

## SECTION A1

### WAIVERS AND EXEMPTIONS

In preparation for the Listing, we have sought the following waivers and exemptions from strict compliance with the relevant provisions of the Hong Kong Listing Rules and the SFO and have applied for a ruling under the Takeovers Code:

<b>Rules</b>	<b>Subject matter</b>
Rule 2.07A of the Hong Kong Listing Rules	Printed Corporate Communications
Rules 4.04(2) and 4.04(a) of the Hong Kong Listing Rules	Investments after the Track Record Period
Rule 4.05(2)(b) of the Hong Kong Listing Rules	Disclosure Requirements Relating to the Accountant's Reports
Rule 9.09(b) of the Hong Kong Listing Rules	Dealings in Shares prior to Listing
Rule 13.25B of the Hong Kong Listing Rules	Monthly Return
Appendix 3 to the Hong Kong Listing Rules	Proposed Amendments to the Articles of Association
Paragraphs 13 and 26 of Appendix 1A to the Hong Kong Listing Rules	Particulars of any Commissions, Discounts and Brokerages and Alterations of Capital
Paragraph 29(1) of Appendix 1A to the Hong Kong Listing Rules	Disclosure of Information on Subsidiaries Whose Profits or Assets Make Material Contributions to Us
Guidance Letter HKEx-GL37-12	Timing Requirement of Liquidity Disclosure
Paragraphs 33(2), 33(3), 46(2), 46(3) of Appendix 1A to the Hong Kong Listing Rules	Disclosure Requirements of the Remuneration of Directors and Five Individuals Whose Emoluments Were Highest
Paragraphs 41(4) and 45 of Appendix 1A to and Practice Note 5 of the Hong Kong Listing Rules	Disclosure of Interests Information under the Hong Kong Listing Rules
Paragraph 27 of Appendix 1A of the Hong Kong Listing Rules	Disclosure Requirements of Options
Paragraph 3(b) of Practice Note 15 of the Hong Kong Listing Rules	Rules Relating to Spin-off Listings
Rule 8A.39 of the Hong Kong Listing Rules	Disclosure of Ultimate Beneficial Owners of Certain WVR Beneficiaries
Section 4.1 of the Introduction to the Takeovers Code	Not a Public Company in Hong Kong under the Takeovers Code
Part XV of the SFO	Disclosure of Interests under Part XV of the SFO

## PRINTED CORPORATE COMMUNICATIONS

Rule 2.07A of the Hong Kong Listing Rules provides that a listed issuer may send or otherwise make available to the relevant holders of its securities any corporate communication by electronic means, provided that either the listed issuer has previously received from each of the relevant holders of its securities an express, positive confirmation in writing or the shareholders of the listed issuer have resolved in a general meeting that the listed issuer may send or supply corporate communications to shareholders by making them available on the listed issuer's own website or the listed issuer's constitutional documents contain provision to that effect, and certain conditions are satisfied.

Our ADSs have been listed on NYSE since 2018. We have a diverse shareholder base with ADS holders globally.

We do not currently produce or send out any corporate communications to our shareholders or holders of ADSs in printed form unless requested or in limited circumstances. We publicly file or furnish various corporate communications with the SEC which are posted on the SEC's website electronically. Our annual reports on Form 20-F and current reports on Form 6-K and all amendments to these reports are also available free of charge on our website as soon as reasonably practicable after they are filed with or furnished to the SEC. Further, we will post our proxy materials and notices to our shareholders and holders of ADSs on a publicly accessible website. Those documents will also be available on our website. In addition, the depositary bank which administers our ADS program will send a notice and, to the extent there are items to be voted upon, ADS voting instruction card, to our ADS holders for annual general meetings and extraordinary general meetings.

Given our diverse shareholder base and the potential number of countries in which our shareholders are located, we consider that it would not be practicable for us to send printed copies of all our corporate communications to all of our shareholders. Further, we consider that it would also not be practicable for us to approach our existing shareholders individually to seek confirmation from them of their intention to receive corporate communications in electronic form, or to provide them with the right to request corporate communications in printed form instead.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 2.07A of the Hong Kong Listing Rules on the conditions that we will:

- (a) issue all future corporate communications as required by the Hong Kong Listing Rules on our own website in English and Chinese, and on the Hong Kong Stock Exchange's website in English and Chinese;
- (b) provide printed copies of proxy materials in English and Chinese to our shareholders at no costs upon request; and
- (c) ensure that the "Investor Relations" page of our website (<https://ir.tencentmusic.com>) will direct investors to all of our future filings with the Hong Kong Stock Exchange.

## INVESTMENTS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules, the accountants' report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Hong Kong Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) of the Hong Kong Listing Rules on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

### Acquisitions

#### *Reasons for applying for the waiver in respect of the Acquisitions*

Since March 31, 2022 and up to the Latest Practicable Date, we have made or proposed to make acquisitions of a majority interest in certain companies or business and expect to continue to enter into further acquisitions subsequent to the Latest Practicable Date and prior to the date of the Listing Document (collectively, the “**Acquisitions**”). Details of the Acquisitions up to the Latest Practicable Date include:

<b>Targets<sup>(1)</sup></b>	<b>Consideration (approx. in RMB millions)</b>	<b>Percentage of shareholding/ equity interest<sup>(2)</sup></b>	<b>Principal business activities</b>
Company K	248.5 <sup>(3)</sup>	55%	Social entertainment platform
Company L	6.0	60%	Music content
Business N	Nominal <sup>(4)</sup>	— <sup>(4)</sup>	Music entertainment platform

#### *Notes:*

- (1) Save for Business N, which is operated by Tencent, our Controlling Shareholder, to the best of our Directors' knowledge, information and belief having made all reasonable enquiry, the counterparties and the ultimate beneficial owners of the counterparties of each of the Acquisitions are independent third parties.
- (2) The percentage of shareholding/equity interest represents our total shareholding in each of the target companies immediately after the completion of each relevant Acquisition.
- (3) Calculated based on exchange rate of USD1 to RMB6.3393 on March 31, 2022 as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System.

- (4) Business N is an online music entertainment platform previously operated by Tencent to provide online music content to overseas users outside of mainland China. The transaction of Business N is in nature the acquisition of business without involving acquisition of any equity interests. Only nominal consideration was paid for the acquisition of Business N as such acquisition forms part of strategic initiative on business integrations agreed by the parties.

We confirm that the acquisition amounts for each of the Acquisitions are the results of commercial arm's length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital required for the target companies' operations.

Our Directors believe that the Acquisitions will complement the Group's businesses and support the growth of its business by diversifying its investment and business portfolio. Therefore, the Acquisitions are expected to strengthen and support our long-term business development. Accordingly, our Directors believe that the Acquisitions if consummated, will be fair and reasonable and in the interests of the Shareholders as a whole. The consideration for the Acquisitions if consummated, will be satisfied by the Group's own source of funds.

***Conditions for granting the waiver and its scope in respect of the Acquisitions***

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules in respect of the Acquisition on the following grounds:

The percentage ratios of the Acquisitions are all less than 5% by reference to the most recent fiscal year of the Track Record Period

To the best of our knowledge, the relevant percentage ratios calculated in accordance with Rules 14.07 of the Hong Kong Listing Rules for the Acquisitions are all less than 5% by reference to the most recent fiscal year of the Track Record Period. We do not believe that the Acquisitions are subject to aggregation under Rule 14.22 of the Hong Kong Listing Rules, because: (i) the Acquisitions involve the acquisition of interests in different companies; and (ii) the Acquisitions were entered into, or are expected to be entered into, with different counterparties.

Accordingly, we believe that the Acquisitions have not resulted in, and we do not expect the Acquisitions to result in, any significant changes to our financial position since March 31, 2022, and all information that is reasonably necessary for the potential investors to make an informed assessment of our activities or financial position has been included in the Listing Document. As such, we consider that a waiver from compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules would not prejudice the interests of the investors.

The historical financial information of the targets is not available and would be unduly burdensome to obtain or prepare

We confirm that the targets in respect of the Acquisitions do not have available historical financial information that is readily available for disclosure in the Listing Document in accordance with the Hong Kong Listing Rules. In addition, it would require considerable time and resources for us and our reporting accountants to fully familiarize ourselves with the management accounting policies of the targets and compile the necessary financial information and supporting documents for disclosure in the Listing Document. As such, we believe that it would be impractical and unduly burdensome for us to disclose the audited financial information of the targets as required under Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules.

In addition, having considered the Acquisitions to be immaterial and that we do not expect the Acquisitions to have any material effect on our business, financial condition or operations, we believe that it would not be meaningful and would be unduly burdensome for us to prepare and include the financial information of the targets during the Track Record Period in the Listing Document. As we do not expect the Acquisitions to result in any material changes to our financial position after the Track Record Period, we do not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules would prejudice the interests of the investors.

Alternative disclosure of the Acquisitions in the Listing Document

We have provided alternative information about the Acquisitions in the Listing Document. Such information includes those which would be required for a disclosable transaction under Chapter 14 of the Hong Kong Listing Rules that our Directors consider to be material, including, for example, descriptions of the targets' principal business activities, the investment amounts, and a statement as to whether the core connected persons at the level of our Company is a controlling shareholder of any of the targets. We have however excluded disclosure on the names of the targets in connection with the Acquisitions as (i) we have entered into confidentiality agreements with these companies and have not obtained their consent to such disclosure; and/or (ii) such information has not been disclosed, and is not required to be disclosed, under U.S. regulations. Since the relevant percentage ratio of each Acquisition is less than 5% by reference to the most recent fiscal year of the Track Record Period, we believe the current disclosure is adequate for potential investors to form an informed assessment of us.

## Investments

### *Reasons for applying for the waiver in respect of the Investments*

During the Track Record Period, we have made minority investments in a number of companies in the ordinary and usual course of business to further our strategic objectives. Since March 31, 2022 and up to the Latest Practicable Date, we have made or proposed to make minority investments in a number of companies, and we expect to continue to enter into additional minority investments subsequent to the Latest Practicable Date and prior to the date of the Listing Document (collectively, the “**Investments**”). Details of the Investments up to the Latest Practicable Date include:

<b>Investment</b> <sup>(1) (2)</sup>	<b>Consideration (approx. in RMB millions)</b>	<b>Percentage of shareholding/ equity interest</b> <sup>(3)</sup>	<b>Principal business activities</b>
Company A	4.0	40%	Music content
Company B	297.4	22%	Music content
Company C	14.0	20%	Music entertainment
Company D	9.2 <sup>(4)</sup>	44%	Music content
Company E	5.3	15%	Music entertainment
Company F	80.0	26%	Online games
Company G	0.1	20%	Music content
Company H	10.0	30%	Music entertainment
Company I	7.9 <sup>(5)</sup>	49%	Music entertainment
Company J	20.0	29%	Music content
Company M	144.0	30%	Music content
Company FF	6.0	30%	Music content

#### *Notes:*

- (1) To the best of our Directors’ knowledge, information and belief having made all reasonable enquiry, the counterparties and the ultimate beneficial owners of the counterparties of each of the Investments are independent third parties.
- (2) Given that our Group has not yet entered into legally binding agreements for certain of the above Investments as at the Latest Practicable Date, the terms and information set out above may be subject to further changes.
- (3) The percentage of shareholding/equity interest represents our Group’s total shareholding in each of the target companies immediately after the completion of each relevant Investment.
- (4) Calculated based on exchange rate of JPY1 to RMB0.0522 on March 31, 2022 based on the H.10 statistical release of The Board of Governors of the Federal Reserve System.
- (5) Calculated based on exchange rate of HKD1 to RMB0.8093 on March 31, 2022 based on the H.10 statistical release of The Board of Governors of the Federal Reserve System.

We confirm that the investment amounts for each of the Investments are the result of commercial arm's length negotiations, based on factors including market dynamics, a mutually agreed valuation, and/or capital need of the relevant companies' operations.

*Conditions for granting the waiver and its scope in respect of the Investments*

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules in respect of the Investments on the following grounds:

Ordinary and usual course of business

We confirm that we make equity investments in sectors relating to our business as part of our ordinary and usual course of business. We have a history of making minority investments and have conducted a number of minority investments during the Track Record Period.

The percentage ratios of each Investment are all less than 5% by reference to the most recent fiscal year of the Track Record Period

To the best of our knowledge, the relevant percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for each of the Investments are all less than 5% by reference to the most recent fiscal year of the Track Record Period. To the best of our knowledge, the counterparties of certain of the Investments are the same entity. The relevant percentage ratios in respect of these Investments calculated on an aggregate basis under Rule 14.22 of the Listing Rules are still less than 5%.

Accordingly, we believe that the Investments have not resulted in, and do not expect the Investments to result in, any significant changes to our financial position since March 31, 2022, and all information that is reasonably necessary for potential investors to make an informed assessment of our activities or financial position has been included in the Listing Document. As such, we consider that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules would not prejudice the interests of the investors.

## We do not expect to exercise any control over the underlying company or business

We confirm that we only hold a minority equity interest in each of the Investments and do not control their boards of directors. The minority rights given to the Group are generally commensurate to our status as a minority shareholder and are for the protection of our interests as a minority stakeholder in the Investments. These rights are neither intended, nor sufficient to compel or require the relevant companies to prepare or to disclose the audited financial statements in the Listing Document for the purposes of compliance with Rules 4.04(2) and 4.04(4)(a) of the Hong Kong Listing Rules. These disclosures are also not required pursuant to applicable U.S. securities laws. It could be prejudicial and potentially harmful to our portfolio relationships and commercial interests to make such disclosures. In addition, as some portfolio companies are private, disclosing this information could harm their interests and bring them into an unfavorable competitive position. Accordingly, as we do not expect the Investments to result in any material changes to our financial position after the Track Record Period, we do not believe the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would prejudice the interest of the investors.

## Alternative disclosure of the Investments in the Listing Document

We have disclosed alternative information about the Investments in the Listing Document. Such information includes those which would be required for a disclosable transaction under Chapter 14 of the Hong Kong Listing Rules that our Directors consider to be material, including, for example, descriptions of the relevant companies' principal business activities, the investment amounts, and a statement as to whether the core connected persons at the level of our Company is a controlling shareholder of any of the Investments. We have however excluded disclosure on the names of companies in connection with the Investments in the Listing Document because: (i) we have entered into confidentiality agreements with these companies and do not have their consent to such disclosure; and/or (ii) such information has not been disclosed and is not required to be disclosed, under U.S. regulations. We consider that it is commercially sensitive and competitively harmful to disclose the identities of the companies we have invested in or have proposed to invest in, as such information may enable our competitors to anticipate our investment strategy. Since the relevant percentage ratio of each Investment is less than 5% by reference to the most recent fiscal year of our Track Record Period, we believe the current disclosure is adequate for potential investors to form an informed assessment of us.



## DISCLOSURE REQUIREMENTS RELATING TO THE ACCOUNTANT'S REPORTS

Rule 4.05(2)(b) of the Hong Kong Listing Rules sets out certain historical financial information to be included in a listing document that is not required to be disclosed under IFRS, including, among others, aging analysis of accounts payable (the “**Relevant Aging Analysis**”).

During the Track Record Period, we prepared our consolidated financial statements in accordance with IFRS, which does not require the disclosures of the Relevant Aging Analysis.

The preparation and inclusion of the Relevant Aging Analysis in the Listing Document would be unduly burdensome for us as:

- (i) the Relevant Aging Analysis is neither required by IFRS nor the disclosure requirement in accordance with the rules and regulations of the SEC in the United States. Accordingly we have never disclosed trade payable aging in our annual and interim reports and no audit procedures has been performed on the aging of accounts payable during the Track Record Period;
- (ii) we would require additional time to prepare the Relevant Aging Analysis and our reporting accountant would require additional time and costs to perform relevant audit procedures on the aging of the trade payable in order to express an opinion on the historical financial information of the Group as a whole for the Track Record Period; and
- (iii) we are not required, and do not plan, to disclose the Relevant Aging Analysis following the completion of the Listing, taking into account the exceptions under Rule 19C.11 of the Hong Kong Listing Rules, and such Relevant Aging Analysis (if disclosed) will only constitute one-off disclosure for our Company.

The accounts payable of the Group were not material to our consolidated financial statements for the years ended December 31, 2019, 2020 and 2021, which accounted for 5.9%, 7.0% and 8.7% of net assets of the Group, respectively. Therefore, the Relevant Aging Analysis would not provide additional meaningful disclosures to potential Hong Kong investors.

Based on the analysis above, we believe that the disclosures in the Listing Document will contain all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, trading position, management and prospect of the Group and it would be of no material value to Hong Kong based investors for the Listing Document to include the Relevant Aging Analysis as required under Listing Rule 4.05(2)(b) of the Hong Kong Listing Rules. The non-disclosure of such information is not material and will not prejudice the interests of the Hong Kong based investors.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 4.05(2)(b) of the Hong Kong Listing Rules in relation to the disclosure of the Relevant Aging Analysis.

## DEALINGS IN SHARES PRIOR TO LISTING

According to Rule 9.09(b) of the Hong Kong Listing Rules, there must be no dealing in the securities of a new applicant for which listing is sought by any core connected person of the issuer from four clear business days before the expected hearing date until listing is granted (the “**Relevant Period**”).

We had over 140 consolidated subsidiaries and operating entities as of the Latest Practicable Date, and the ADSs are widely held, publicly traded and listed on NYSE. We consider that we are therefore not in a position to control the investment decisions of our shareholders or the investing public in the United States.

As of the Latest Practicable Date, to the Company’s knowledge and based on public filings with the SEC, other than Tencent and Min River, our Controlling Shareholders, there are no shareholders that are entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

The Controlling Shareholders may from time to time use their Shares as security (including charges and pledges) in connection with financing activities. To the best of our knowledge, as of the Latest Practicable Date, none of the Shares beneficially owned by the Controlling Shareholders were used as security in connection with financing activities.

Furthermore, for companies whose securities are listed and traded in the U.S., the Company notes that it is a common practice for substantial shareholders and corporate insiders, including directors, executives and other members of management, to set up trading plans that meet the requirements of Rule 10b5-1 under the U.S. Exchange Act ( “**Rule 10b5-1 Plans**”) to buy or sell the company’s securities. A Rule 10b5-1 Plan is a written plan, set up with a broker, to trade securities that (a) is entered into at a time when the person trading the securities is not aware of any material non-public information; (b) specifies the amount or value of securities to be purchased or sold and the price at which and the date on which the securities were to be purchased or sold; and (c) does not allow the person trading the securities to exercise any subsequent influence over how, when, or whether to effect purchases or sales. Persons who trade securities pursuant to a Rule 10b5-1 Plan have an affirmative defense against insider trading allegations under U.S. securities laws.

On the basis of the above, we consider that the following categories of persons (collectively, the “**Permitted Persons**”) should not be subject to the dealing restrictions set out in Rule 9.09(b) of the Hong Kong Listing Rules:

- (a) our Directors and chief executives, the directors and chief executives of our Major Subsidiaries, and their close associates, in respect of (i) their respective use of the Shares as security (including, for the avoidance of doubt, using their respective Shares as security in connection with entering into financing transactions during the Relevant Period as well as satisfying any requirements to top-up security under the terms of financing transactions entered into prior to the Relevant Period), provided that there will be no change in the beneficial ownership of the Shares at the time of entering into any such transactions during the Relevant Period and (ii) their respective dealings pursuant to Rule 10b5-1 Plans that they have set up prior to the Relevant Period (“**Category 1**”);

- (b) directors, chief executives and substantial shareholders of our non-Major Subsidiaries and their close associates (“**Category 2**”); and
- (c) any other person (whether or not an existing Shareholder) who may, as a result of dealings, become our substantial shareholder and who is not our director or chief executive, or a director or chief executive of our subsidiaries and consolidated affiliated entities, or their close associates (“**Category 3**”).

For the avoidance of doubt:

- (a) as the foreclosure, enforcement or exercise of other rights by the lenders in respect of a security interest over the Shares (including, for the avoidance of doubt, any security interest created pursuant to any top-up of security) will be subject to the terms of the financing transaction underlying such security and not within the control of the pledgor, any change in the beneficial owner of the Shares during the Relevant Period resulting from the foreclosure, enforcement or exercise of other rights by the lenders in respect of such security interest will not be subject to Rule 9.09(b) of the Hong Kong Listing Rules;
- (b) persons in Category 1 who use their respective Shares other than as described in this section headed “—Dealings in Shares Prior to Listing” in the Listing Document are subject to the restrictions under Rule 9.09(b) of the Hong Kong Listing Rules; and
- (c) to the best of our knowledge, no Share was pledged as security in connection with financing transactions by any person under Category 1 as at March 31, 2022 and the Latest Practicable Date.

We believe, subject to the conditions set forth below, the dealings in our securities by our core connected persons will not prejudice the interests of our potential investors and align with the principles in the Hong Kong Stock Exchange’s Guidance Letter HKEx-GL42-12.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules to be granted on the following conditions:

- (a) where Category 1 of the Permitted Persons use the Shares as security, other than those set out in the waiver above, there will be no change in the beneficial ownership of the Shares at the time of entering into the relevant transactions during the Relevant Period;
- (b) Categories 2 and 3 of the Permitted Persons do not have any influence over the Listing and do not possess any non-public inside information of our Company given that such persons are not in a position with access to information that is considered material to us taken as a whole. Given the large number of our subsidiaries and consolidated affiliated entities and our vast ADS holder base, we and our management do not have effective control over the investment decisions of Categories 2 and 3 of the Permitted Persons in our ADSs;

- (c) we will promptly release any inside information to the public in the U.S. and Hong Kong in accordance with the relevant laws and regulations of the U.S. and Hong Kong. Accordingly, the Permitted Persons (other than Category 1 person) are not in possession of any non-public inside information of which we are aware;
- (d) we will notify the Hong Kong Stock Exchange of any breaches of the dealing restrictions by any of our core connected persons during the Relevant Period when we become aware of the same other than dealings by the core connected persons who are Permitted Persons within the permitted scopes set out above; and
- (e) prior to the Listing Date, other than within the permitted scopes set out above, our Directors and chief executive and the directors and chief executives of our Major Subsidiaries and their close associates will not deal in the Shares or our ADSs during the Relevant Period provided that such prohibited dealing in the Shares shall not include the granting, vesting, payment or exercise (as applicable) of restricted share units, incentive and non-statutory options, restricted shares, dividend equivalents, and share payments under the Group's share incentive plans.

## **MONTHLY RETURN**

Rule 13.25B of the Hong Kong Listing Rules requires a listed issuer to publish a monthly return in relation to movements in its equity securities, debt securities and any other securitized instruments, as applicable, during the period to which the monthly return relates.

According to the note to Rule 13.25B of the Hong Kong Listing Rules, this common waiver is subject to the condition that the issuer can meet one of the following three conditions:

- (a) it has received a relevant partial exemption from Part XV of the SFO; or
- (b) it publishes a “next day disclosure return” in strict compliance with Rule 13.25A of the Hong Kong Listing Rules; or
- (c) it is subject to overseas laws or regulations that have a similar effect to Rule 13.25B of the Hong Kong Listing Rules and any differences are not material to shareholder protection.

We have obtained a relevant partial exemption from strict compliance with Part XV of the SFO. We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the continuing obligations under Rule 13.25B of the Hong Kong Listing Rules. We will disclose information about share repurchases, if material, in our quarterly earnings releases and annual reports on Form 20-F which are furnished or filed with the SEC in accordance with applicable U.S. rules and regulations.

## PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Appendix 3 to the Hong Kong Listing Rules (“**Appendix 3**”) requires that an issuer demonstrates how the domestic laws, rules and regulations to which it is subject and its constitutional documents, in combination, provide the shareholder protection standards set out in Appendix 3 (the “**Shareholder Protection Requirements**”).

Rule 19C.10 of the Hong Kong Listing Rules requires an overseas issuer to prominently disclose in its listing documents any provisions in its constitutional documents concerning the issuer’s governance that are unusual compared with normal practices in Hong Kong and are specific to the issuer rather than a consequence of the laws and regulations to which the issuer is subject. An overseas issuer must also prominently disclose in its listing documents how such provisions affect its members’ rights.

As we are a Grandfathered Greater China Issuer seeking a secondary listing under Chapter 19C of the Hong Kong Listing Rules, the requirements under Rule 8A.45 of the Hong Kong Listing Rules as to the articles of association of issuers with WVR structures are not applicable to us pursuant to Rule 8A.46(b) of the Hong Kong Listing Rules.

We have been a listed issuer on the NYSE since December 2018 and have adopted our existing Articles of Association in line with the relevant requirements under the laws of the Cayman Islands and the applicable U.S. requirements. However, the existing Articles of Association do not strictly comply with certain Shareholder Protection Requirements.

The Articles of Association does not comply with some of the Hong Kong Listing Rules Articles Requirements, namely paragraphs 4(2), 14(1), 14(2), 14(3), 14(4), 14(5), 15, 16, 17, 20 and 21 of Appendix 3 effective on January 1, 2022, (the “**Unmet Listing Rules Articles Requirements**”). In relation to the Unmet Listing Rules Articles Requirements, we have proposed certain amendments to our existing Articles of Association together with certain house-keeping amendments (the “**Appendix 3 Amendments**”).

A summary of the Appendix 3 Amendments are underlined as follows:

<b>Before Amendment</b>	<b>After Amendment</b>	<b>Relevant paragraph of Appendix 3</b>
<b>Memorandum of Association</b>		
<p>THE COMPANIES <u>LAW</u> (2018 <u>REVISION</u>) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES <u>SIXTH</u> AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF TENCENT MUSIC ENTERTAINMENT GROUP (騰訊音樂娛樂集團)  <i>(Adopted pursuant to a special resolution passed on <u>September 4, 2018</u>, and effective immediately prior to the completion of the Company's initial public offering of ADSs representing its Class A Ordinary Shares)</i></p>	<p>THE COMPANIES <u>ACT</u> (<u>AS REVISED</u>) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES <u>SEVENTH</u> AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF TENCENT MUSIC ENTERTAINMENT GROUP (騰訊音樂娛樂集團)  <i>(Adopted pursuant to a special resolution passed on [ ] 2022)</i></p>	N/A
<p>2.            The registered office of the Company shall be at the offices of <u>Walkers Corporate Limited, Cayman Corporate Center, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands</u> or at such other location as the Directors may from time to time determine.</p>	<p>2.            The registered office of the Company shall be at the offices of <u>Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands</u> or at such other location as the Directors may from time to time determine.</p>	N/A
<p>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 <u>Law</u> (2018 <u>Revision</u>) or as the same may be revised from time to time, or any other law of the Cayman Islands.</p>	<p>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 <u>Act</u> (<u>As Revised</u>) or as the same may be revised from time to time, or any other law of the Cayman Islands.</p>	N/A

Before Amendment	After Amendment	Relevant paragraph of Appendix 3
<b>Articles of Association</b>		
<p>THE COMPANIES <u>LAW (2018 REVISION) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES SIXTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TENCENT MUSIC ENTERTAINMENT GROUP (騰訊音樂娛樂集團)</u>  <i>(Adopted pursuant to a special resolution passed on <u>September 4, 2018, and effective immediately prior to the completion of the Company’s initial public offering of ADSs representing its Class A Ordinary Shares)</u></i></p>	<p>THE COMPANIES <u>ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES SEVENTH AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF TENCENT MUSIC ENTERTAINMENT GROUP (騰訊音樂娛樂集團)</u>  <i>(Adopted pursuant to a special resolution passed on [ ] 2022)</i></p>	N/A
<p><b>“Electronic Transactions Law”</b>  means the Electronic Transactions <u>Law (2003 Revision)</u> of the Cayman Islands and any statutory amendment or re-enactment thereof;</p>	<p><b>“Electronic Transactions Law”</b>  means the Electronic Transactions <u>Act (As Revised)</u> of the Cayman Islands and any statutory amendment or re-enactment thereof;</p>	N/A
N/A	<p><b>“Listing Rules”</b> means the <u>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</u> as amended from time to time;</p>	N/A

<u>Before Amendment</u>	<u>After Amendment</u>	<u>Relevant paragraph of Appendix 3</u>
<p>“<b>Special Resolution</b>” has the meaning as in the Statute, and includes a unanimous written resolution;</p>	<p>“<b>Special Resolutions</b>” <u>means a special resolution passed in accordance with the Statute, being a resolution:</u></p> <p>(a). <u>in respect of (i) any amendment to the Memorandum or these Articles; or (ii) the voluntarily liquidation or winding up of the Company, passed by a majority of not less than three-fourths of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution has been duly given and in computing the majority regard shall be had to the number of votes to which each Member is entitled; or</u></p> <p>(b). <u>in respect of any matter that requires a special resolution (other than those specified in paragraph (a). above), passed by a majority of not less than two-thirds of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and in computing the majority regard shall be had to the number of votes to which each Member is entitled,</u></p> <p>and includes a unanimous written resolution;</p>	16 and 21
<p>“<b>Statute</b>” means the Companies Law (2018 Revision) of the Cayman Islands, as amended;</p>	<p>“Statute” means the Companies <u>Act (As Revised)</u> of the Cayman Islands, as amended;</p>	N/A



<b>Before Amendment</b>	<b>After Amendment</b>	<b>Relevant paragraph of Appendix 3</b>
2.10. Sections 8 and 19(3) of the Electronic Transactions <u>Law</u> shall not apply.	2.10. Sections 8 and 19(3) of the Electronic Transactions <u>Act</u> shall not apply.	N/A
10. The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute.	10. The Company shall maintain or cause to be maintained the Register of Members in accordance with the Statute. <u>Except when the Register of Members is closed, the branch register of members of the Company maintained in Hong Kong shall during business hours be kept open for inspection by any Member.</u>	20
11. For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed <u>forty (40) calendar days</u> . If the Register of Members shall be closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members, the Register of Members shall be closed for at least ten (10) calendar days immediately preceding the meeting and the record date for such determination shall be the date of closure of the Register of Members.	11. For the purpose of determining Members entitled to notice of, or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed <u>thirty (30) calendar days in any years (or such longer period as the Members may by Ordinary Resolution determine provided that such period shall not be extended beyond sixty (60) calendar days in any year)</u> . If the Register of Members shall be closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members, the Register of Members shall be closed for at least ten (10) calendar days immediately preceding the meeting and the record date for such determination shall be the date of closure of the Register of Members.	20

**Before Amendment**

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60.  
Whenever the capital of the Company is divided into different Classes, 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 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 of the voting power of the issued Shares of the relevant Class and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Member of the Class shall on a poll have one vote for each Share of the Class held by him.

**After Amendment**

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60.  
Whenever the capital of the Company is divided into different Classes, 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 three-fourths (3/4) of the issued Shares of the relevant Class, or with the sanction of a resolution passed at a separate meeting by the holders of a majority of not less than three-fourths (3/4) of the Shares of such Class present and voting 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 of the voting power of the issued Shares of the relevant Class and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Member of the Class shall on a poll have one vote for each Share of the Class held by him.

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Before Amendment	After Amendment	Relevant paragraph of Appendix 3
<p>64. The Company <u>may, but shall not (unless required by the Statute) be obliged to hold a general meeting in each calendar year</u> 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.</p>	<p>64. The Company <u>shall in each financial year</u> 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.</p>	14(1)
<p>66. A Members' requisition is a requisition of Members of the Company holding at the date of deposit of the requisition in the aggregate not less than <u>one-third (1/3) of all votes attaching to all issued and outstanding Shares entitled to vote at general meetings of the Company as at the date of the deposit.</u></p>	<p>66. A Members' requisition is a requisition of Members of the Company holding at the date of deposit of the requisition in the aggregate not less than <u>one-tenth (1/10) of the aggregate number of votes attaching to all issued and outstanding Shares of the Company as at that date, on a one vote per share basis, that carries the right of voting at general meetings of the Company.</u></p>	14(5)
<p>67. 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.</p>	<p>67. The requisition must state the objects of the meeting <u>and the resolutions to be added to the meeting agenda,</u> 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.</p>	14(5)

**Before Amendment**

70.  
At least seven (7) calendar days' notice in writing counting from the date service is deemed to take place as provided in these Articles and excluding the proposed date of the meeting shall be given of any general meeting, specifying 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:

- (a). in the case of an annual general meeting, by all the Members (or their proxies) entitled to attend and vote thereat; and
- (b). in the case of an extraordinary general meeting, by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than two-thirds (2/3) in voting rights of the Shares giving that right.

**After Amendment**

70.  
An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served 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 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:

- (a). in the case of an annual general meeting, by all the Members (or their proxies) entitled to attend and vote thereat; and
- (b). in the case of an extraordinary general meeting, by a majority in number of the Members (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than two-thirds (2/3) in voting rights of the Shares giving that right.

14(2)

Before Amendment	After Amendment	Relevant paragraph of Appendix 3
<p>81. Subject to any rights and restrictions for the time being attached to any Share, every Member present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general or special meeting of the Company, have one (1) vote for each Class A Ordinary Share and fifteen (15) votes for each Class B Ordinary Share, in each case of which he is the holder.</p>	<p>81. Subject to any rights and restrictions for the time being attached to any Share, <u>(a) every Member present in person or by proxy (or, if a corporation or other non-natural person, by its duly authorized representative or proxy) shall, at a general or special meeting of the Company, have <u>the right to speak;</u> and (b) every Member present in such manner shall have one (1) vote for each Class A Ordinary Share and fifteen (15) votes for each Class B Ordinary Share, in each case of which he is the holder.</u></p>	14(3) and 18
N/A	<p>82A. <u>Where any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.</u></p>	14(4)
<p>97. The Board may, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person as a Director, to fill a casual vacancy on the Board or as an addition to the existing Board.</p>	<p>97. The Board may, by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting, appoint any person as a Director, to fill a casual vacancy on the Board or as an addition to the existing Board. <u>Any Director so appointed by the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.</u></p>	4(2)

Before Amendment	After Amendment	Relevant paragraph of Appendix 3
<p>100.</p> <p>A Director may be removed from office by Ordinary Resolution of the Company or the affirmative vote of a simple majority of the other Directors present and voting at a Board meeting, 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).</p> <p>A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than five (5) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.</p>	<p>100.</p> <p>A Director (<u>including a managing Director or executive Director</u>) may be removed from office by Ordinary Resolution of the Company or the affirmative vote of a simple majority of the other Directors present and voting at a Board meeting, 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). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than five (5) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.</p>	4(3)

**Before Amendment**

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128.  
A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:

- (a). he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm;  
or
- (b). he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

**After Amendment**

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128.  
A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general Notice to the Board by a Director to the effect that:

- (a). he is a member or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with that company or firm;  
or
- (b). he is to be regarded as interested in any contract or arrangement which may after the date of the Notice be made with a specified person who is connected with him;

shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement, provided that no such Notice shall be effective unless either it is given at a meeting of the Board, disclosed by him or the alternate Director appointed by him at or prior to its consideration and any vote thereon or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

N/A

Before Amendment	After Amendment	Relevant paragraph of Appendix 3
<p>155.  <u>Subject to applicable Law and Designated Stock Exchange Rules, the Directors may appoint an Auditor of the Company who shall hold office until removed from office by a resolution of the Directors.</u></p>	<p>155.  <u>The Company shall at every annual general meeting by Ordinary Resolution appoint an Auditor of the Company who shall hold office until the next annual general meeting. The removal of an Auditor before the expiration of his period of office shall require the approval of an Ordinary Resolution of the Members in general meeting.</u></p>	17
<p>156.  The remuneration of the Auditor shall be <u>determined by the Audit Committee</u> or, in the absence of such an Audit Committee, by the Board.</p>	<p>156.  The remuneration of the Auditor shall be <u>fixed by the Company at the annual general meeting at which they are appointed by Ordinary Resolution provided that in respect of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Audit Committee</u> or, in the absence of such an Audit Committee, by the Board.</p>	17
<p>157.  <u>If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and determine the remuneration of such Auditor.</u></p>	<p>157.  [Deleted].</p>	17



Before Amendment	After Amendment	Relevant paragraph of Appendix 3
<p>171. If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Statute, 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.</p>	<p>171. <u>Subject to the Statute, the Company may by Special Resolution resolve that the Company be wound up voluntarily.</u> If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution and any other sanction required by the Statute, 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.</p>	21
<p>175. The fiscal year of the Company shall be determined by the Board from time to time.</p>	<p>175. The fiscal year of the Company shall be determined by the Board from time to time. <u>Unless the Board otherwise prescribes, the financial year of the Company shall end on 31st December in each year and shall begin on 1st January in each year.</u></p>	N/A

In addition to the Unmet Listing Rules Articles Requirements, we have proposed additional amendments to our existing Articles of Association for better corporate governance (the “**Additional Amendments**”):

**Before Amendment**

**Articles of Association**

72.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The holder(s) of Shares which carry a majority 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 corporate or other non-natural person, by its duly authorized representative, shall constitute a quorum; unless the Company has only one Member entitled to vote at such general meeting in which case the quorum shall be that one Member present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorized representative or proxy.

75.

If within half an hour from the time appointed for the meeting a quorum is not present, it shall stand adjourned to the fifth (5th) following calendar day at the same time and place (or to such other time or such other place as the Directors may determine) and at such adjourned meeting, two or more Members holding at least 50% of the issued and outstanding share capital of the Company present in person or by proxy and entitled to vote at that adjourned meeting shall form a quorum. If within half an hour from the time appointed for the adjourned meeting such quorum is not present, the meeting shall be dissolved.

**After Amendment**

72.

No business shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. The holder(s) of Shares which carry not less than one-third of the voting rights (on a one vote per share basis) in the Company’s share capital shall constitute a quorum; unless the Company has only one Member entitled to vote at such general meeting in which case the quorum shall be that one Member present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorized representative or proxy.

75.

If within half an hour from the time appointed for the meeting a quorum is not present, it shall stand adjourned to the fifth (5th) following calendar day at the same time and place (or to such other time or such other place as the Directors may determine) and at such adjourned meeting, two or more Members holding at least one-third of the voting rights (on a one vote per share basis) in the Company’s share capital shall form a quorum. If within half an hour from the time appointed for the adjourned meeting such quorum is not present, the meeting shall be dissolved.

## Before Amendment

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80. 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 Members in accordance with these Articles, for any reason or for no reason, upon notice in writing to Members. A postponement may be for a stated period of any length or indefinitely as the Directors may determine. Notice of the business to be transacted at such postponed general meeting shall not be required. If a general meeting is postponed in accordance with this Article, the appointment of a proxy will be valid if it is received as required by the Articles not less than 48 hours before the time appointed for holding the postponed meeting.

## After Amendment

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80. 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 Members in accordance with these Articles, for any reason or for no reason, upon notice in writing to Members. A postponement may be for a stated period of any length and to a specific date, time and place as the Directors may determine. Notice of the business to be transacted at such postponed general meeting shall not be required. If a general meeting is postponed in accordance with this Article, the appointment of a proxy will be valid if it is received as required by the Articles not less than 48 hours before the time appointed for holding the postponed meeting.

In order to approve the Appendix 3 Amendments and the Additional Amendments (collectively, the “**Proposed Amendments**”) to our existing Articles of Association, we are required to hold a general meeting to pass a special resolution before the Listing, which we believe will not be in the interests of our existing shareholders.

We have applied to the Stock Exchange for a waiver from strict compliance with Appendix 3 subject to the following conditions:

- (a) at a general meeting (the “**General Meeting**”) to be convened within six months after the completion of the Listing, we will put forth: (i) the class-based resolution at the separate meetings of the holders of Class A ordinary shares (the “**Class A Meeting**”) and the holders of Class B ordinary shares of our Company (the “**Class B Meeting**”); and (ii) the class-based resolution (if adopted at both the Class A Meeting and the Class B Meeting) and the non-class-based resolution at the full shareholders’ meeting (the “**Full Shareholders’ Meeting**”) where all our shareholders may vote as a single class to (i) approve the Proposed Amendments to amend our existing Articles of Association and (ii) adopt the seventh amended and restated Articles of Association to incorporate the Unmet Listing Rules Articles Requirements and Additional Amendments (the “**Amendment Resolutions**”);
- (b) Min River will, prior to the Listing, irrevocably undertake to us to be present at the General Meeting, any general meeting and class meeting after the completion of the Listing until all Amendment Resolutions are approved by shareholders, and to vote in favor of the Amendment Resolutions. Such undertaking has been disclosed in the Listing Document;

- (c) if any of the Amendment Resolutions is not passed at the General Meeting, until they are duly approved by the shareholders, we irrevocably undertake to the Stock Exchange that, we will put forth the Amendment Resolutions that have not been passed at each subsequent annual general meeting and class meeting, and Min River will, prior to the Listing, irrevocably undertake to us to continue to be present and vote in favor of such Amendment Resolutions at such a meeting.

As of the Latest Practicable Date, Tencent, together with its affiliates, beneficially owned 9.6% of our outstanding Class A ordinary shares and 95.7% of our outstanding Class B ordinary shares, and held in the aggregate 90.4% of our total voting power.

Accordingly, although our WVR beneficiary's undertakings to be present at the General Meeting (whether in person or by proxy) will be able to ensure a quorum at the Class B Meeting and the Full Shareholders' Meeting, there is no assurance that a quorum will be formed at the Class A Meeting. If no quorum is formed at the Class A Meeting, it cannot be convened. Furthermore, despite our WVR beneficiary's undertakings to vote in favor of the Amendment Resolutions to ensure that they will be adopted at the Class B Meeting and the Full Shareholders' Meeting, there is no guarantee that the class-based resolution will be passed at the Class A Meeting. It is uncertain as to whether the class-based resolution will be approved with sufficient support from our shareholders at the Class A Meeting.

- (d) we will, prior to the Listing, irrevocably undertake to the Stock Exchange that we will comply with the Unmet Listing Rules Articles Requirements and Additional Amendments in full (the "**Undertaking for Interim Compliance**") upon the Listing and before our existing Articles of Association are formally amended to incorporate the Unmet Listing Rules Articles Requirements and Additional Amendments, except for:
- (i) paragraph 15 of Appendix 3, such that prior to our Articles of Association being amended, the threshold for passing a resolution in a separate class meeting will be approved by holders of two-thirds of the votes cast at such a meeting pursuant to Article 60 of our existing Articles of Association. This is to facilitate the approval process for passing the Amendment Resolutions in the general meeting of the Company or each of the subsequent annual general meeting (as applicable), with the aim to enhance our shareholder protection measures as soon as practicable. For the avoidance of doubt, the exception for paragraph 15 of Appendix 3 is only applicable to the passing of the Amendment Resolutions, and we shall irrevocably undertake to comply with paragraph 15 of Appendix 3 for passing any resolution in a separate class meeting (other than the Amendment Resolutions) under the Undertaking for Interim Compliance; and

- (ii) paragraph 16 of Appendix 3 such that, prior to the amendments to our Articles of Association, the threshold for passing a special resolution for amendments to our Articles of Association will be approved by members holding two-thirds of the voting rights of those present and voting in person or by proxy, or, if a corporate or other non-natural person, by its duly authorized representative, at the general meeting in accordance with Article 56 of our existing Articles of Association. This exception is to facilitate the approval process for passing the Amendment Resolutions in the general meeting of the Company or each of the subsequent annual general meeting (as applicable), with the aim to enhance our shareholder protection measures as soon as practicable. For the avoidance of doubt, the exception for paragraph 16 of Appendix 3 is only applicable to the passing of the Amendment Resolutions, we shall irrevocably undertake to comply with paragraph 16 of Appendix 3 for passing any special resolution (other than the Amendment Resolutions) under the Undertaking for Interim Compliance;
- (e) Min River will, prior to the Listing, irrevocably undertake to us that it will use its reasonable efforts to procure us to comply with the Undertaking for Interim Compliance after the completion of the Listing and before our existing Articles of Association are formally amended. Such an undertaking has been disclosed in the Listing Document;
- (f) if holders of ADSs do not give voting instructions to the depositary with respect to the Amendment Resolutions, the Company will exercise any discretionary proxy it may have under the deposit agreement for the ADSs to vote the underlying Class A ordinary shares represented by their ADSs to approve the Amendment Resolutions at any general meetings;
- (g) we remain listed on the NYSE; and
- (h) we will issue a press release announcing our support for the Amendment Resolutions each year after the Proposed Secondary Listing until all Amendment Resolutions are approved by our shareholders.

Our legal adviser as to Cayman Islands laws confirms that the Undertaking for Interim Compliance will not violate the laws and regulations of the Cayman Islands, and we confirm that, having consulted our other legal advisers, the Undertaking for Interim Compliance will also not violate other laws and regulations applicable to us. We confirm that the draft seventh amended and restated Articles of Association meet the Core Shareholder Protection Standards as set out in Appendix 3 and the relevant requirements set out in the Guidance Letter HKEX-GL111-22.

In light of the proposed conditions for the grant of this waiver above and the proposed Undertaking for Interim Compliance, we believe that the level of protection of the shareholders does not deviate materially from those required under the Appendix 3 and the interests of our shareholders and investors will not be unfairly prejudiced if our existing Articles of Association are to be amended after the Listing at the General Meeting.

Min River acknowledged and agreed that the undertakings described in paragraphs (b), (c) and (e) above are intended to confer benefit on the Company and all existing and future shareholders and may be enforced by the Company and/or any existing and future shareholders against Min River unless and until the undertakings cease to have effect or Min River is released from its obligations provided in the undertakings. Min River's obligations under these undertakings shall terminate upon our existing Articles of Association being formally amended to incorporate the Amendment Resolutions, or when the Class A ordinary shares cease to be listed on the Stock Exchange, whichever is earlier.

In addition to the press release to support the Amendment Resolutions as stated in paragraph (g) and Min River's undertaking to vote in favor of the Amendment Resolutions under paragraph (b) above, we will explain the rationale and benefits of the Amendment Resolutions in the Company's general meeting notice and actively engage in communications with our major shareholders as soon as possible after the issue of the notice of the general meeting of the Company with a view to obtaining their support to vote in favor of the Amendment Resolutions at the relevant class meetings and the Full Shareholders' Meeting. As the Amendment Resolutions aim to implement the Shareholder Protection Requirements, which are in the interests of our shareholders and investors, we do not foresee any particular commercial reason for our shareholders or the holders of our ADSs not to vote in favor of the Amendment Resolutions. In the event that any of the Amendment Resolutions is not passed at the General Meeting, we will put forth the Amendment Resolutions that have not been passed at each subsequent annual general meeting and class meeting, and Min River will continue to be present and vote in favor of such Amendment Resolutions at such a meeting until they are duly approved by our shareholders.

On the basis of the above, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the Unmet Listing Rules Articles Requirements from the date of completion of the Listing until the general meeting of our Company to be convened within six months after the completion of the Listing.

## **PARTICULARS OF ANY COMMISSIONS, DISCOUNTS AND BROKERAGES AND ALTERATIONS OF CAPITAL**

Paragraphs 13 and 26 of Part A of Appendix 1 to the Hong Kong Listing Rules require the listing document to include the particulars of any commissions, discounts, brokerages or other special terms granted within two years immediately preceding the issue of the listing document in connection with the issue or sale of any capital of any member of the group and the particulars of any alterations of capital within two years immediately preceding the issue of the listing document.

We have identified 10 entities as our Major Subsidiaries. For further details, see the section headed "History and Corporate Structure — Corporate Structure — Major Subsidiaries and Operating Entities" in the Listing Document.

The Major Subsidiaries include all our subsidiaries that meet the financial threshold for “significant subsidiaries” under Regulation S-X in the U.S. and subsidiaries that are material to the Group’s business operation and are representative of our business. None of the non-Major Subsidiaries is individually material to us in terms of the financial threshold for “significant subsidiaries” under Regulation S-X in the U.S. or holds any major assets and intellectual property rights. By way of illustration, based on the book value of the Major Subsidiaries and taking into account of major adjustments for intra-group transactions, the total revenues of the Major Subsidiaries accounted for approximately 93%, 95%, 95% and 93% of the Group’s total revenues for the years ended December 31, 2019, 2020 and 2021 and the three months ended March 31, 2022, respectively, and the total assets of the Major Subsidiaries accounted for approximately 40%, 47%, 48% and 46% of the Group’s total assets as of December 31, 2019, 2020 and 2021 and March 31, 2022, respectively. There was no other individual non-Major Subsidiaries that contributed more than 10% of the total revenues, net profit or total assets of the Group for the year ended December 31, 2021. None of the non-Major Subsidiaries holds any assets, licenses, intellectual property rights, proprietary technologies and R&D that is material to the Group. As such, we have disclosed the particulars of the changes in our share capital and the Major Subsidiaries in the section headed “Statutory and General Information — Further Information About Us” in Appendix IV to the Listing Document, and particulars of the commissions, discounts, brokerage fee and authorized debentures in respect of our Major Subsidiaries and our Company are set out in the section headed “Statutory and General Information — Other Information — Miscellaneous” of Appendix IV to the Listing Document.

We had more than 140 consolidated subsidiaries and operating entities as of March 31, 2022. We believe that it would be unduly burdensome for us to disclose this information in respect of all of our subsidiaries and operating entities as we would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which would not be material or meaningful to investors.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from the requirements under paragraphs 13 and 26 of Part A of Appendix 1 to the Hong Kong Listing Rules.

## **DISCLOSURE OF INFORMATION ON SUBSIDIARIES WHOSE PROFITS OR ASSETS MAKE MATERIAL CONTRIBUTIONS TO US**

Paragraph 29(1) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include information in relation to the name, date and country of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company the whole of the capital of which or a substantial proportion thereof is held or intended to be held by us, or whose profits or assets make, or will make, a material contribution to the figures in the accountant’s report or the next published accounts.

We believe that it would be unduly burdensome for us to procure this information for the reasons as set out in the waiver application from strict compliance with Paragraphs 13 and 26 of Appendix 1A to the Hong Kong Listing Rules with respect to the disclosure requirements of particulars of any commissions, discounts and brokerages and alterations of capital in this form. As such, only the particulars in relation to the Major Subsidiaries are set out under the sections headed “History and Corporate Structure — Corporate Structure — Major Subsidiaries and Operating Entities” and “Statutory and General Information — Further Information About Us” in Appendix IV to the Listing Document, which should be sufficient for potential investors to make an informed assessment of us in their investment decisions.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under paragraph 29(1) of Part A of Appendix 1 to the Hong Kong Listing Rules.

## **TIMING REQUIREMENT OF LIQUIDITY DISCLOSURE**

Paragraph 32 of Part A of Appendix 1 to the Hong Kong Listing Rules requires a listing document to include a statement (or an appropriate negative statement) of a new applicant’s indebtedness as at a specified most recent practicable date (the “**Most Recent Practicable Date**”), and a commentary on its liquidity, financial resources and capital structure (together, the “**Liquidity Disclosure**”).

In accordance with the Stock Exchange’s guidance letter HKEx-GL37-12 (“**GL37-12**”), the Stock Exchange normally expects that the Most Recent Practicable Date for the Liquidity Disclosure, including, among other things, commentary on liquidity and financial resources such as net current assets (liabilities) position and management discussion on this position, in an application proof and a listing document to be dated no more than two calendar months before the date of the application proof or the final listing document.

As the Listing Document is expected to be published in September 2022, strict compliance with GL37-12 would require us to make the relevant indebtedness and liquidity disclosures as of such date that is no earlier than end of July 2022 in the Listing Document. Given that we have included the unaudited consolidated financial statements for the six months ending June 30, 2022 in the Listing Document, it would be unduly burdensome for the Company to re-arrange information for similar liquidity disclosures on a consolidated basis shortly after June 30, 2022.

Furthermore, strict compliance with the Liquidity Disclosure requirements with respect to the Listing Document would result in additional one-off disclosure of our liquidity position on a date that would fall within the third quarter of our financial year. Such disclosure is not required under applicable U.S. securities law or NYSE rules, and we only publish quarterly results at the end, rather than in the middle, of each quarter of our financial year. As a result, such one-off disclosure would deviate from our customary practice and that of other NYSE-listed companies and would likely confuse our existing investors.



We maintain a strong balance sheet profile and liquidity positions. As of June 30, 2022, our net current assets were approximately RMB15.82 billion.

In any event, if there are any material adverse changes to our liquidity position as of June 30, 2022, we would be required to make an announcement under applicable U.S. securities law.

In the absence of any material adverse change to our liquidity position as of June 30, 2022, updating such disclosure to a date in July 2022 pursuant to GL37-12 would not provide any additional meaningful information to the Stock Exchange and the investors.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with, the timing requirement for the Liquidity Disclosure under GL37-12, such that the reported date of indebtedness and liquidity information in the Listing Document will not exceed the timing requirement under GL37-12 by one calendar month (i.e., the time gap between the reported date of our indebtedness and liquidity information and the date of the Listing Document would be no more than three calendar months).

## **DISCLOSURE REQUIREMENTS OF THE REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WHOSE EMOLUMENTS WERE HIGHEST**

Paragraph 33(2) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include information in respect of directors' emoluments during the financial years ended December 31, 2019, 2020 and 2021 and the three months ended March 31, 2022.

Paragraph 46(2) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include the aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer in respect of the last completed financial year, and Paragraph 46(3) of Part A of Appendix 1 to the Hong Kong Listing Rules requires information in relation to an estimate of the aggregate remuneration and benefits in kind payable to directors in respect of the current financial year to be set out in the listing document.

Paragraph 33(3) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include information with respect to the five individuals whose emoluments were highest in the group for the year if one or more individuals whose emoluments were the highest have not been included under paragraph 33(2) of Part A of Appendix 1 to the Hong Kong Listing Rules.

The aggregate fees, salaries and benefits paid and accrued to our directors and executive officers as a group are disclosed in the section headed "Directors and Senior Management — Compensation" in the Listing Document. We confirm that the current disclosure complies with U.S. annual reporting requirements and is in line with the disclosure in our annual reports on Form 20-F.

We believe that additional disclosure required by Paragraphs 33(2), 33(3), 46(2) and 46(3) of Part A of Appendix 1 to the Hong Kong Listing Rules would be unduly burdensome and would not provide additional meaningful disclosure for potential Hong Kong investors.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Paragraphs 33(2), 33(3), 46(2) and 46(3) of Part A of Appendix 1 to the Hong Kong Listing Rules, to the extent not strictly met by the current disclosure in the Listing Document.

## **DISCLOSURE OF INTERESTS INFORMATION UNDER THE HONG KONG LISTING RULES**

Part XV of the SFO imposes duties of disclosure of interests in shares. Practice Note 5 and paragraphs 41(4) and 45 of Part A of Appendix 1 to the Hong Kong Listing Rules require the disclosure of interests information in respect of shareholders' and directors' interests in the listing document.

The U.S. Exchange Act and the rules and regulations promulgated thereunder require disclosure of interests by shareholders that are broadly equivalent to Part XV of the SFO. Relevant disclosure in respect of the substantial shareholder's interests can be found in the section headed "Major Shareholders" in the Listing Document.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Practice Note 5 and Paragraphs 41(4) and 45 of Part A of Appendix 1 to the Hong Kong Listing Rules is to be granted on the following conditions:

- (a) the SFC granting us and our shareholders a partial exemption from strict compliance with Part XV of the SFO;
- (b) our undertaking to file with the Hong Kong Stock Exchange, as soon as practicable, any declaration of shareholding and securities transactions filed with the SEC; and
- (c) our undertaking to disclose in present and future listing documents any shareholding interests as disclosed in an SEC filing and the relationship between our directors, officers, members of committees and their relationship to any controlling shareholders.

## **DISCLOSURE REQUIREMENTS OF OPTIONS**

Paragraph 27 of Part A of Appendix 1 to the Hong Kong Listing Rules requires an issuer to set out in the listing document particulars of any capital of any member of the group that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee.

We and our subsidiaries (including our consolidated affiliated entities) may, from time to time, adopt equity incentive plans. Our current equity incentive plans include: (a) our share incentive plan adopted in August 2014 which will expire in 2024 (the “**2014 Share Incentive Plan**”); (b) our share option plan adopted in 2017 (the “**2017 Option Plan**”) and (c) our restricted share award scheme adopted in 2017 (the “**2017 Restricted Share Scheme**”) (together, the “**Equity Incentive Plans**”). These Equity Incentive Plans are not subject to Chapter 17 of the Hong Kong Listing Rules pursuant to Rule 19C.11. The Equity Incentive Plans allow us and our subsidiaries to grant awards (including options) to, among others, employees, directors, executives or officers and consultants (as the case may be). As of the Latest Practicable Date, the total number of shares underlying outstanding options and restricted share units granted pursuant to the Equity Incentive Plans represent only 3.24% of our Company’s total issued share capital. Assuming full exercise of these outstanding options, the shareholding of our Shareholders will be diluted by approximately 3.14%, based on the outstanding shares of our Company in issue as of the Latest Practicable Date.

Details of the Equity Incentive Plans are disclosed in the section headed “Directors and Senior Management — Compensation — Share Incentive Plans.” The disclosure is substantially the same as those in our 20-F filings and comply with applicable U.S. laws and regulations. Pursuant to such applicable U.S. laws and regulations, the Company is not required to monitor or disclose the number of grantees under its Equity Incentive Plans, but expects that there are a large number of grantees in view of the size of the Group’s business operations and the fact that it had approximately 6,015 full-time employees as of March 31, 2022.

To comply with the requirements under Paragraph 27 of Part A of Appendix 1 to the Hong Kong Listing Rules, it would require disproportionately significant amount of time and our management attention to collate and verify the relevant information which are fluid and subject to changes with options and restricted share units were being granted, exercised/vested, canceled, lapsed continuously on a day to day basis, as a result of the grantee’s actions which are beyond the control of our management. Moreover, the Company would be required to seek and obtain consent from each of the grantees, in order to fully comply with personal data privacy laws and principles, which would also be significantly time consuming and administratively burdensome and costly. The Company has a history of disclosing substantive details of its share incentive schemes in compliance with applicable U.S. laws and regulations. There is already sufficient information for investors to make an informed assessment of the Company. The non-disclosure of such information will not prejudice the interests of investors.

For the reasons stated above, we believe that strict compliance with the above requirements would be unduly burdensome, unnecessary and/or inappropriate for us, and would not be material or meaningful to Hong Kong investors.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Paragraph 27 of Part A of Appendix 1 to the Hong Kong Listing Rules with respect to the disclosure requirements of certain particulars of our 2014 Share Incentive Plan, 2017 Option Plan, 2017 Restricted Share Scheme and other rewards plans (if applicable).

## RULES RELATING TO SPIN-OFF LISTINGS

Rule 19C.11 of the Hong Kong Listing Rules provides that, among other things, paragraphs 1 to 3(b) and 3(d) to 5 of Practice Note 15 of the Hong Kong Listing Rules (“**Practice Note 15**”) do not apply to a “Qualifying Issuer” that has, or is seeking, a secondary listing on the Hong Kong Stock Exchange. Such exception limited to circumstances where the spun-off assets or businesses are not to be listed on the Hong Kong Stock Exchange’s markets and the approval of shareholders of the parent is not required.

Paragraph 3(b) of Practice Note 15 provides that the Listing Committee would not normally consider a spin-off application within three years of the date of listing of the issuer, given the original listing of the issuer will have been approved on the basis of the issuer’s portfolio of businesses at the time of listing, and that the expectation of investors at that time would have been that the issuer would continue to develop those businesses.

While we do not have any specific plans with respect to the timing or details of any potential spin-off listing on the Hong Kong Stock Exchange as at the date of the Listing Document, in light of the Group’s overall business scale, we may consider spinning off one or more of our mature business units through a listing on the Hong Kong Stock Exchange (each a “**Potential Spin-off**”) within three years after the Listing, if there are clear commercial benefits both to us and the businesses to be potentially spun-off and there will be no adverse impact on the interests of our shareholders. As of the Latest Practicable Date, we have not identified any target for a potential spin-off; as a result, we do not have any information relating to the identity of any spin-off target or any other details of any spin off and accordingly, there is no material omission of any information relating to any possible spin-off in the Listing Document. We cannot assure that any spin-off will ultimately be consummated, whether within the three year period after the Listing or otherwise, and any such spin-off will be subject to market conditions at the relevant time and approval by the Listing Committee of the Stock Exchange. In the event that we proceed with a spin-off, our interest in the entity to be spun off (and its corresponding contribution to the financial results of our Group) will be reduced accordingly.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements in paragraph 3(b) of Practice Note 15 to the Hong Kong Listing Rules, on the following grounds:

- (i) no shareholders’ approval with respect to a Potential Spin-off will be required under the Articles or under applicable U.S. regulations and NYSE listing rules. Further, as we are a Grandfathered Greater China Issuer and therefore exempt from the requirements under Chapter 14 of the Hong Kong Listing Rules pursuant to Rule 19C.11 of the Hong Kong Listing Rules, no shareholders’ approval will be required under the Hong Kong Listing Rules as well;

- (ii) the effect of a spin-off to our shareholders should be the same regardless of whether or not the businesses to be potentially spun-off are to be listed on the Hong Kong Stock Exchange (save with respect to any preferential rights to subscribe for shares that are commonly provided in spin-offs on the Hong Kong Stock Exchange). Given the fact that certain spin-offs by Grandfathered Greater China Issuers are allowed within three years after their listing in Hong Kong pursuant to Rule 19C.11 of the Hong Kong Listing Rules, we believe that the three-year restriction on spin-offs on the Hong Kong Stock Exchange should also be waived and shall not apply to a Potential Spin-off by us;
- (iii) in any event, our Company and any subsidiary in respect of which a Potential Spin-off is contemplated will be subject to all other applicable requirements under the Hong Kong Listing Rules, including the remaining requirements of Practice Note 15 and (in the case of the company to be spun-off) the listing eligibility requirements of Chapter 8, 8A or 19C of the Hong Kong Listing Rules (as the case may be), unless otherwise waived by the Hong Kong Stock Exchange;
- (iv) under U.S. securities laws and NYSE rules, we are not subject to any restrictions similar to the three-year restriction under paragraph 3(b) of Practice Note 15 in relation to the spin-offs of our businesses, nor is there any requirement for us to disclose any details of our potential spun-off entities when such information is not available because of the absence of any concrete spin-off plan; and
- (v) the Directors owe fiduciary duties to us, including the duty to act in what they consider in good faith to be in the best interests of us; as such they will only pursue a potential spin-off if there are clear commercial benefits both to us and the entity or entities to be spun off; and the Directors will not direct us to conduct any spin-off if they believe it will have an adverse impact on the interests of our shareholders.

The waiver was granted by the Hong Kong Stock Exchange on the following conditions:

- (i) we undertake that prior to any spin-off of our business through a listing on the Hong Kong Stock Exchange within three years after the Listing, we will confirm to the Hong Kong Stock Exchange with basis that the spin-off would not render us, excluding the business to be spun off, incapable of fulfilling either the eligibility or suitability requirements under Rules 19C.02 and 19C.05 of the Hong Kong Listing Rules based on the financial information of the entity to be spun-off at the time of the Listing (calculated accumulatively where more than one entity is to be spun-off);
- (ii) we will disclose in the Listing Document our intention relating to any potential spin-off within three years after the Listing and the risks relating to the uncertainty and timing of any potential spin-offs (see section headed “Risk Factors — Risks Related to Our Shares, Our ADSs and the Listing — We are exposed to risks associated with the potential spin-off of one or more of our businesses” in the Listing Document);

- (iii) any potential spin-offs by us will be subject to the requirements of Practice Note 15 (other than paragraph 3(b) thereof), including that each of our Company and our businesses to be spun off will satisfy the applicable listing eligibility requirements on a standalone basis; and
- (iv) disclosure of this waiver in the Listing Document.

## **DISCLOSURE OF ULTIMATE BENEFICIAL OWNER OF CERTAIN WVR BENEFICIARIES**

Rule 8A.39 of the Hong Kong Listing Rules provides that an issuer with a WVR structure must identify the beneficiaries of weighted voting rights in its listing documents and in its interim and annual reports.

As of the Latest Practicable Date, our WVR beneficiaries are as follows:

- (1) Min River, a wholly-owned subsidiary of Tencent;
- (2) OneDayDay Forever Investment Limited, which is wholly-owned by Mr. Zhenyu Xie, the President, Chief Technology Officer and a director of our Company overseeing Kugou business of the Group, as registered shareholder for the benefit of himself and Ms. Linlin Chen as beneficiaries;
- (3) RamCity Investments Limited, which is wholly-owned by Ms. Linlin Chen, the Group Vice President overseeing Kugou business of the Group;
- (4) FeiYang Holdings Limited, which is wholly-owned by Mr. Lixue Shi, the Group Vice President overseeing Kuwo business of the Group;
- (5) Qifei International Development Co. Limited, an early stage investor of the Company and a subsidiary of 360 Security Technology Inc. (三六零安全科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601360);
- (6) EMI Group Limited, an early stage investor of our Company and a subsidiary of Universal Music Group N.V., a company listed on Euronext Amsterdam under the ticker symbol “UMG;” and
- (7) eight other early stage investors, namely, AI Stone Limited, Balaena Investments Limited, Brave Plus Holdings Limited, Capital Star Holdings Limited, Cityway Investments Limited, Guomin Holdings Limited, Hermitage Green Harbor Limited and PAGAC Music Holding II LP, each of which only holds one residual Class B ordinary share (collectively, the “**Early Stage Investors with Nominal Interest**”).

To our best knowledge, all Early Stage Investors with Nominal Interest and their respective ultimate beneficial owners are independent third parties of our Company and are not core connected persons of our Company. The ultimate beneficial owners of the Early Stage Investors with Nominal Interest do not have any role in our business and operations.

It is unduly burdensome for us to comply with the requirements in Rule 8A.39 of the Hong Kong Listing Rules in relation to the disclosure in the Listing Document and our future interim and annual reports for the following reasons:

- (a) Nominal economic and voting rights of the Early Stage Investors with Nominal Interest. As of March 18, 2022, each of the eight Early Stage Investors with Nominal Interest only holds one residual Class B ordinary share after converting all of their prior holdings into ADSs representing Class A ordinary shares at a 2:1 ratio. The total eight Class B ordinary shares of the Company held by the Early Stage Investors with Nominal Interest accounted for approximately 0% of all issued Class B ordinary shares of the Company and approximately 0% of the Company's total voting rights, which are *de minimis* relative to the total issues Class B ordinary shares and total voting rights of the Company. We undertake not to issue additional Class B ordinary shares to any Early Stage Investors with Nominal Interest in the future.
- (b) No disclosure of ultimate beneficial owners in U.S. filings. We are seeking a secondary listing as a Grandfathered Greater China Issuer pursuant to Chapter 19C of the Hong Kong Listing Rules. Since our listing on the NYSE in 2018, we have consistently disclosed details of our major shareholders (being holders known to us who beneficially own more than 5% of each class of our outstanding Shares) pursuant to applicable U.S. laws. None of the Early Stage Investors with Nominal Interest beneficially owns more than 5% of any class of our outstanding Shares. We have not publicly disclosed the ultimate beneficial owners of the Early Stage Investors with Nominal Interest in our U.S. filings or otherwise and, to the best of our knowledge, such information is not available in the public domain except that we have previously only disclosed in our U.S. filings information about the ultimate beneficial owners of three Early Stage Investors with Nominal Interests before they ceased to be beneficial owners of more than 5% of any class of our outstanding Shares. After such Early Stage Investors with Nominal Interest ceased to be a 5% beneficial owner, we no longer have the latest information about their ultimate beneficial owners.
- (c) Risks of breach of the Data Protection Act (As Revised) of the Cayman Islands. Our adviser as to Cayman Islands law has advised that there is a risk that disclosure of the ultimate beneficial owners of the Early Stage Investors with Nominal Interest without their consent would breach the Data Protection Act (As Revised) of the Cayman Islands. Such breach may lead to remedial action by the relevant Cayman Islands regulator (the Ombudsman) including the imposition of penalties and criminal sanctions. Any disclosure of the ultimate beneficial owners of the Early Stage Investors with Nominal Interest without their consent may expose us to potential litigation/dispute risks.

- (d) Interests of investing public not prejudiced. Given their immaterial shareholdings, the exclusion of the ultimate beneficial owners of the Early Stage Investors with Nominal Interest from the Listing Document would not prejudice the interests of the investing public. We have included in the Listing Document and will include in the future interim and annual reports appropriate disclosure relating to the Early Stage Investors with Nominal Interest, including their names and their holdings in the Class B ordinary shares, the fact that they are early stage investors of our Company and that they and their respective ultimate beneficial owners are an independent third party of our Company and not a core connected person of our Company, and a statement that the ultimate beneficial owners of the Early Stage Investors with Nominal Interest do not have any role in our business and operations.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8A.39 of the Hong Kong Listing Rules in the Listing Document and our interim and annual reports.

## **NOT A PUBLIC COMPANY IN HONG KONG UNDER THE TAKEOVERS CODE**

Section 4.1 of the Introduction to Takeovers Code provides that the Takeovers Code applies to takeovers, mergers and share buy-backs affecting, among others, public companies in Hong Kong and companies with a primary listing of their securities in Hong Kong. According to the Note to Section 4.2 of the Introduction to the Takeovers Code, a Grandfathered Greater China Issuer within the meaning of Rule 19C.01 of the Hong Kong Listing Rules with a secondary listing on the Hong Kong Stock Exchange will not normally be regarded as a public company in Hong Kong under Section 4.2 of the Introduction to the Takeovers Code.

We have applied for a ruling that we are not a “public company in Hong Kong” for the purposes of the Takeovers Code. The executive issued a ruling and confirmed that, we, as a Grandfathered Greater China Issuer within the meaning of Rule 19C.01 of the Hong Kong Listing Rules after our proposed secondary listing on the Hong Kong Stock Exchange, will not be regarded as a public company in Hong Kong for the purposes of the Takeovers Code. Therefore, the Takeovers Code do not apply to us. In the event that the bulk of trading in our Shares migrates to Hong Kong such that we would be treated as having a dual-primary listing pursuant to Rule 19C.13 of the Hong Kong Listing Rules, the Takeovers Code will apply to us.



## **DISCLOSURE OF INTERESTS UNDER PART XV OF SFO**

Part XV of the SFO imposes duties of disclosure of interests in the securities of companies whose securities are listed on the Hong Kong Stock Exchange on the relevant company, its substantial shareholders and its directors/chief executives. Under the U.S. Exchange Act, which we are subject to, any person (including directors and officers of the company concerned) who acquires beneficial ownership, as determined in accordance with the rules and regulations of the SEC and which includes the power to direct the voting or the disposition of the securities, of more than 5% of a class of equity securities registered under Section 12 of the U.S. Exchange Act must file beneficial ownership reports with the SEC, and such person are generally required to report any material change in the information provided (including, in some cases, any acquisition or disposition of 1% or more of the class of equity securities concerned), unless exceptions apply. Therefore, compliance with Part XV of the SFO would subject our corporate insiders to a second level of reporting, which would be unduly burdensome to them, would result in additional costs and would not be meaningful, since the statutory disclosure of interest obligations under the U.S. Exchange Act that apply to our corporate insiders would already provide our investors with sufficient information relating to the shareholding interests of our significant shareholders.

We have applied for, and the SFC has granted, a partial exemption under section 309(2) of the SFO from the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO), on the conditions that (i) the bulk of trading in the Shares is not considered to have migrated to Hong Kong on a permanent basis in accordance with Rule 19C.13 of the Hong Kong Listing Rules; (ii) all disclosures of interest filed with the SEC are also filed with the Hong Kong Stock Exchange as soon as practicable, which will then publish such disclosures in the same manner as disclosures made under Part XV of the SFO; and (iii) we will advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the U.S. and any significant changes in the volume of our worldwide share turnover that takes place on the Hong Kong Stock Exchange. This exemption may be reconsidered by the SFC in the event there is a material change in information provided to the SFC.