either Party may change its address for notice at any time upon notice to the other Party per this Article.

10. **Assignment**

10.1 Without prior written consent of Party A, Party B may not assign its rights or obligations hereunder to any third party.

10.2 Party B agrees that Party A may assign its rights and obligations hereunder to any other third party with prior written notice to Party B, without consent of Party B.

11. **Severability**

Where any provision or several provisions hereof are held to be invalid, illegal or unenforceable in any aspect under any applicable law or regulation, the validity, legality and enforceability of the remaining provisions hereof shall in no way be affected or damaged. The Parties shall, through good-faith negotiation, make efforts to replace such invalid, illegal or unenforceable provisions with valid provisions to the fullest extent permitted by the Laws and meeting expectations of the Parties, and the economic effects produced by such valid provisions shall be close to the economic effects of such invalid, illegal or unenforceable provisions as much as possible.
12. **Amendment and Supplement**

Any amendment and supplement to this Agreement shall be made in writing. Any amendment and supplementary agreement signed by the Parties shall be an integral part of this Agreement and have same legal effect as this Agreement.

13. **Language and Counterpart**

This Agreement shall be written in Chinese and made in duplicate, with each Party holding one copy of the same legal effect.

*(The remainder of this page is intentionally left blank)*
IN WITNESS WHEREOF, the Parties have caused their authorized representatives to execute this Exclusive Business Cooperation Agreement on the date first written above.

Party A:

Wuhan Douyu Culture Network Technology Co., Ltd. (Seal)

/s/ Seal of Wuhan Douyu Culture Network Technology Co., Ltd.
By: /s/ Shaojie Chen
Name: Shaojie Chen

Party B:

Wuhan Ouyue Online TV Co., Ltd. (Seal)

/s/ Seal of Wuhan Ouyue Online TV Co., Ltd.
By: /s/ Shaojie Chen
Name: Shaojie Chen
Exhibit 10.32

Power of Attorney

Date: January 10, 2019

I, Shaojie Chen (the "Principal"), a citizen of the People’s Republic of China (the “PRC”), with ID Card No. [ ], holding 35.1533% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.

As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof. Upon the power granted hereunder becoming effective, this Power of Attorney issued by me as of May 14, 2018 shall be automatically terminated. I accept and recognize the legal validity of the power granted before such termination.
The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

The Principal hereby undertakes not: to take or cause Wuhan Douyu to take any action against or inconsistent with the resolutions adopted by the board of directors or the general meeting of shareholders, which is organized by the Attorney through exercising of the shareholder’s rights, or, to take any action to question, challenge, contest or object to the Exclusive Business Cooperation Agreement between Wuhan Douyu and the WFOE.

This Power of Attorney is written in Chinese.

(The remainder of this page is intentionally left blank.)
Shaojie Chen

Signature:  /s/ Shaojie Chen
Power of Attorney

Date: May 8, 2018

I, Wenming Zhang (the “Principal”), a citizen of the People’s Republic of China (the “PRC”), with ID Card No. [ ], holding 3.916% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal’s itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.
As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.

The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

The Principal hereby undertakes not to take or cause Wuhan Douyu to take any action against or inconsistent with the resolutions adopted by the board of directors or the general meeting of shareholders, which is organized by the Attorney through exercising of the shareholder’s rights, or, to take any action to question, challenge, contest or object to the Exclusive Business Cooperation Agreement between Wuhan Douyu and the WFOE.

This Power of Attorney is written in Chinese.

(The remainder of this page is intentionally left blank.)
Wenming Zhang

Signature: /s/ Wenming Zhang
Power of Attorney

Date: May 14, 2018

I, Dongqing Cai (the “Principal”), a citizen of the People’s Republic of China (the “PRC”), with ID Card No. [           ], holding 13.179% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.
As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.

The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

The Principal hereby undertakes not: to take or cause Wuhan Douyu to take any action against or inconsistent with the resolutions adopted by the board of directors or the general meeting of shareholders, which is organized by the Attorney through exercising of the shareholder’s rights, or, to take any action to question, challenge, contest or object to the Exclusive Business Cooperation Agreement between Wuhan Douyu and the WFOE.

This Power of Attorney is written in Chinese.

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Dongqing Cai

Signature: /s/ Dongqing Cai
Power of Attorney

Date: May 14, 2018

The undersigned, Beijing Fengye Equity Investment Center (Limited Partnership) (the “Principal”), a limited partnership established in the People’s Republic of China (the “PRC”), with Unification Code No. 91110114351291380T, holding 13.163% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.
As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.

The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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Beijing Fengye Equity Investment Center (Limited Partnership) (seal)

/s/ Seal of Beijing Fengye Equity Investment Center (Limited Partnership)

By:  /s/ Ziqi He

____________________________________
Power of Attorney

Date: May 14, 2018

The undersigned, Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership) (the “Principal”), a limited partnership established in the People’s Republic of China (the “PRC”), with Unification Code No. 91120116341056491K, holding 4.354% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.
As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.

The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership) (seal)

/s/ Seal of Nanshan Lanyue Asset Management (Tianjin) Partnership (Limited Partnership)

By: /s/ Jia He

________________________________________________________________________
Power of Attorney

Date: May 14, 2018

The undersigned, Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership) (the “Principal”), a limited partnership established in the People's Republic of China (the “PRC”), with Unification Code No. 91120116MA07D8161G, holding 0.754% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.
As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.

The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership) (seal)

/s/ Seal of Nanshan Douyu Asset Management (Tianjin) Partnership (Limited Partnership)

By:  /s/ Jia He

_________________________________________
Power of Attorney

Date: May 14, 2018

The undersigned, Linzhi Lichuang Information Technology co., Ltd. (the “Principal”), a limited liability company incorporated in the People’s Republic of China (the “PRC”), with Unification Code No. 91540400MA6T10ME4F, holding 18.975% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.
As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.

The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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Linzhi Lichuang Information Technology co., Ltd. (seal)

/s/ Seal of Linzhi Lichuang Information Technology co., Ltd.
Power of Attorney

Date: May 14, 2018

The undersigned, Beijing Fenghuang Fuju Investment Management Center (Limited Partnership) (the “Principal”), a limited partnership established in the People’s Republic of China (the “PRC”), with Unification Code No. 91110229348401083Q, holding 8.084% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.

As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.
The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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Beijing Fenghuang Fuju Investment Management Center (Limited Partnership) (seal)

/s/ Seal of Beijing Fenghuang Fuju Investment Management Center (Limited Partnership)
Power of Attorney

Date: May 14, 2018

The undersigned, Shenzhen Innovation Investment Group Co., Ltd. (the “Principal”), a limited liability company incorporated in the People’s Republic of China (the “PRC”), with Unification Code No. 91440300715226118E, holding 1.895% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (the “Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.

As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.
The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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Shenzhen Innovation Investment Group Co., Ltd. (seal)

/s/ Seal of Shenzhen Innovation Investment Group Co., Ltd.

By: /s/ Zewang Ni
Name: Zewang Ni
Power of Attorney

Date: May 14, 2018

The undersigned, Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership (the “Principal”), a limited partnership established in the People’s Republic of China (the “PRC”), with Unification Code No. 91320594MA1P511G9K, holding 0.526% of the entire registered capital (the “Equity”) of Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above are hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Douyu’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Douyu, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Douyu’s dividends or any other form of distribution; and (3) designating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Douyu on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Douyu and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.

As long as the Principal is a shareholder of Wuhan Douyu, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.
The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

This Power of Attorney is written in Chinese.

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[Signature Page to the Power of Attorney]

**Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership** (seal)

/s/ Seal of Suzhou Industrial Park Yuanhe Nanshan Equity Investment Partnership

By:  /s/ Jia He

Name: Jia He
Power of Attorney

Date: May 29, 2018

I, Shaojie Chen (the “Principal”), a citizen of the People’s Republic of China (the “PRC”), with ID Card No. of [ ], holding 100% of the entire registered capital (the “Equity”) of Wuhan Ouyue Online TV Co., Ltd. (“Wuhan Ouyue”), hereby irrevocably authorize: (i) Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and (ii) the directors designated by the WFOE and their successors (including any liquidator who replaces such directors) (and the foregoing persons referred to in item (i) and (ii) above hereinafter collectively referred to as the “Attorney”), to exercise the following rights with respect to the Equity during the term of this Power of Attorney:

The WFOE is hereby authorized to act as the Principal’s sole and exclusive proxy and attorney on the Principal’s behalf with respect to all matters relating to the Equity, including but not limited to: (1) proposing, convening and attending Wuhan Ouyue’s shareholders’ meeting; (2) exercising all shareholder’s rights and voting rights enjoyed by the Principal under the PRC laws and the articles of association of Wuhan Ouyue, including, without limitation, voting on the sale, transfer, pledge or disposition of the Equity, in whole or in part, or executing and delivering any written resolution in the name of and on behalf of the Principal, and/or receiving Wuhan Ouyue’s dividends or any other form of distribution; and (3)设计ating and appointing the legal representative (chairman of the board of directors), directors, supervisors, chief executive officer (or manager) and other senior officers of Wuhan Ouyue on the Principal’s behalf.

Without limiting the generality of the power granted hereunder, the WFOE shall have the power and authorization hereunder to enter into the Transfer Contract set forth in the Exclusive Option Agreement on the Principal’s behalf to the extent that the Principal is required to be a party thereto, and perform the terms of the Share Pledge Agreement and the Exclusive Option Agreement, of even date herewith, to which the Principal is a party.

All the actions of the WFOE in relation to the Equity shall be deemed as the Principal’s own actions, and all documents executed by the WFOE shall be deemed to be executed by the Principal itself. The WFOE may decide at its sole and absolute discretion when conducting all such actions, without securing prior consent from the Principal (but prior written notice to the Principal), and the Principal hereby acknowledges and authorizes such actions and/or documents taken and executed by the WFOE, and accepts and assumes the legal consequence arising out of such actions and/or documents, except for those actions which the Principal has reasonable grounds to believe that the WFOE has any willful misconduct or gross negligence or has violated applicable laws and regulations, which causes material adverse effect on relevant interests of the Principal in Wuhan Ouyue and has not been corrected within a reasonable time limit.

The WFOE shall have the right to delegate or assign, at its own discretion, its rights relating to the matters above to any other person or entity, without securing prior consent from the Principal, but prior notice to the Principal.

As long as the Principal is a shareholder of Wuhan Ouyue, this Power of Attorney and the power granted hereunder shall be coupled with interest and irrevocable and be continuously effective from the date hereof.
The Principal hereby waives, and shall not exercise in person, all rights granted to the WFOE relating to the Equity hereunder during the term of this Power of Attorney.

The Principal hereby undertakes not to take or cause Wuhan Ouyue to take any action against or inconsistent with the resolutions adopted by the board of directors or the general meeting of shareholders, which is organized by the Attorney through exercising of the shareholder’s rights, or, to take any action to question, challenge, contest or object to the Exclusive Business Cooperation Agreement between Wuhan Ouyue and the WFOE.

This Power of Attorney is written in Chinese.

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Signature: /s/ Shaojie Chen
Spousal Consent Letter

I, Li Gao, the undersigned (ID Card No. [          ]), as the legal spouse of Shaojie Chen (ID Card No. [          ]), hereby unconditionally and irrevocably agree on Shaojie Chen’s execution of the following documents ("Transaction Documents") on January 10, 2019, and on the disposition of the equity in Wuhan Douyu Internet Technology Co. Ltd. ("Wuhan Douyu") as held by and registered in the name of Shaojie Chen according to the provisions of the following documents:

1. The Share Pledge Agreement between Wuhan Douyu Culture Network Technology Co., Ltd. (the "WFOE") and Wuhan Douyu;
2. The Exclusive Option Agreement between the WFOE and Wuhan Douyu; and
3. The Power of Attorney signed by Shaojie Chen.

I hereby unconditionally and irrevocably undertake that the equity as Shaojie Chen directly or indirectly holds in DouYu International Holdings Limited ("Cayman Company") and Wuhan Douyu and any other interest (if any) in the subsidiaries of the foregoing entities (collectively "Target Equity"), is personal property of Shaojie Chen and not part of the marital or community property. I have no right or interest in or to the Target Equity and will never make in the future any claim with respect to the Target Equity or the carried interest thereof. Shaojie Chen has the exclusive and full voting rights and right of disposition with respect to the Target Equity, and I shall raise no objection to the exercise of such rights by Shaojie Chen, and will not take any action which may affect or impede Shaojie Chen’s performance of the obligations under the Transaction Documents. I further confirm that Shaojie Chen’s performance of the Transaction Documents and further amendment to or termination of the Transaction Documents require no additional authorization or consent from me.

I hereby unconditionally and irrevocably undertake that I will sign all necessary documents and take all necessary actions to ensure the proper performance of the Transaction Documents (as may be amended from time to time).

In case of division of marital or community property between Shaojie Chen and me due to divorce, I and Shaojie Chen shall make our best efforts to negotiate in good faith to properly settle the division of marital or community property, which shall have no adverse effect on the normal operation of Wuhan Douyu.

I hereby unconditionally and irrevocably agree and undertake not to act in conflict with the arrangements under the Transaction Documents or this Consent Letter at any time. I agree and undertake that if I obtain any equity of Wuhan Douyu held by Shaojie Chen due to any reason, I shall be bound by the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement executed by and between the WFOE and Wuhan Douyu on May 14, 2018 (the “Exclusive Business Cooperation Agreement”), and comply with the obligations of a shareholder of Wuhan Douyu under the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement, and for this purpose, once required by the WFOE, I shall sign a series of written instruments in the form and substance substantially identical to the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement.
Li Gao

Signature: /s/ Li Gao

Date: January 10, 2019
Exhibit 10.44

Spousal Consent Letter

I, Jing Chen, the undersigned (ID Card No. [          ]), as the legal spouse of Wenming Zhang (ID Card No. [          ]), hereby unconditionally and irrevocably agree on Wenming Zhang’s execution of the following documents (“Transaction Documents”) on May 8, 2018, and on the disposition of the equity in Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”) as held by and registered in the name of Wenming Zhang according to the provisions of the following documents:

(4) The Share Pledge Agreement between Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and Wuhan Douyu;

(5) The Exclusive Option Agreement between the WFOE and Wuhan Douyu; and


I hereby unconditionally and irrevocably undertake that the equity as Wenming Zhang directly or indirectly holds in DouYu International Holdings Limited (“Cayman Company”) and Wuhan Douyu and any other interest (if any) in the subsidiaries of the foregoing entities (collectively “Target Equity”), is personal property of Wenming Zhang and not part of the marital or community property. I have no right or interest in or to the Target Equity and will never make in the future any claim with respect to the Target Equity or the carried interest thereof. Wenming Zhang has the exclusive and full voting rights and right of disposition with respect to the Target Equity, and I shall raise no objection to the exercise of such rights by Wenming Zhang, and will not take any action which may affect or impede Wenming Zhang’s performance of the obligations under the Transaction Documents. I further confirm that Wenming Zhang’s performance of the Transaction Documents and further amendment to or termination of the Transaction Documents require no additional authorization or consent from me.

I hereby unconditionally and irrevocably undertake that I will sign all necessary documents and take all necessary actions to ensure the proper performance of the Transaction Documents (as may be amended from time to time).

In case of division of marital or community property between Wenming Zhang and me due to divorce, I and Wenming Zhang shall make our best efforts to negotiate in good faith to properly settle the division of marital or community property, which shall have no adverse effect on the normal operation of Wuhan Douyu.

I hereby unconditionally and irrevocably agree and undertake not to act in conflict with the arrangements under the Transaction Documents or this Consent Letter at any time. I agree and undertake that if I obtain any equity of Wuhan Douyu held by Wenming Zhang due to any reason, I shall be bound by the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement executed by and between the WFOE and Wuhan Douyu on May 14, 2018 (the “Exclusive Business Cooperation Agreement”), and comply with the obligations of a shareholder of Wuhan Douyu under the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement, and for this purpose, once required by the WFOE, I shall sign a series of written instruments in the form and substance substantially identical to the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement.
Jing Chen

Signature:  /s/ Jing Chen

Date: May 8, 2018
Spousal Consent Letter

I, Daijun Chen, the undersigned (ID Card No. [   ]), as the legal spouse of Dongqing Cai (ID Card No. [   ]), hereby unconditionally and irrevocably agree on Dongqing Cai’s execution of the following documents (“Transaction Documents”) on May 14, 2018, and on the disposition of the equity in Wuhan Douyu Internet Technology Co. Ltd. (“Wuhan Douyu”) as held by and registered in the name of Dongqing Cai according to the provisions of the following documents:

(7) The Share Pledge Agreement between Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and Wuhan Douyu;

(8) The Exclusive Option Agreement between the WFOE and Wuhan Douyu; and

(9) The Power of Attorney signed by Dongqing Cai.

I hereby unconditionally and irrevocably undertake that the equity as Dongqing Cai directly or indirectly holds in DouYu International Holdings Limited (“Cayman Company”) and Wuhan Douyu and any other interest (if any) in the subsidiaries of the foregoing entities (collectively “Target Equity”), is personal property of Dongqing Cai and not part of the marital or community property. I have no right or interest in or to the Target Equity and will never make in the future any claim with respect to the Target Equity or the carried interest thereof. Dongqing Cai has the exclusive and full voting rights and right of disposition with respect to the Target Equity, and I shall raise no objection to the exercise of such rights by Dongqing Cai, and will not take any action which may affect or impede Dongqing Cai’s performance of the obligations under the Transaction Documents. I further confirm that Dongqing Cai’s performance of the Transaction Documents and further amendment to or termination of the Transaction Documents require no additional authorization or consent from me.

I hereby unconditionally and irrevocably undertake that I will sign all necessary documents and take all necessary actions to ensure the proper performance of the Transaction Documents (as may be amended from time to time).

In case of division of marital or community property between Dongqing Cai and me due to divorce, I and Dongqing Cai shall make our best efforts to negotiate in good faith to properly settle the division of marital or community property, which shall have no adverse effect on the normal operation of Wuhan Douyu.

I hereby unconditionally and irrevocably agree and undertake not to act in conflict with the arrangements under the Transaction Documents or this Consent Letter at any time. I agree and undertake that if I obtain any equity of Wuhan Douyu held by Dongqing Cai due to any reason, I shall be bound by the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement executed by and between the WFOE and Wuhan Douyu on May 14, 2018 (the “Exclusive Business Cooperation Agreement”), and comply with the obligations of a shareholder of Wuhan Douyu under the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement, and for this purpose, once required by the WFOE, I shall sign a series of written instruments in the form and substance substantially identical to the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement.
Daijun Chen

Signature: /s/ Daijun Chen

Date: May 14, 2018
Spousal Consent Letter

I, Li Gao, the undersigned (ID Card No. [      ]), as the legal spouse of Shaojie Chen (ID Card No. [      ]), hereby unconditionally and irrevocably agree on Shaojie Chen’s execution of the following documents (“Transaction Documents”) on May 29, 2018, and on the disposition of the equity in Wuhan Ouyue Online TV Co., Ltd. (“Wuhan Ouyue”) as held by and registered in the name of Shaojie Chen according to the provisions of the following documents:

(1) The Share Pledge Agreement between Wuhan Douyu Culture Network Technology Co., Ltd. (the “WFOE”) and Wuhan Ouyue;

(2) The Exclusive Option Agreement between the WFOE and Wuhan Ouyue; and

(3) The Power of Attorney signed by Shaojie Chen.

I hereby unconditionally and irrevocably undertake that the equity as Shaojie Chen directly or indirectly holds in DouYu International Holdings Limited (“Cayman Company”) and Wuhan Ouyue and any other interest (if any) in the subsidiaries of the foregoing entities (collectively “Target Equity”), is personal property of Shaojie Chen and not part of the marital or community property. I have no right or interest in or to the Target Equity and will never make in the future any claim with respect to the Target Equity or the carried interest thereof. Shaojie Chen has the exclusive and full voting rights and right of disposition with respect to the Target Equity, and I shall raise no objection to the exercise of such rights by Shaojie Chen, and will not take any action which may affect or impede Shaojie Chen’s performance of the obligations under the Transaction Documents. I further confirm that Shaojie Chen’s performance of the Transaction Documents and further amendment to or termination of the Transaction Documents require no additional authorization or consent from me.

I hereby unconditionally and irrevocably undertake that I will sign all necessary documents and take all necessary actions to ensure the proper performance of the Transaction Documents (as may be amended from time to time).

In case of division of marital or community property between Shaojie Chen and me due to divorce, I and Shaojie Chen shall make our best efforts to negotiate in good faith to properly settle the division of marital or community property, which shall have no adverse effect on the normal operation of Wuhan Ouyue.

I hereby unconditionally and irrevocably agree and undertake not to act in conflict with the arrangements under the Transaction Documents or this Consent Letter at any time. I agree and undertake that if I obtain any equity of Wuhan Ouyue held by Shaojie Chen due to any reason, I shall be bound by the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement executed by and between the WFOE and Wuhan Ouyue on May 29, 2018 (the “Exclusive Business Cooperation Agreement”), and comply with the obligations of a shareholder of Wuhan Ouyue under the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement, and for this purpose, once required by the WFOE, I shall sign a series of written instruments in the form and substance substantially identical to the Transaction Documents (as may be amended from time to time) and the Exclusive Business Cooperation Agreement.
Li Gao

Signature: /s/ Li Gao

Date: May 29, 2018
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form F-1 of our report dated April 4, 2019 relating to the combined and consolidated financial statements of DouYu International Holdings Limited and its subsidiaries and variable interest entities (which report expresses an unqualified opinion and includes an explanatory paragraph relating 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, the People’s Republic of China

April 22, 2019
DOUYU INTERNATIONAL HOLDINGS LIMITED

Code of Business Conduct and Ethics

Adopted on April 18, 2019

Introduction

This Code of Business Conduct and Ethics (the “Code”) has been adopted by our Board of Directors and summarizes the standards that must guide our actions. Although they cover a wide range of business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation in which ethical decisions must be made, but rather set forth key guiding principles that represent Company policies and establish conditions for employment at the Company.

We must strive to foster a culture of honesty and accountability. Our commitment to the highest level of ethical conduct should be reflected in all of the Company’s business activities, including, but not limited to, relationships with employees, customers, suppliers, competitors, the government, the public and our shareholders. All of our employees, officers and directors must conduct themselves according to the language and spirit of this Code and seek to avoid even the appearance of improper behavior. Even well intentioned actions that violate the law or this Code may result in negative consequences for the Company and for the individuals involved.

One of our Company’s most valuable assets is our reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our reputation and adhering to this Code and applicable law is imperative.

Conflicts of Interest

Our employees, officers and directors have an obligation to conduct themselves in an honest and ethical manner and to act in the best interest of the Company. All employees, officers and directors should endeavor to avoid situations that present a potential or actual conflict between their interest and the interest of the Company.

A “conflict of interest” occurs when a person’s private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole, including those of its subsidiaries and affiliates. A conflict of interest may arise when an employee, officer or director takes an action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. A conflict of interest may also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of the employee’s, officer’s or director’s position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations that may constitute a conflict of interest:

- Working, in any capacity, for a competitor, customer or supplier while employed by the Company.
• Accepting gifts of more than modest value or receiving personal discounts (if such discounts are not generally offered to the public) or other benefits as a result of your position in the Company from a competitor, customer or supplier.

• Competing with the Company for the purchase or sale of property, products, services or other interests.

• Having an interest in a transaction involving the Company, a competitor, customer or supplier (other than as an employee, officer or director of the Company and not including routine investments in publicly traded companies).

• Receiving a loan or guarantee of an obligation as a result of your position with the Company.

• Directing business to a supplier owned or managed by, or which employs, a relative or friend.

Situations involving a conflict of interest may not always be obvious or easy to resolve. You should report actions that may involve a conflict of interest to the Legal Department or any other department designated by the Board of Directors ("Designated Department").

In order to avoid conflicts of interests, senior executive officers and directors must disclose to the head of the Legal Department or the Designated Department any material transaction or relationship that reasonably could be expected to give rise to such a conflict, and the head of the Legal Department or the Designated Department shall notify the Nominating and Corporate Governance Committee of the Board of Directors of any such disclosure. Conflicts of interests involving the head of the Legal Department or the Designated Department and directors shall be disclosed to the Nominating and Corporate Governance Committee of the Board of Directors.

In the event that an actual or apparent conflict of interest arises between the personal and professional relationship or activities of an employee, officer or director, the employee, officer or director involved is required to handle such conflict of interest in an ethical manner in accordance with the provisions of this Code.

Quality of Public Disclosures

The Company has a responsibility to provide full and accurate information in our public disclosures, in all material respects, about the Company’s financial condition and results of operations. Our reports and documents filed with or submitted to the United States Securities and Exchange Commission and our other public communications shall include full, fair, accurate, timely and understandable disclosure, and the Company has established a Disclosure Committee consisting of senior management to assist in monitoring such disclosures.

Compliance with Laws, Rules and Regulations

We are strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No employee, officer or director of the Company shall commit an illegal or unethical act, or instruct others to do so, for any reason.
Compliance with this Code and Reporting of Any Illegal or Unethical Behavior

All employees, directors and officers are expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with immediately, including by subjecting persons who violate its provisions to corrective and/or disciplinary action such as dismissal or removal from office. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities.

Situations which may involve a violation of ethics, laws, rules, regulations or this Code may not always be clear and may require the exercise of judgment or the making of difficult decisions. Employees, officers and directors should promptly report any concerns about a violation of ethics, laws, rules, regulations or this Code to their supervisors/managers or the Legal Department or, in the case of accounting, internal accounting controls or auditing matters, the Audit Committee of the Board of Directors. Interested parties may also communicate directly with the Company’s non-management directors through contact information located in the Company’s annual report on Form 20-F.

Any concerns about a violation of ethics, laws, rules, regulations or this Code by any senior executive officer or director should be reported promptly to the Legal Department or the Designated Department and the Legal Department or the Designated Department shall notify the Nominating and Corporate Governance Committee of the Board of Directors of any violation. Any such concerns involving the head of the Legal Department or the Designated Department should be reported to the Nominating and Corporate Governance Committee of the Board of Directors. Reporting of such violations may also be done anonymously through email to the Company at a designated email address for compliance reporting. An anonymous report should provide enough information about the incident or situation to allow the Company to investigate properly. If concerns or complaints require confidentiality, including keeping an identity anonymous, the Company will endeavor to protect this confidentiality, subject to applicable law, regulation or legal proceedings.

The Company encourages all employees, officers and directors to report any suspected violations promptly and intends to thoroughly investigate any good faith reports of violations. The Company will not tolerate any kind of retaliation for reports or complaints regarding misconduct that were made in good faith. Open communication of issues and concerns by all employees, officers and directors without fear of retribution or retaliation is vital to the successful implementation of this Code. All employees, officers and directors are required to cooperate in any internal investigations of misconduct and unethical behavior.

The Company recognizes the need for this Code to be applied equally to everyone it covers. The head of the Legal Department or the Designated Department of the Company will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Nominating and Corporate Governance Committee of the Board of Directors, or, in the case of accounting, internal accounting controls or auditing matters, the Audit Committee of the Board of Directors, and the Company will devote the necessary resources to enable the head of the Legal Department or the Designated Department to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with this Code. Questions concerning this Code should be directed to the Legal Department or the Designated Department.

The provisions of this section are qualified in their entirety by reference to the following section.
Employees have the right under applicable law to certain protections for cooperating with or reporting legal violations to governmental agencies or entities and self-regulatory organizations. As such, nothing in this Code is intended to prohibit any employee from disclosing or reporting violations to, or from cooperating with, a governmental agency or entity or self-regulatory organization, and employees may do so without notifying the Company. The Company may not retaliate against any employee for any of these activities, and nothing in this Code or otherwise requires any employee to waive any monetary award or other payment that he or she might become entitled to from a governmental agency or entity, or self-regulatory organization.

All employees of the Company have the right to:

· Report possible violations of applicable law or regulation that have occurred, are occurring, or are about to occur to any governmental agency or entity, or self-regulatory organization;

· Cooperate voluntarily with, or respond to any inquiry from, or provide testimony before any self-regulatory organization or any other national or local regulatory or law enforcement authority;

· Make reports or disclosures to law enforcement or a regulatory authority without prior notice to, or authorization from, the Company; and

· Respond truthfully to a valid subpoena.

All employees have the right to not be retaliated against for reporting, either internally to the Company or to any governmental agency or entity or self-regulatory organization, information which such employee reasonably believes relates to a possible violation of law. It is a violation of law to retaliate against anyone who has reported such potential misconduct either internally or to any governmental agency or entity or self-regulatory organization. Retaliatory conduct includes discharge, demotion, suspension, threats, harassment, and any other manner of discrimination in the terms and conditions of employment because of any lawful act the employee may have performed. It is unlawful for the company to retaliate against any employee for reporting possible misconduct either internally or to any governmental agency or entity or self-regulatory organization.

The Company cannot require an employee to withdraw reports or filings alleging possible violations of national or local law or regulation, and the Company may not offer employees any kind of inducement, including payment, to do so.

An employee’s rights and remedies as a whistleblower protected under applicable whistleblower laws, including a monetary award, if any, may not be waived by any agreement, policy form, or condition of employment, including by a predispute arbitration agreement.

Even if an employee has participated in a possible violation of law, the employee may be eligible to participate in the confidentiality and retaliation protections afforded under applicable whistleblower laws, and the employee may also be eligible to receive an award under such laws.

Waivers and Amendments

Any waiver (including any implicit waiver) of the provisions in this Code for executive officers or directors may only be granted by the Board of Directors or a committee thereof and will be promptly disclosed to the Company’s shareholders. Any such waiver will also be disclosed in the Company’s annual report on Form 20-F. Any waiver of this Code for other employees may only
be granted by the Legal Department or the Designated Department. Amendments to this Code must be approved by the Board of Directors and will also be disclosed in the Company’s annual report on Form 20-F.

Trading on Inside Information

Using non-public Company information to trade in securities, or providing a family member, friend or any other person with non-public Company information, is illegal. All non-public, Company information should be considered inside information and should never be used for personal gain. You are required to familiarize yourself and comply with the Company’s Policy against Insider Trading, copies of which are distributed to all employees, officers and directors and are available from the Legal Department or the Designated Department. You should contact the Legal Department with any questions about your ability to buy or sell securities.

Protection of Confidential Proprietary Information

Confidential proprietary information generated by and gathered in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete, and all proprietary information should be maintained in strict confidence, except when disclosure is authorized by the Company or required by law.

Proprietary information includes all non-public information that might be useful to competitors or that could be harmful to the Company, its customers or its suppliers if disclosed. Intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, research and new product plans, objectives and strategies, records, databases, salary and benefits data, employee medical information, customer, employee and suppliers lists and any unpublished financial or pricing information must also be protected.

Unauthorized use or distribution of proprietary information violates Company policy and could be illegal. Such use or distribution could result in negative consequences for both the Company and the individuals involved, including potential legal and disciplinary actions. We respect the property rights of other companies and their proprietary information and require our employees, officers and directors to observe such rights.

Your obligation to protect the Company’s proprietary and confidential information continues even after you leave the Company, and you must return all proprietary information in your possession upon leaving the Company.

The provisions of this section are qualified in their entirety by the section entitled “Reporting Violations to Governmental Agencies” above.

Protection and Proper Use of Company Assets

Protecting Company assets against loss, theft or other misuse is the responsibility of every employee, officer and director. Loss, theft and misuse of Company assets directly impact our profitability. Any suspected loss, misuse or theft should be reported to a manager/supervisor or the Legal Department.

The sole purpose of the Company’s equipment, vehicles, supplies and electronic resources (including hardware, software and the data thereon) is the conduct of our business. They may only be used for Company business consistent with Company guidelines.
Corporate Opportunities

Employees, officers and directors are prohibited from taking for themselves business opportunities that are discovered through the use of corporate property, information or position. No employee, officer or director may use corporate property, information or position for personal gain, and no employee, officer or director may compete with the Company. Competing with the Company may involve engaging in the same line of business as the Company or any situation in which the employee, officer or director takes away from the Company opportunities for sales or purchases of property, products, services or interests. Employees, officers and directors owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

Fair Dealing and Anti-Corruption

Each employee, officer and director of the Company should endeavor to deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. Each employee has an obligation to comply with the anti-corruption and anti-bribery laws of the People’s Republic of China and any other regions and countries in which the Company operates. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. In the event of a violation of these provisions, the Company and any employee, officer or director involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

Occasional business gifts to, or entertainment of, non-government employees in connection with business discussions or the development of business relationships are generally deemed appropriate in the conduct of Company business. However, these gifts should be given infrequently and their value should be modest. Gifts or entertainment in any form that would likely result in a feeling or expectation of personal obligation should not be extended or accepted.

Practices that are acceptable in a commercial business environment may be against the law or the policies governing national or local government employees. Therefore, no gifts or business entertainment of any kind may be given to any government employee without the prior approval of a manager/ supervisor or the Legal Department or the Designated Department.

Except in certain limited circumstances, the United States Foreign Corrupt Practices Act (the “FCPA”) prohibits giving anything of value directly or indirectly to any “non-U.S. official” for the purpose of obtaining or retaining business. When in doubt as to whether a contemplated payment or gift may violate the FCPA, contact a manager/supervisor or the Legal Department before taking any action.

Compliance with Antitrust Laws

The antitrust laws prohibit agreements among competitors on such matters as prices, terms of sale to customers and the allocation of markets or customers. Antitrust laws can be complex, and violations may subject the Company and its employees to criminal sanctions, including fines, jail time and civil liability. If you have any questions about our antitrust compliance policies, consult the Legal Department.
Political Contributions and Activities

Any political contributions made by or on behalf of the Company and any solicitations for political contributions of any kind must be lawful and in compliance with Company policies. This policy applies solely to the use of Company assets and is not intended to discourage or prevent individual employees, officers or directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by the Company for personal political contributions.

Doing Business with Others

We strive to promote the application of the standards of this Code by those with whom we do business. Our policies, therefore, prohibit the engaging of a third party to perform any act prohibited by law or by this Code, and we shall avoid doing business with others who intentionally and continually violate the law or the standards of this Code.

Accuracy of Company Financial Records

We maintain the highest standards in all matters relating to accounting, financial controls, internal reporting and taxation. All financial books, records and accounts must accurately reflect transactions and events and conform both to required accounting principles and to the Company’s system of internal controls. Records shall not be distorted in any way to hide, disguise or alter the Company’s true financial position.

Retention of Records

All Company business records and communications shall be clear, truthful and accurate. Employees, officers and directors of the Company shall avoid exaggeration, guesswork, legal conclusions and derogatory remarks or characterizations of people and companies. This applies to communications of all kinds, including email and “informal” notes or memos. Records should always be handled according to the Company’s record retention policies. If an employee, officer or director is unsure whether a document should be retained, consult a supervisor or the Legal Department before proceeding.

Anti-Money Laundering

We are committed to preserving our reputation in the financial community by assisting in efforts to combat money laundering and terrorist financing. Money laundering is the practice of disguising the ownership or source of illegally obtained funds through a series of transactions to “clean” the funds so they appear to be proceeds from legal activities.

We have adopted measures to reduce the extent to which the Company’s facilities, products and services can be used for a purpose connected with market abuse or financial crimes. Additionally, where necessary, we screen customers, potential customers and suppliers to ensure that our products and services cannot be used to facilitate money laundering or terrorist activity. If you have any questions about our internal anti-money laundering process and procedure, consult the Legal Department.
Social Media

Unless you are authorized by the Company, you are discouraged from discussing the Company as part of your personal use of social media. While business should only be conducted through approved channels, we understand that social media is used as a source of information and as a form of communicating with friends, family and workplace contacts.

When you are using social media and identify yourself as a Company employee, officer or director or mention the Company incidentally, for instance on Wechat or professional networking site, please remember the following:

- Never disclose confidential information about the Company or its business, customers or suppliers.
- Make clear that any views expressed are your own and not those of the Company.
- Remember that our policy on equal opportunity, non-discrimination and fair employment applies to social media sites.
- Be respectful of your colleagues and all persons associated with the Company, including customers and suppliers.
- Promptly report to the Company’s corporate communications department any social media content which inaccurately or inappropriately discusses the Company.
- Never respond to any information or inquiries without consulting Legal Department, including information that may be inaccurate about the Company.
- Never post documents, parts of documents, images or video or audio recordings that have been made with Company property or of Company products, services or people or at Company functions or events.

Professional Networking

Online networking on professional or industry sites, such as LinkedIn, has become an important and effective way for colleagues to stay in touch and exchange information. Employees, officers and directors should use good judgment when posting information about themselves or the Company on any of these services.

What you post about the Company or yourself will reflect on all of us. When using professional networking sites, you should observe the same standards of professionalism and integrity described in this Code and follow the social media guidelines outlined above.

Government Inquiries

The Company cooperates with government agencies and authorities. Forward all requests for information, other than routine requests, to the Legal Department immediately to ensure that we respond appropriately.

All information provided must be truthful and accurate. Never mislead any investigator. Do not ever alter or destroy documents or records subject to an investigation.

Review

The Board of Directors shall review this Code annually and make changes as appropriate.
To: DouYu International Holdings Limited
DouYu International Holdings Limited
Building F4, Optical Valley Software Park
Guanshan Avenue,
Donghu Development Area, Wuhan, 430073
The People’s Republic of China

Re: Legal Opinion on Certain PRC Law Matters

Dear Sirs:

We are lawyers qualified in the People’s Republic of China (the “PRC”) and are qualified to issue opinions on the PRC Laws (as defined hereunder). For the purpose of this legal opinion (this “Opinion”), the PRC does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.

We act as the PRC counsel to DouYu International Holdings Limited (the “Company”), a company incorporated under the laws of the Cayman Islands, in connection with (i) the proposed initial public offering (the “Offering”) of a certain number of American depositary shares (the “ADSs”), each ADS representing a certain number of ordinary shares of par value US$ 0.0001 per share of the Company (the “Ordinary Shares”), by the Company as set forth in the Company’s registration statement on Form F-1, including all amendments or supplements thereto (the “Registration Statement”), filed by the Company with the U.S. Securities and Exchange Commission (the “SEC”) under the U.S. Securities Act of 1933 (as amended) in relation to the Offering, and (ii) the Company’s proposed listing of the ADSs on the New York Stock Exchange.
The following terms as used in this Opinion are defined as follows:

“Governmental Authorities” means any national, provincial or local court, governmental agency or body, stock exchange authorities or any other regulator in the PRC, and “Governmental Authority” means any of them;

“Governmental Authorizations” means licenses, consents, authorizations, permissions, declarations, approvals, orders, registrations, clearances, annual inspections, waivers, qualifications, certificates and permits from, and the reports to and filings with, Governmental Authorities pursuant to any applicable PRC Laws;

“Group Companies” means the Company and the PRC Group Companies;

“PRC Affiliates” means Wuhan Douyu Internet Technology Co., Ltd. (“Wuhan Douyu”), Wuhan Ouyue Online TV Co., Ltd. (“Wuhan Ouyue”), Wuhan Wangyu Asset Management Consulting Co., Ltd. and Wuhan Youyu Real Estate Investment Co., Ltd.;

“PRC Group Companies” means the PRC Affiliates and the PRC Subsidiaries collectively, and individually a “PRC Group Company”; 

“PRC Laws” means all officially published and publicly available laws, statutes, regulations, orders, decrees, guidelines, notices, circulars, and subordinate legislations of the PRC currently in effect as of the date of this Opinion;

“PRC Subsidiaries” means Wuhan Douyu Culture Network Technology Co., Ltd. (“Douyu Yule”), Guangzhou Douyou Information Technology Co., Ltd. (“Guangzhou Douyou”), Wuhan Yuxing Tianxia Culture Media Co., Ltd., Wuhan Yuyin Raqiliang Culture Media Co., Ltd., Wuhan Yuwan Culture Media Co., Ltd., Wuhan Yuleyou Internet Technology Co., Ltd., Wuhan Douyu Education Consulting Co., Ltd. and Wuhan Xiaoyu Chuhai Internet Technology Co., Ltd.;

“VIE Agreements” means the agreements described under the caption “Contractual Arrangements with Our VIEs and Their Respective Shareholders” in the section “Corporate History and Structure” the Registration Statement.

In rendering this Opinion, we have examined the originals and/or copies, certified or otherwise identified to our satisfaction, of documents provided to us by the Company and such other documents, corporate records, certificates issued by Governmental Authorities and officers of the Company and other instruments as we have deemed necessary or advisable for the purposes of rendering this Opinion (collectively, the “Documents”).

In our examination and for purpose of rendering this Opinion, we have assumed, without further inquiry,
(i) the genuineness of all the signatures, seals and chops, the authenticity of the Documents submitted to us as originals and the conformity with authentic original documents submitted to us as copies and the authenticity of such originals;

(ii) the truthfulness, accuracy, and completeness of the Documents, as well as the factual statements contained in the Documents;

(iii) that the Documents provided to us remain in full force and effect up to the date of this Opinion and that none of the Documents has been revoked, amended, varied or supplemented except as otherwise indicated in such Documents;

(iv) that information provided to us by the Group Companies in response to our enquiries for the purpose of this Opinion is true, accurate, complete and not misleading, and that the Group Companies have not withheld anything that, if disclosed to us, would reasonably cause us to alter this Opinion in whole or in part;

(v) all Governmental Authorizations and other official statements or documentation are obtained by lawful means in due course;

(vi) that each of the parties other than PRC Group Companies is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and/or incorporation (as the case may be);

(vii) that all parties other than the PRC Group Companies have the requisite power and authority to enter into, execute, deliver and perform all the Documents to which they are parties and have duly executed, delivered, performed, and will duly perform their obligations under all the Documents to which they are parties; and

(viii) all documents submitted to us are legal, valid, binding and enforceable under all such laws as govern or relate to them other than the PRC Laws.

For the purpose of rendering this Opinion, where important facts were not independently established to us, we have relied upon certificates issued by Governmental Authorities and representatives of the shareholders of the Company and the Group Companies with proper authority and upon representations made in or pursuant to the Documents.

Based on the foregoing and subject to the Registration Statement and the qualifications set out below, we are of the opinion that:

1. Based on our understanding of the current PRC Laws, (i) the ownership structures of Wuhan Douyu, Wuhan Ouyue and Douyu Yule, both currently and immediately after giving effect to the Offering, do not and will not contravene any applicable PRC Laws currently in effect; and (ii) the contractual arrangements among Douyu Yule, Wuhan Douyu and Wuhan Ouyue and their respective shareholder(s) governed by PRC Laws are valid and binding upon each party to such arrangements and enforceable against each party thereto in accordance with their terms and applicable PRC Laws currently in effect. However, there are substantial uncertainties regarding the interpretation and application of the PRC Laws, and there can be no assurance that the PRC government will ultimately take a view that is consistent with our opinion stated above.
2. On August 8, 2006, six PRC regulatory agencies, namely, the Ministry of Commerce, the State Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce, the China Securities Regulatory Commission (the “CSRC”), and the State Administration of Foreign Exchange, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the “M&A Rules”), which became effective on September 8, 2006 and were amended on June 22, 2009. The M&A Rules purports, among other things, to require offshore special purpose vehicles, or SPVs, formed for overseas listing purposes through acquisitions of PRC domestic enterprises and controlled by PRC enterprises or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, pursuant to the M&A Rules and other PRC Laws, the CSRC, on its official website, promulgated relevant guidance with respect to the issues of listing and trading of domestic enterprises’ securities on overseas stock exchanges (the “CSRC Procedure”), including a list of application materials with respect to the listing on overseas stock exchanges by SPVs.

Based upon our understanding of the PRC Laws, including the M&A Rules and the CSRC Procedure, approval from the CSRC is not required under the M&A Rules for the Offering or the Listing, because, among other things, (a) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings and listings like the Offering and the Listing are subject to the M&A Rules; and (b) no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules. However, uncertainties still exist as to how the M&A Rules will be interpreted and implemented and our opinions summarized in this paragraph are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules by the Governmental Authorities.

3. The statements set forth under the caption “Taxation” in the Registration Statement, to the extent that they constitute matters of PRC Laws, are correct and accurate in all material respects.
This Opinion is subject to the following qualifications:

(a) This Opinion is rendered only with respect to the PRC Laws and we have made no investigations in any other jurisdiction and no opinion is expressed or implied as to the laws of any other jurisdiction. PRC Laws as used in this Opinion refers to PRC Laws publicly available and currently in force as of the date of this Opinion and there is no guarantee that any of such PRC Laws will not be changed, amended or revoked in the immediate future or in the longer term with or without retroactive effect.

(b) This Opinion is subject to the discretion of any competent Governmental Authorities in exercising their authority in the PRC in connection with the interpretation, implementation and application of relevant PRC Laws.

(c) This Opinion is, insofar as it relates to the validity, effectiveness and enforceability, subject to (i) any applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws affecting creditors’ rights generally; (ii) possible judicial or administrative actions or any laws affecting creditors’ rights generally; (iii) certain equitable, legal or statutory principles affecting the enforceability of contractual rights generally under concepts of public interest, state interest, national security, reasonableness, good faith and fair dealing, and applicable statutes of limitation; (iv) any circumstance in connection with formulation, execution or implementation of any legal documents that would be deemed materially mistaken, clearly unconscionable, unlawful, fraudulent or coercionary at the conclusions thereof; and (v) judicial discretion with respect to the availability of indemnifications, remedies or defenses, the calculation of damages, the entitlement to attorney’s fees and other costs, the waiver of immunity from jurisdiction of any court or from legal process;

(d) This opinion is intended to be used in the context which is specifically referred to herein.

We hereby consent to the use of this Opinion in, and the filing hereof as an exhibit to, the Registration Statement, and to the reference of our name under captions “Risk Factors,” “Enforceability of Civil Liabilities,” “Corporate History and Structure,” “Regulation,” “Taxation” and “Legal Matters” in the Registration Statement. In giving such consent, we do not thereby admit that we fall within the category of the person whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

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Yours Sincerely,

/s/ Global Law Office
Ladies and Gentlemen,

We understand that DouYu International Holdings Limited (the “Company”) plans to file a registration statement on Form F-1 with the United States Securities and Exchange Commission (the “SEC”) in connection with its proposed initial public offering (the “Proposed IPO”).

We hereby consent to the references to our name and the inclusion of information, data and statements from our research reports and amendments thereto, including but not limited to the Chinese version and the English translation of the industry research reports titled “Global & Chinese Live Streaming and Game-Centric Live Streaming Market Report” (collectively, the “Reports”), and any subsequent amendments to the Reports, as well as the citation of our research reports and amendments thereto, (i) in the prospectus included in the registration statement on Form F-1 of the Company and any amendments thereto (the “Registration Statement”), including, but not limited to, under the “Summary,” “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and “Business” sections; (ii) in any written correspondence with the SEC; (iii) in any other filings with the SEC by the Company, including filings on Form 20-F, Form 6-K and other SEC filings (collectively, the “SEC Filings”); (iv) in institutional and retail roadshows and other activities with the Proposed IPO; (v) on the websites of the Company and its subsidiaries and affiliates; and (vi) in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and any amendments thereto and as an exhibit to any other SEC Filings.

For and on behalf of
Shanghai iResearch Co., Ltd.

/s/ Shanghai iResearch Co., Ltd.

April 22, 2019
April 22, 2019

**DouYu International Holdings Limited** (the “Company”)
Building F4, Optical Valley Software Park
Guanshan Avenue
Donghu Development Area, Wuhan, 430073
The People’s Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the reference of my name as a director of the Company, effective immediately upon the effectiveness of the Company’s registration statement on Form F-1 initially filed by the Company on April 22, 2019 with the U.S. Securities and Exchange Commission.

Sincerely yours,

/s/ Zhaoming Chen
Name: Zhaoming Chen
April 22, 2019

**DouYu International Holdings Limited** (the “Company”)
Building F4, Optical Valley Software Park
Guanshan Avenue
Donghu Development Area, Wuhan, 430073
The People’s Republic of China

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Sincerely yours,

/s/ Xuehai Wang
Name: Xuehai Wang
April 22, 2019

DouYu International Holdings Limited (the “Company”)
Building F4, Optical Valley Software Park
Guanshan Avenue
Donghu Development Area, Wuhan, 430073
The People’s Republic of China

Ladies and Gentlemen:

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Sincerely yours,

/s/ Zhi Yan

Name: Zhi Yan