UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(B) OR 12(G) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2025.

OR

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

OR

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

Date of event requiring this shell company report
Commission file number: 001-38751

Tencent Music Entertainment Group

(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)
Cayman Islands
(Jurisdiction of incorporation or organization)
Unit 3, Building D, Kexing Science Park, Kejizhongsan Avenue,
Hi-TechPark, Nanshan District,
Shenzhen, 518057, the People's Republic of China
(Address of principal executive offices)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depositary shares, each ADS represents two Class A ordinary shares, par value US$0.000083 per share	TME	The New York Stock Exchange
Class A ordinary shares, par value US$0.000083 per share	1698	The Stock Exchange of Hong Kong Limited

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

None
(Title of Class)

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

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

3,147,809,000 ordinary shares, comprised of 1,482,859,752 Class A ordinary shares, par value US$0.000083 per share, and 1,664,949,248 Class B ordinary shares, par value US$0.000083 per share, as of December 31, 2025.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ Emerging growth company ☐

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

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

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

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

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

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

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ☐ No ☐

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INTRODUCTION

Except where the context otherwise indicates and for the purpose of this annual report only:

- "ADSs" refers to the American depositary shares, each representing two Class A ordinary shares;
- "AI" refers to artificial intelligence;
- "AIGC" refers to AI-generated content;
- "Articles of Association" refers to our amended and restated memorandum and articles of association, as amended from time to time;
- "Beijing Gongse" refers to Beijing Gongse Enterprise Management Co., Ltd., one of the VIEs;
- "Beijing Kuwo" refers to Beijing Kuwo Technology Co., Ltd., one of the VIEs;
- "Beijing Shangqin" refers to Beijing Shangqin Culture Management Partnership (Limited Partnership), one of the VIEs;
- "Beijing Yuzhong" refers to Beijing Yuzhong Entertainment Culture Partnership (Limited Partnership), one of the VIEs;
- "Beijing Zhizheng" refers to Beijing Zhizheng Music Culture Co., Ltd., one of the VIEs;
- "CAC" refers to the Cyberspace Administration of China;
- "China" or "PRC" refers to the People's Republic of China and only when this annual report refers to specific laws and regulations adopted by the PRC, excludes Hong Kong, Macau and Taiwan;
- "CMC" refers to China Music Corporation;
- "Group" refers to Tencent Music Entertainment Group, its subsidiaries and consolidated variable interest entities, or the VIEs, and their respective subsidiaries;
- "Guangxi Hexian" refers to Guangxi Hexian Investment Management Co., Ltd., one of the VIEs;
- "Guangxi Qingse" refers to Guangxi Qingse Venture Capital Co., Ltd., one of the VIEs;
- "Guangzhou Kugou" refers to Guangzhou Kugou Computer Technology Co., Ltd., one of the VIEs;
- "Hong Kong Listing Rules" refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
- "Hong Kong Stock Exchange" refers to The Stock Exchange of Hong Kong Limited;
- "HK$" refers to the legal currency of the Hong Kong SAR;
- "IFRS" refers to International Financial Reporting Standards as issued by the International Accounting Standards Board;
- "IoT" refers to Internet of Things, the collective network of connected devices and the technology that facilitates communication between devices and the cloud, as well as between the devices themselves;
- "MCSC" refers to the Music Copyright Society of China, a collective copyright management organization;
- "MIIT" refers to the Ministry of Industry and Information Technology of China;
- "Min River" refers to Min River Investment Limited;
- "MOFCOM" refers to the Ministry of Commerce of China;
- "monthly ARPPU" of our online music services for any given period refers to the monthly average of (i) the revenues of the relevant services for that period divided by (ii) the number of paying users of the relevant services for that period;
- "NDRC" refers to the National Development and Reform Commission of China;
- "NRTA" refers to the National Radio and Television Administration of China;
- "ordinary shares" refers to our ordinary shares of par value US$0.000083 per share;
- "paying ratio" for a given period is measured by the number of paying users as a percentage of the MAUs for that period;

- "paying users" for our online music services (i) for any given quarter refers to the average of the number of users whose subscription packages remain active as of the last day of each month of that quarter; and (ii) for any given year refers to the average of the total number of paying users of the four quarters in that year; the number of those users who only purchase digital music singles and albums during a particular period are not included in the calculation of the number of paying users for our online music services for that period, because such users' purchasing patterns reflect specific releases, which may fluctuate from period to period;
- "PBOC" refers to the People's Bank of China;
- "PCAOB" refers to the Public Company Accounting Oversight Board;
- "publishing rights" refers to the copyrights of music and non-music works for the purpose of this annual report;
- "Qianhai Daizheng" refers to Shenzhen Qianhai Daizheng Music Culture Co., Ltd., one of the VIEs;
- "RMB" or "Renminbi" refers to the legal currency of the People's Republic of China;
- "SAFE" refers to the State Administration of Foreign Exchange of China;
- "SAIC" refers to the State Administration for Industry and Commerce of China;
- "SAMR" refers to the State Administration for Market Regulation of China;
- "SAT" refers to the State Administration of Taxation of China;
- "Shenzhen Lanren" refers to Shenzhen Lanren Online Technology Co., Ltd., which we acquired in March 2021;
- "Shenzhen Ultimate Music" refers to Shenzhen Ultimate Music Culture and Technology Co., Ltd., one of the VIEs;
- "Spotify" refers to Spotify Technology S.A., one of our principal shareholders;
- "Tencent" refers to Tencent Holdings Limited, our controlling shareholder;
- "Tencent Affiliate" refers to an entity that is not a natural person over which Tencent directly or indirectly (i) exercises or controls 30% or more of its total voting power or (ii) controls the composition of a majority of the board of directors or similar governing body of such entity;
- "US$," or "U.S. dollars" refers to the legal currency of the United States;
- "variable interest entities" or "VIEs" refers to the PRC entities of which, through certain contractual arrangements, we have power to exert control over the management, and financial and operating policies and have the right to recognize and receive substantially all the economic benefits and in which we have an exclusive option to purchase all or part of the equity interests at the minimum price possible to the extent permitted by PRC law, which allows us to be considered the primary beneficiary of the VIEs for accounting purposes, and to consolidate their operating results in our financial statements under IFRS, to the extent the conditions for consolidation of the VIEs under the IFRS are satisfied;
- "we," "us," "our company" and "our" refer to Tencent Music Entertainment Group (or, where the context requires, its predecessor) and its subsidiaries;
- "WOFEs," or "wholly-owned foreign enterprises," refer to the Company's wholly-owned subsidiaries incorporated in the PRC.

with respect to MAU data used in this annual report:

- "MAUs" or "mobile MAUs" for a given month with respect to each of our products is measured as the number of unique mobile and certain IoT devices, as the case may be, through which such product is accessed at least once in that month;
- "MAUs" for any given period refers to the monthly average of the sum of the MAUs for that period; similarly, "mobile MAUs" for any given period refers to the monthly average of the sum of the mobile MAUs for that period;
- "MAUs" for our online music services for a given month presented in this annual report refers to the sum of mobile and certain IoT MAUs of our music products, including *QQ Music*, *Kugou Music* and *Kuwo Music*, for that month; duplicate access of different services by the same device is not eliminated from the calculation;
- our MAUs are calculated using internal company data, treating each distinguishable user account or device as a separate MAU even though some users may access our services using more than one user account or device and multiple users may access our services using the same user account or device.

This annual report on Form 20-F includes our audited balance sheets as of December 31, 2024 and 2025 and our audited consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2023, 2024 and 2025.

Substantially all of our operations are conducted in China and all of our revenues are denominated in Renminbi. Our reporting currency is the Renminbi. This annual report on Form 20-F also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at RMB6.9931 to US$1.00, the noon buying rate on December 31, 2025 set forth in the H.10 statistical release of the U.S. Federal Reserve Board. We make no representation that the Renminbi or U.S. dollar amounts referred to in this annual report could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all. The PRC regulators impose control over the foreign currency reserves in part through direct regulation of the conversion of Renminbi into foreign exchange and through restrictions on foreign trade.

We completed an initial public offering of the ADSs on December 14, 2018. The ADSs, each representing two Class A ordinary shares, are traded on the New York Stock Exchange under the symbol “TME.” In September 2022, we completed the secondary listing, by way of introduction, of our Class A ordinary shares on the Main Board of the Hong Kong Stock Exchange. On September 21, 2022, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange in board lots of 100 Class A ordinary shares under the stock code “1698,” and the stock short name is “TME-SW.”

FORWARD-LOOKING INFORMATION

This annual report contains forward-looking statements that involve risks and uncertainties. These statements are made under the "safe harbor" provision under Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

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

- our growth strategies;
- our future business development, financial condition and results of operations;
- our ability to retain and engage our user base and expand our music and audio entertainment content offering;
- our ability to retain and grow our paying users and drive their spending on our services;
- expected changes in our revenues, content-related costs and operating margins;
- our ability to retain key personnel and attract new talent;
- competition landscape in China's online music and audio entertainment industry;
- general economic, political, demographic and business conditions in China and globally; and
- the regulatory environment in which we operate.

We would like to caution you not to place undue reliance on these forward-looking statements and you should read these statements in conjunction with the risk factors disclosed in "Item 3. Key Information — 3.D. Risk Factors." Other sections of this annual report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements. We do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law. You should read this annual report and the documents that we reference in this annual report completely and with the understanding that our actual future results may be materially different from what we expect.

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

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

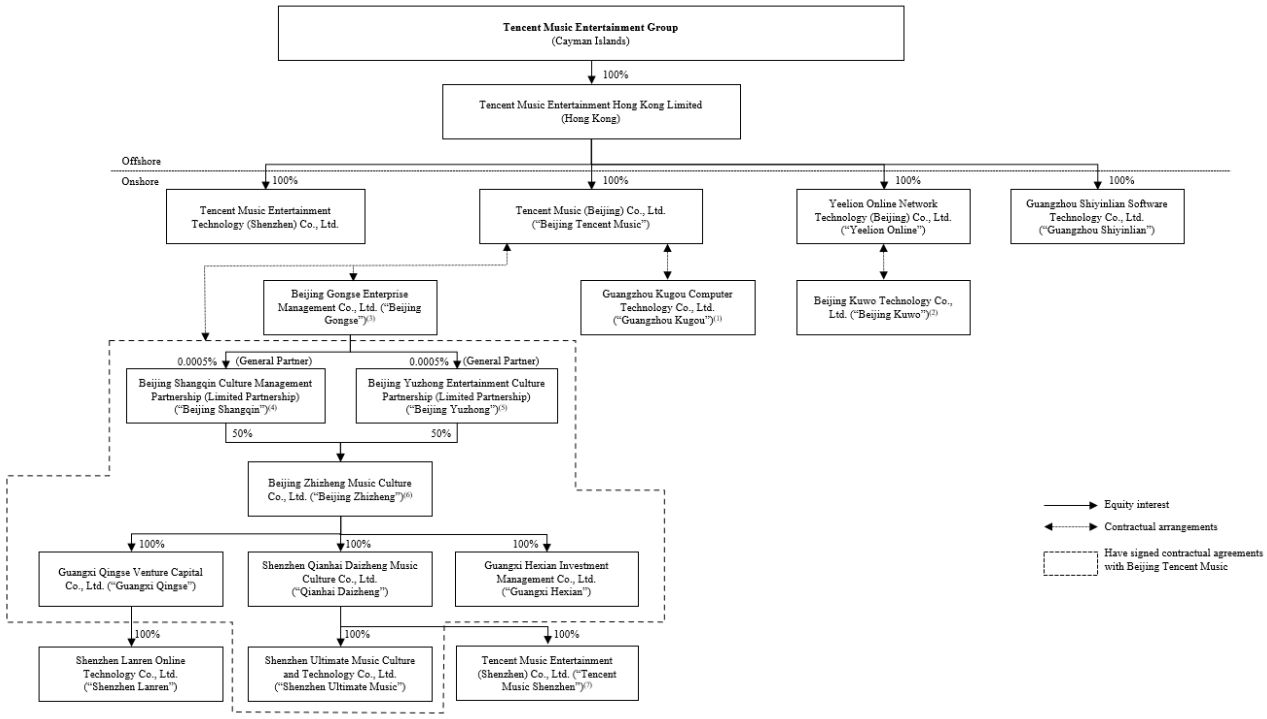
Not applicable.

ITEM 3. KEY INFORMATION

Contractual Arrangements and Corporate Structure

Tencent Music Entertainment Group is a Cayman Islands holding company. It does not engage in operations itself but rather conducts its operations through its PRC subsidiaries and consolidated variable interest entities, or the VIEs. The VIEs hold key operating licenses, provide certain key services to customers, and enter into contracts with certain major suppliers. The Group operates its businesses this way because PRC laws and regulations restrict or prohibit foreign investment in companies that engage in value-added telecommunication services, internet cultural services, internet audio-video program services and certain other businesses. As a result, we depend on certain contractual arrangements with the VIEs to operate a significant portion of our business. These contractual arrangements entered into with the VIEs allow us to (i) direct the activities of the VIEs that most significantly impact the VIEs' economic performance, (ii) receive substantially all of the economic benefits of the VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests in the VIEs when and to the extent permitted by PRC law. The VIE structure is used to provide investors with exposure to foreign investment in China-based companies where PRC law restricts direct foreign investment in such operating companies in the PRC. These contractual arrangements include equity interests pledge agreement(s), exclusive option agreement(s), exclusive technical service agreement(s) or business cooperation agreement(s), loan agreement(s), debt assignment and offset agreement(s), voting trust agreement(s) or power of attorney, spouse consent(s), as the case may be. As a result of these contractual arrangements, we are considered the primary beneficiary of the VIEs for accounting purposes and are able to consolidate their operating results in our financial statements under IFRS. As used in this annual report, "we," "us," "our company," "our," or "TME" refers to Tencent Music Entertainment Group and its subsidiaries, and "the Group" refers to Tencent Music Entertainment Group, its subsidiaries and the VIEs and their respective subsidiaries.

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



Notes:

(1) Shareholders of Guangzhou Kugou and their respective shareholdings and relationship with our company are as follows: (i) Shenzhen Tencent Ruijian Investment Co., Ltd. (99.6096%), an entity controlled by Tencent; (ii) Qianhai Daizheng (0.3319%); and (iii) Shenzhen Litong Industry Investment Fund Co., Ltd. (0.0586%), an entity controlled by Tencent. Guangzhou Kugou operates *Kugou Music* and *Kugou Live*.

(2) Shareholders of Beijing Kuwo and their respective shareholdings and relationship with our company are as follows: (i) Linzhi Lichuang Information Technology Co., Ltd. (61.64%), an entity controlled by Tencent; and (ii) Qianhai Daizheng (38.36%). Beijing Kuwo operates *Kuwo Music* and *Kuwo Live*.

(3) Shareholders of Beijing Gongse and their respective shareholdings are Mr. Qihu Yang (20%), Mr. Dejun Gu (20%), Ms. Xing Chen (20%), Ms. Yueting Luo (20%) and Mr. Yunheng Liang (20%).

(4) Partners of Beijing Shangqin are Beijing Gongse (0.0005%) (the general partner), Mr. Qihu Yang (19.9999%), Mr. Dejun Gu (19.9999%), Ms. Xing Chen (19.9999%), Ms. Yueting Luo (19.9999%) and Mr. Yunheng Liang (19.9999%).

(5) Partners of Beijing Yuzhong are Beijing Gongse (0.0005%) (the general partner), Mr. Qihu Yang (19.9999%), Mr. Dejun Gu (19.9999%), Ms. Xing Chen (19.9999%), Ms. Yueting Luo (19.9999%) and Mr. Yunheng Liang (19.9999%).

(6) Shareholders of Beijing Zhizheng are Beijing Shangqin (50%) and Beijing Yuzhong (50%).

(7) Tencent Music Shenzhen operates *QQ Music* and *WeSing*.

In 2023, 2024 and 2025, the amount of revenues generated by the VIEs accounted for 96.5%, 95.7% and 93.6%, respectively, of our total net revenues. As of December 31, 2024 and 2025, total assets of the VIEs equaled to 21.1% and 20.6% of our consolidated total assets as of the same dates, respectively. It is important to note that investors in the ADSs and our Class A ordinary shares are purchasing equity securities of a Cayman Islands holding company rather than equity securities issued by our subsidiaries or the VIEs. More specifically, investors in the ADSs and our Class A ordinary shares would not be holding any ownership interest, directly or indirectly, in the VIEs under current PRC laws and regulations as investors would only have the contractual relationship with the operating entities in the PRC. Neither such investors nor the holding company itself have an equity ownership in, direct investment in, or control of, through such ownership or investment, the VIEs. Investors who are non-PRC residents may never directly hold equity interests in the VIEs under current PRC laws and regulations. We do not have any equity interests in the VIEs who are owned by certain nominee shareholders or partners. Any of such nominee shareholders or partners could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. In the event that the shareholders or partners of the VIEs breach the terms of these contractual arrangements and voluntarily liquidate the VIEs, or the VIEs declare bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to conduct some or all business operations or

otherwise benefit from the assets held by the VIEs and their shareholders or partners of the VIEs, which could have a material adverse effect on our and the VIEs' business, financial condition and results of operations. As a result, the contractual arrangements may be less effective than direct ownership, and we could face heightened challenges, risks and costs in enforcing these contractual arrangements because uncertainties remain as to the interpretation and application of current and future PRC laws, regulations and rules relating to the legality and enforceability of these contractual arrangements, neither have our contractual arrangements with the VIEs been tested in court. If the PRC regulators deem that our contractual arrangements with the VIEs do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we and the VIEs could be subject to material penalties or be forced to relinquish our interests in those operations or otherwise significantly change the Group's corporate structure. We and our investors face certain uncertainty about potential future actions by the PRC regulators that could affect the legality and enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect our ability to consolidate the financial results of the VIEs and the financial performance of the Group as a whole. Our ADSs and Class A ordinary shares may decline in value or become worthless if we are unable to effectively enforce our contractual control rights over the assets and operations of the VIEs that conduct a significant portion of the Group's business in China. See "— 3.D. Risk Factors — Risks Related to the Group's Corporate Structure" for detailed discussion.

In addition, the Group faces various legal and operational risks and uncertainties as the Group bases in and primarily operates in China. The PRC regulators have significant authority to exert influence on the ability of a China-based company, like us, to conduct its business, accept foreign investments or be listed on a U.S. stock exchange. For example, we face risks associated with regulatory approvals of offshore offerings, anti-monopoly regulatory actions, cybersecurity and data privacy, as well as the uncertainty on whether the PCAOB will continue to be able to satisfactorily inspect or investigate completely registered public accounting firms headquartered in the Chinese mainland and Hong Kong. The PRC regulators may also exert influence on the Group's operations as the government deems appropriate to further regulatory, political and societal goals. The PRC regulators have recently published new policies that significantly affected our industry and we cannot rule out the possibility that it will in the future further release regulations or policies regarding our industry that could adversely affect the Group's business, financial condition and results of operations. Any such action, once taken by the PRC regulators, could cause the value of such securities to significantly decline or in extreme cases, become worthless.

Transfer of Funds and Other Assets

Under relevant PRC laws and regulations, we are permitted to remit funds to the VIEs through loans rather than capital contributions. The VIEs fund their operations primarily using cash generated from operating and financing activities.

As of December 31, 2025, Tencent Music Entertainment Group had made cumulative capital contributions of RMB1,243 million (US$178 million) to our PRC subsidiaries through an intermediate holding company and were accounted as long-term investments of Tencent Music Entertainment Group. These funds have been used by our PRC subsidiaries for their operations. As of December 31, 2025, the loan balance owed by the VIEs from the WOFEs was RMB4,930 million (US$705 million). Our PRC subsidiaries maintained certain personnel for content production, sales and marketing, research and development, and general and administrative functions to support the operations of the VIEs. In 2023, 2024 and 2025, the VIEs transferred RMB16,610 million, RMB18,820 million and RMB20,252 million (US$2,896 million) respectively, to our PRC subsidiaries as payment of services fees (the "Service Charges"). In 2023, 2024 and 2025, the intercompany fund transfers from the WOFEs to the VIEs amounted to RMB49 million, RMB149 million and RMB1,400 million (US$200 million) respectively for treasury management purpose.

As advised by our PRC legal counsel, for any amounts owed by the VIEs to our PRC subsidiaries under the VIE agreements, unless otherwise required by PRC tax authorities, we are able to settle such amounts without limitations under the current effective PRC laws and regulations, provided that the VIEs have sufficient funds to do so. On May 11, 2024, our board of directors adopted a cash dividend policy, under which we may choose to declare and distribute a cash dividend each year in accordance with our memorandum and articles of association and applicable laws and regulations. For more information about our dividend policy and history, see "Item 8. Financial Information — 8.A. Consolidated Statements and Other Financial Information — Dividend Policy."

Although we maintain a cash dividend policy, the determination to make dividend distributions in any particular year will be made at the discretion of our board of directors based upon factors such as future operations and earnings, cash flow, financial conditions, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. Our profits may be reinvested by our subsidiaries and the VIEs into their PRC operations. As of December 31, 2025, the total amount of undistributed profits from the PRC subsidiaries and the VIEs for which no withholding tax had been accrued was RMB17,247 million (US$2,466 million), and the unrecognized tax liabilities were RMB1,725 million (US$247 million). See "Item 8. Financial Information — 8.A. Consolidated Statements and Other Financial Information — Dividend Policy."

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

	Taxation Scenario Statutory Tax and Standard Rates
Hypothetical pre-tax earnings	100%
Tax on earnings at statutory rate of 25%	(25)%
Net earnings available for distribution	75%
Withholding tax at standard rate of 10%*	(7.5)%
Net distribution to Parent/Shareholders	67.5%

Note:

* The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise, or FIE, to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if the FIE's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

The table above has been prepared under the assumption that all profits of the VIEs will be distributed as fees to our PRC subsidiaries under tax neutral contractual arrangements. If in the future, the accumulated earnings of the VIEs exceed the fees paid to our PRC subsidiaries, or if the current and contemplated fee structure between the intercompany entities is determined to be non-substantive and disallowed by Chinese tax authorities, we have other tax-planning strategies that can be deployed on a tax neutral basis.

Should all tax planning strategies fail, the VIEs could, as a matter of last resort, make a non-deductible transfer to our PRC subsidiaries for the amounts of the stranded cash in the VIEs. This would result in the double taxation of earnings: one at the VIE level (for non-deductible expenses) and one at the PRC subsidiary level (for presumptive earnings on the transfer). Such a transfer and the related tax burdens would reduce our after-tax income to approximately 50.6% of the pre-tax income. Our management is of the view that the likelihood that this scenario would happen is remote.

Condensed Consolidating Schedule

The following tables present the summary statements of operations for the VIEs and other entities for the periods presented.

	For the Year Ended December 31, 2023					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
Revenues	**-**	**26,770**	**15,846**	**1,889**	**(16,753)**	[a] **27,752**
Cost of revenues	-	(23,023)	(8,487)	(874)	14,427	[a] (17,957)
Gross profit	**-**	**3,747**	**7,359**	**1,015**	**(2,326)**	**9,795**
Operating profit/(loss)	40	(131)	5,265	903	(18)	6,059
(Loss)/profit before income tax	**(66)**	**(115)**	**5,341**	**906**	**(21)**	**6,045**
Income/(loss) from subsidiaries and VIEs	5,267	-	(318)	4,476	(9,425)	-
Profit/(loss) for the year	**5,220**	**(302)**	**4,480**	**5,267**	**(9,445)**	**5,220**

	For the Year Ended December 31, 2024					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
Revenues	**-**	**27,180**	**19,903**	**1,991**	**(20,673)**	[a] **28,401**
Cost of revenues	-	(25,573)	(9,625)	(821)	19,643	[a] (16,376)
Gross profit	**-**	**1,607**	**10,278**	**1,170**	**(1,030)**	**12,025**
Operating profit/(loss)	165	(584)	7,674	1,474	(19)	8,710
Profit/(loss) before income tax	**58**	**(578)**	**7,781**	**1,470**	**(19)**	**8,712**
Income/(loss) from subsidiaries and VIEs	7,036	-	(738)	6,018	(12,316)	-
Profit/(loss) for the year	**7,113**	**(723)**	**6,018**	**7,036**	**(12,335)**	**7,109**

	For the Year Ended December 31, 2025					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
Revenues	**-**	**30,804**	**23,951**	**2,617**	**(24,470)**	[a] **32,902**
Cost of revenues	-	(30,088)	(11,247)	(1,476)	24,444	[a] (18,367)
Gross profit	**-**	**716**	**12,704**	**1,141**	**(26)**	**14,535**
Operating (loss)/profit	(83)	(402)	9,909	3,997	(57)	13,364
(Loss)/profit before income tax	**(181)**	**(503)**	**9,908**	**4,012**	**41**	**13,277**
Income/(loss) from subsidiaries and VIEs	11,474	-	(701)	7,911	(18,684)	-
Profit/(loss) for the year	**11,311**	**(698)**	**7,911**	**11,473**	**(18,644)**	**11,353**

The following tables present the summary balance sheet data for the VIEs and other entities as of the dates presented.

	As of December 31, 2024					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
ASSETS						
Non-current assets						
Investments in subsidiaries	51,534	-	-	28,103	(79,637)	[b] -
Net assets of VIEs	-	-	10,436	-	(10,436)	[b] -
Intangible assets and goodwill	14,166	5,306	1,752	472	-	21,696
Investments accounted for using equity method	-	504	598	3,567	-	4,669
Financial assets at fair value through other comprehensive income	-	-	-	14,498	-	14,498
Prepayments, deposits and other assets	-	113	312	-	-	425
Term deposits	-	30	10,389	-	-	10,419
Others	-	1,250	2,726	217	-	4,193
	65,700	**7,203**	**26,213**	**46,857**	**(90,073)**	**55,900**
Current assets						
Amounts due from subsidiaries and VIEs	4,028	7,076	4,980	2,053	(18,137)	[c] -
Prepayments, deposits and other assets	263	762	2,499	269	-	3,793
Term deposits	4,672	50	5,520	3,757	-	13,999
Restricted cash	-	10	1	-	-	11
Cash and cash equivalents	482	697	4,825	7,160	-	13,164
Others	-	3,242	315	20	-	3,577
	9,445	**11,837**	**18,140**	**13,259**	**(18,137)**	**34,544**
Total assets	**75,145**	**19,040**	**44,353**	**60,116**	**(108,210)**	**90,444**
LIABILITIES						
Non-current liabilities						
Notes payable	3,572	-	-	-	-	3,572
Others	-	344	252	-	-	596
	3,572	**344**	**252**	**-**	**-**	**4,168**
Current liabilities						
Notes payable	2,154	-	-	-	-	2,154
Amounts due to subsidiaries and VIEs	1,362	1,270	9,343	6,056	(18,031)	[c] -
Deferred revenue	-	3,025	50	31	(10)	3,096
Others	194	2,728	6,181	2,197	-	11,300
	3,710	**7,023**	**15,574**	**8,284**	**(18,041)**	**16,550**
Total liabilities	**7,282**	**7,367**	**15,826**	**8,284**	**(18,041)**	**20,718**
Total equity	**67,863**	**11,673**	**28,527**	**51,832**	**(90,169)**	**69,726**

	As of December 31, 2025					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
ASSETS						
Non-current assets						
Investments in subsidiaries	66,057		-	30,691	(96,748) [b]	-
Net assets of VIEs	-	-	9,728	-	(9,728) [b]	-
Intangible assets and goodwill	14,166	7,041	1,732	481	-	23,420
Investments accounted for using equity method	-	490	82	1,087	-	1,659
Financial assets at fair value through other comprehensive income	-	-	-	26,231	-	26,231
Prepayments, deposits and other assets	-	68	275	22	-	365
Term deposits	-	1,610	12,200	-	-	13,810
Others	23	1,470	2,903	183	-	4,579
	80,246	**10,679**	**26,920**	**58,695**	**(106,476)**	**70,064**
Current assets						-
Amounts due from subsidiaries and VIEs	4,601	4,265	4,472	169	(13,507) [c]	-
Prepayments, deposits and other assets	17	793	2,985	388	-	4,183
Term deposits	-	332	3,979	11,452	-	15,763
Restricted cash	-	14	1	-	-	15
Cash and cash equivalents	498	1,606	4,707	1,659	-	8,470
Others	-	3,478	281	268	-	4,027
	5,116	**10,488**	**16,425**	**13,936**	**(13,507)**	**32,458**
Total assets	**85,362**	**21,167**	**43,345**	**72,631**	**(119,983)**	**102,522**
LIABILITIES						
Non-current liabilities						
Notes payable	3,497	-	-	-	-	3,497
Others	-	1,048	244	94	-	1,386
	3,497	**1,048**	**244**	**94**	**-**	**4,883**
Current liabilities						
Amounts due to subsidiaries and VIEs	1,366	1,336	5,805	4,966	(13,473) [c]	-
Deferred revenue	-	3,455	53	36	(5)	3,539
Others	214	3,378	6,061	1,407	(10)	11,050
	1,580	**8,169**	**11,919**	**6,409**	**(13,488)**	**14,589**
Total liabilities	**5,077**	**9,217**	**12,163**	**6,503**	**(13,488)**	**19,472**
Total equity	**80,285**	**11,950**	**31,182**	**66,128**	**(106,495)**	**83,050**

The following tables present the summary cash flow data for the VIEs and other entities for the periods presented.

	For the Year Ended December 31, 2023					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
Net cash inflow from operating activities	**217**	**518**	**6,258**	**344**	**-**	**7,337**
Include: Intercompany services fees	-	(16,610)	16,610	-	-	[d] -
Net cash inflow/(outflow) from investing activities	**307**	**(430)**	**(2,742)**	**312**	**690**	**(1,863)**
Include: Intercompany advances	(812)	(47)	(22)	171	710	[e] -
Loans repayment from VIEs to WOFEs	-	-	20	-	(20)	[e] -
Net cash (outflow)/inflow from financing activities	**(1,393)**	**(40)**	**(223)**	**808**	**(690)**	**(1,538)**
Include: Intercompany advances	-	69	(171)	812	(710)	[e] -
Loans repayment from VIEs to WOFEs	-	(20)	-	-	20	[e] -
Net (decrease)/ increase in cash and cash equivalents	**(869)**	**48**	**3,293**	**1,464**	**-**	**3,936**
Cash and cash equivalents, beginning of the year	**891**	**490**	**7,933**	**241**	**-**	**9,555**
Exchange differences on cash and cash equivalents	**(1)**	**-**	**-**	**77**	**-**	**76**
Cash and cash equivalents, end of the year	**21**	**538**	**11,226**	**1,782**	**-**	**13,567**

	For the Year Ended December 31, 2024					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
Net cash inflow from operating activities	**200**	**406**	**9,116**	**553**	**-**	**10,275**
Include: Intercompany services fees	-	(18,820)	18,820	-	-	[d] -
Net cash inflow/(outflow) from investing activities	**3,856**	**(323)**	**(5,633)**	**7,523**	**(12,241)**	**(6,818)**
Include: Intercompany advances	3,776	(20)	(3,579)	-	(177)	[e] -
Net cash (outflow)/inflow from financing activities	**(3,594)**	**77**	**(9,926)**	**(2,628)**	**12,241**	**(3,830)**
Include: Intercompany advances	-	149	20	(129)	(40)	[e] -
Net increase/(decrease) in cash and cash equivalents	**462**	**160**	**(6,443)**	**5,448**	**-**	**(373)**
Cash and cash equivalents, beginning of the year	**21**	**538**	**11,226**	**1,782**	**-**	**13,567**
Exchange differences on cash and cash equivalents	**(1)**	**(1)**	**-**	**(28)**	**-**	**(30)**
Cash and cash equivalents, end of the year	**482**	**697**	**4,783**	**7,202**	**-**	**13,164**

	For the Year Ended December 31, 2025					
	Parent	VIE and its consolidated subsidiaries	WOFEs	Subsidiaries (other than the WOFEs)	Eliminating adjustments	Consolidated totals
	(RMB in millions)					
Net cash inflow from operating activities	**474**	**3,107**	**6,530**	**120**	**-**	**10,231**
Include: Intercompany services fees	-	(20,252)	20,252	-	- [d]	-
Net cash inflow/(outflow) from investing activities	**1,873**	**(3,578)**	**(4,012)**	**(10,178)**	**5,668**	**(10,227)**
Include: Intercompany advances	(2,893)	(114)	(1,605)	(2,131)	6,743 [e]	-
Loans from WOFEs to VIEs	-	-	(1,495)	-	1,495 [e]	-
Loans repayment from VIEs to WOFEs	-	-	11	-	(11) [e]	-
Net cash (outflow)/inflow from financing activities	**(2,324)**	**1,380**	**(2,594)**	**4,557**	**(5,668)**	**(4,649)**
Include: Intercompany advances	2,130	(84)	114	4,583	(6,743) [e]	-
Loans from WOFEs to VIEs	-	1,495	-	-	(1,495) [e]	-
Loans repayment from VIEs to WOFEs	-	(11)	-	-	11 [e]	-
Net increase/(decrease) in cash and cash equivalents	23	909	(76)	(5,501)	-	(4,645)
Cash and cash equivalents, beginning of the year	**482**	**697**	**4,783**	**7,202**	**-**	**13,164**
Exchange differences on cash and cash equivalents	**(7)**	**-**	**-**	**(42)**	**-**	**(49)**
Cash and cash equivalents, end of the year	**498**	**1,606**	**4,707**	**1,659**	**-**	**8,470**

For the eliminating adjustments:

a) Represents the Services Charges between Tencent Music Entertainment Group, the VIEs and our PRC subsidiaries, which were eliminated at the consolidation level. The intercompany revenues and costs in relation to the Service Charges to the VIEs by our PRC subsidiaries amounted to RMB15,312 million, RMB19,026 million and RMB22,660 million (US$3,240 million), for the years ended December 31, 2023, 2024 and 2025, respectively.

b) Represents the elimination of the investments in the VIEs and our PRC subsidiaries.

c) Represents the elimination of intercompany balance between Tencent Music Entertainment Group, the VIEs, and our subsidiaries.

d) The cash flows which have occurred between Tencent Music Entertainment Group, the VIEs and our PRC subsidiaries represents the intercompany services fees which were eliminated at the consolidation level. In 2023, 2024 and 2025, the VIEs transferred RMB16,610 million, RMB18,820 million and RMB20,252 million (US$2,896 million), respectively, to our PRC subsidiaries as Service Charge, which were eliminated at the consolidated level.

e) Represents the elimination of intercompany advances and loans between Tencent Music Entertainment Group, the VIEs and our PRC subsidiaries. The intercompany advances from/to the WOFEs to/from the VIEs, which were eliminated at consolidated level, amounted to RMB69 million, RMB149 million and RMB84 million (US$12 million), for the years ended December 31, 2023, 2024 and 2025, respectively. The loans payments from/to the WOFEs to/from the VIEs, which were eliminated at consolidated level, amounted to RMB20 million, nil and RMB1,484 million (US$212 million), for the years ended December 31, 2023, 2024 and 2025, respectively.

Restrictions on Foreign Exchange and the Ability to Transfer Cash between Entities, Across Borders and to U.S. Investors

Tencent Music Entertainment Group's ability to pay dividends, if any, to its shareholders and ADS holders and to service any debt it may incur will depend upon dividends paid by our PRC subsidiaries. Under PRC laws and regulations, our PRC subsidiaries are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets offshore to Tencent Music Entertainment Group. In particular, under the current effective PRC laws and regulations, dividends may be paid only out of distributable profits. Distributable profits are the net profit as determined under PRC GAAP, less any recovery of accumulated losses and appropriations to statutory and other reserves required to be made. Each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve

funds, until the aggregate amount of such a fund reaches 50% of its registered capital. As a result, it is possible that our PRC subsidiaries may not have sufficient distributable profits to pay dividends to us.

Furthermore, if certain procedural requirements are satisfied, the payment of current account items, including profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE or its local branches. However, where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies, approval from or registration with competent government authorities or its authorized banks is required. The PRC regulatory authorities may take measures from time to time to restrict access to foreign currencies for current account or capital account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our offshore intermediary holding companies or ultimate parent company, and therefore, our shareholders or holders of the ADSs. Further, we cannot assure you that new regulations or policies will not be promulgated in the future, which may further restrict the remittance of RMB into or out of the PRC. We cannot assure you, in light of the restrictions in place, or any amendment to be made from time to time, that our current or future PRC subsidiaries will be able to satisfy their respective payment obligations that are denominated in foreign currencies, including the remittance of dividends outside of the PRC. If any of our subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to Tencent Music Entertainment Group. In addition, our PRC subsidiaries are required to make appropriations to certain statutory reserve funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies.

For PRC and United States federal income tax consideration of an investment in the ADSs, see "Item 10. Additional Information — 10.E. Taxation."

Recent Regulatory Developments

Cybersecurity and Data Privacy

The PRC regulatory authorities have in recent years strengthened the oversight on cybersecurity and data privacy. According to the institutional reform plan of the State Council approved by the National People's Congress on March 10, 2023, the National Data Bureau has been established under the administration of the NDRC on October 25, 2023. The National Data Bureau is responsible for, among other things, advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources, and promoting the digitalization of the Chinese economy and society. On June 10, 2021, the Standing Committee of the National People's Congress promulgated the PRC Data Security Law, which took effect in September 2021. On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law of the PRC, effective from November 1, 2021. On December 28, 2021, the CAC, the NDRC, the MIIT, and several other PRC regulatory authorities jointly issued the Cybersecurity Review Measures, which became effective on February 15, 2022. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services, and network platform operators engaging in data processing activities, must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulate that network platform operators holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before listing in a foreign country. On September 24, 2024, the State Council published the Regulations on Network Data Security Administration, or the Regulations on Network Data, which took effect on January 1, 2025. The Regulations on Network Data provides that data processing operators engaging in data processing activities that affect or may affect national security must be subject to network data security review. Network data processing activities refer to the collection, retention, use, processing, transmission, provision, disclosure, deletion, and other activities of network data.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows, also known as the Cross-border Data Flows Provisions. According to these provisions, data processors are required to undergo a security assessment if they transfer information overseas under the following circumstances: (i) when a critical information infrastructure operator transfers personal information or material data overseas, and (ii) when data operators other than critical information infrastructure operators transfer material data overseas or, as of January 1 of the current year, have cumulatively transferred over one million pieces of personal information (excluding sensitive personal information) or over ten thousand pieces of sensitive personal information. The Cross-border Data Flows Provisions also outline exemptions from the data export security assessment for data processors transferring personal information overseas under certain conditions, such as when a data processor other than a critical information infrastructure operator has cumulatively transferred personal information (excluding sensitive personal information) of fewer than 100,000 individuals as of January 1 of the current year.

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection, or the Compliance Audit Measures, which took effect on May 1, 2025. According to the Compliance Audit Measures, compliance audit of personal information protection refers to the supervision activities in which the personal information processing activities of personal information handlers are examined and evaluated regarding their compliance with laws and administrative regulations. The Compliance Audit Measures further provides, among other things, that personal information handlers that process personal information of more than 10 million individuals shall conduct at least one personal information protection compliance audit every two years.

On September 11, 2025, the CAC issued the Administrative Measures for Reporting National Cybersecurity Incidents, which took effect on November 1, 2025, stipulating that network operators that construct, operate networks, or provide services through networks within the territory of the PRC shall report cybersecurity incidents in accordance with the Measures when such incidents occur.

On October 28, 2025, the Standing Committee of the National People's Congress decided to amend the PRC Cybersecurity Law, which took effect on January 1, 2026. According to the amendment of PRC Cybersecurity Law, the State shall support basic theoretical research on AI and the research and development of key technologies such as algorithms, advance the construction of infrastructure such as training data resources and computing power, improve ethical norms for AI, strengthen risk monitoring and assessment and safety supervision, and promote the application and healthy development of AI. Additionally, this amendment increases the penalties for various cybersecurity-related violations.

On October 16, 2023, the State Council promulgated the Regulation on Protection of Minors in Cyberspace, which came into effect on January 1, 2024. The Regulation on Protection of Minors in Cyberspace provides that personal information handlers shall strictly abide by the provisions of the CAC and relevant authorities on the scope of necessary personal information for cyber products and services, and shall not compel minors or their guardians to consent to non-necessary personal information processing, nor shall they refuse minors to use their basic functional services because the minors or their guardians do not agree to handle non-necessary personal information of minors or withdraw their consent and a personal information handler shall conduct by itself or entrust a specialized agency to conduct audit of its compliance with laws and administrative regulations in the processing of the personal information of minors every year, and report the audit information to the CAC and other authorities in a timely manner. On December 29, 2025, CAC issued the Announcement on the Submission of Compliance Audit Results for the Protection of Personal Information of Minors, provides that personal information handlers that process the personal information of minors shall, by the end of January each year, submit the compliance audit results for the protection of personal information of minors for the previous year.

For information on regulatory developments in the European Union, United Kingdom and the United States relating to cybersecurity and data privacy, which may impact us if and to the extent we expand our operations into these jurisdictions, see "— 3.D. Risk Factors — Risks Related to Our Business and Industry — Complying with evolving laws, regulations and other obligations regarding cybersecurity, information security, privacy and data protection and other related laws, regulations and obligations may be expensive and may force us to make adverse changes to our business. Many of these laws, regulations and other obligations are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws, regulations and other obligations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm our business."

We have maintained a comprehensive and rigorous data protection program and implemented comprehensive and strict internal policies, procedures and measures designed to ensure our compliance with cybersecurity and data privacy laws and regulations.

Filings Required by the PRC Regulatory Authorities for the Listing of Our Securities

On February 17, 2023, China Securities Regulatory Commission (the "CSRC") promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, and five supporting guidelines, which took effect on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies that directly or indirectly seek to offer or list their securities overseas are required to fulfill the filing procedure with the CSRC and report relevant information to the CSRC. In addition, pursuant to the Trial Measures, an overseas offering and listing of the securities of a PRC domestic company is prohibited under certain circumstances.

Further, at the press conference held for the Trial Measures on February 17, 2023, officials from the CSRC clarified that the PRC domestic companies that have already been listed overseas on or before the effective date of the Trial Measures (i.e., March 31, 2023) shall be deemed as existing issuers, or the Existing Issuers. Existing Issuers are not required to complete the filing procedures immediately but shall carry out filing procedures as required if they conduct refinancing or are involved in other circumstances that require filing with the CSRC. The officials from the CSRC have also confirmed that for the PRC domestic companies that seek to list overseas with a VIE structure, the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with VIE structure which meet the compliance requirements.

If we fail to complete the filing with the CSRC in a timely manner or at all, for any future offering or any other financing activities which are subject to the filing requirements under the Trial Measures, our ability to raise or utilize funds and our operations could be materially and adversely affected. See "— 3.D. Risk Factors — Risks Related to the Group's Corporate Structure — The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities may be required under PRC law in connection with any future issuance of securities overseas, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing" for more details.

Live Streaming Regulations

Regulatory authorities in China have been heightening its oversight on live streaming businesses. On November 12, 2020, the NRTA promulgated the Circular on Strengthening the Administration of Live Streaming Web Shows and Live Streaming E-commerce, or the Circular 78, which sets forth requirements for certain live streaming businesses with respect to real-name registration, limits on users' spending on virtual gifting, restrictions on minors from virtual gifting, live streaming review personnel requirements and content tagging requirements, among other things. Following the Circular 78, China's regulatory authorities have stepped up scrutiny on live streaming businesses, with a number of regulations promulgated successively, including the Guidance Opinions on Strengthening the Regulation and Management Work of Internet Live Streaming and the Opinions on Further Regulating the For-Profit Activities in Online Live Streaming to Promote a Healthy Development of the Industry.

In particular, on May 7, 2022, the CAC, together with three other authorities, jointly issued the Opinions on Regulating Live Streaming and Strengthening Minor Protections, or the Live Streaming Opinions, which reiterates the requirements for live streaming platforms in respect of strengthening real-name registration, restrictions on minors from virtual gifting and prohibition on providing live streaming services to minors. Pursuant to the Live Streaming Opinions, online platforms are prohibited from ranking, introducing or recommending live streaming performers solely by the monetary amount of virtual gifts that they have received from users, nor could they rank users based on the monetary amount of virtual gifts that they have sent to live streaming performers. Any such rankings currently available on these online platforms is ordered to be removed by June 7, 2022 according to the Live Streaming Opinions.

The interpretation and implementation of the abovementioned live streaming regulations may continue to evolve and uncertainties remain as to their ultimate impact on our business and results of operations in the long term. Furthermore, as PRC regulatory authorities intensify their oversight of live streaming businesses and the broader music-centric social entertainment industry, our social entertainment services may face heightened regulations in the future, which could adversely affect our business, prospects, results of operations and financial condition. We are committed to regularly updating our growth strategies to comply with the evolving regulations. See also "— 3.D. Risk Factors — Risks Related to Our Business and Industry — Our business operations may be adversely affected by the heightened regulatory oversight and scrutiny on live streaming platforms and performers."

Anti-Monopoly Law Enforcement

The PRC anti-monopoly enforcement agencies have in recent years strengthened enforcement of the PRC Anti-Monopoly Law, including in the context of mergers and acquisitions and unfair competition. On June 24, 2022, the Decision of the Standing Committee of the National People's Congress to Amend the Anti-Monopoly Law of the People's Republic of China, or the Decision to Amend the Anti-Monopoly Law, adopted a series amendment of the Anti-Monopoly Law, which became effective on August 1, 2022. The Decision to Amend the Anti-Monopoly Law strengthens the regulation on the internet platforms, requiring that undertakings shall not use data and algorithms, technologies, capital advantages, platform rules, and other means to engage in monopolistic conduct; and also escalates in full scale the administrative penalties for monopolistic conducts, for the failure to notify the anti-monopoly agencies on the proposed concentration of undertakings, the State Council Anti-Monopoly Enforcement Agency may order to reinstate the original status prior to the concentration and impose a fine up to ten percent of the operator's last year's sales revenue, provided that the concentration of undertakings has or may have an effect on excluding or limiting competition; if the concentration does not have the effect of excluding or limiting competition, a fine up to RMB5,000,000 may be imposed on operators. On March 10, 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings, the Provisions on the Prohibition of Monopoly Agreements, the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition, all of which took effect from April 15, 2023. Subsequently, the Provisions on the Prohibition of Monopoly Agreements were amended and promulgated on December 9, 2025, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition were amended and promulgated on December 18, 2025, both of which took effect on February 1, 2026. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimized the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. Specifically, the Review Measures of Concentration of Undertakings have clarified the factors to be considered for the recognition of "control" and "implementation of concentration" under the review mechanism of concentration of undertakings, and elaborate the implementation rules regarding the suspension of review. According to the Review Measures of Concentration of Undertakings, where a concentration of undertakings does not reach the threshold for declaration, but there is evidence proving that the concentration of undertakings has or may have the effect of excluding or limiting competition, the SAMR may require the undertakings concerned to make a declaration. Uncertainty remains as to their interpretation and implementation. Besides, the Provisions on the Threshold of Filings for Undertaking Concentrations issued by the State Council in 2008, with its latest amendment on January 22, 2024, adjusted the filing threshold for concentration of undertaking as, during the previous fiscal year, (i) the total global turnover of all the undertakings participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these undertakings each had a turnover of more than RMB800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the undertakings participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these undertakings each had a turnover of more than RMB800 million within China in the preceding fiscal year. On April 25, 2024, the SAMR promulgated the

Anti-monopoly Compliance Guideline for Undertakings, also known as the Anti-monopoly Guideline. The Anti-Monopoly Guideline introduces a compliance incentive mechanism, allowing anti-monopoly enforcement agencies to consider the establishment and implementation of anti-monopoly compliance management systems by business operators when addressing monopolistic practices.

On June 6, 2024, the State Council promulgated the Regulation on Fair Competition Review, which has strengthened the supervision of fair competition reviews by establishing a comprehensive oversight mechanism, including fair competition review, random inspections, complaint handling, supervision, and other related processes. The SAMR has also issued the Discretionary Benchmark for Administrative Penalty for Illegal Concentration of Undertakings (for Trial Implementation) on February 19, 2025, which became effective on the same date and stipulated that for any illegal concentration of undertakings that does not have the effect of excluding or restricting competition, the maximum fine shall not exceed 5 million yuan. If the amount calculated according to certain provision hereof exceeds 5 million yuan, the amount of the fine shall be determined as 5 million yuan. For any illegal concentration of undertakings that has or may have the effect of excluding or restricting competition, the maximum fine shall not exceed 10% of the sales revenue of the previous year. The SAMR further promulgated the Implementing Measures for the Regulation on Fair Competition Review on February 28, 2025, which came into effect on April 20, 2025. The Implementing Measures further clarify the applicable review standards and the specific circumstances subject to fair competition review, and set out the procedural requirements, including the applicable time limits for review and handling. On June 27, 2025, the State Council promulgated the revised Anti-Unfair Competition Law to expand regulation of digital markets, data use and platform conduct. The revised Anti-Unfair Competition Law prohibits the improper acquisition or use of data lawfully held by other operators through deceptive or technically circumventive means, even where such data does not constitute a trade secret, and restricts the use of data, algorithms or platform rules to disrupt competitors' online services. The scope of unfair competition is further extended to digital identifiers, misleading search practices, fabricated transactions and false reviews. It also strengthens enforcement by increasing penalties and liability for online unfair competition and obstructing investigations, increasing compliance risks for data-driven platform operators.

PRC Company Law

All companies (including FIEs) incorporated and operating in the PRC are governed by the PRC Company Law, which was promulgated on December 29, 1993 and was subsequently amended in 1999, 2004, 2005, 2013, 2018 and 2023 respectively. The latest amended PRC Company Law, or the Revised Company Law, which became effective on July 1, 2024, further stipulates on the establishment and dissolution of the company, the organizational structure and the capital system of the company and strengthens the responsibilities of shareholders and management personnel and corporate social responsibility. Specifically, the Revised Company Law provides that: (i) shareholders of a limited liability company are required to fully contribute their subscribed capital within five years from the establishment of the company and heightened obligations are imposed on the directors, supervisors and senior management on capital maintenance; (ii) shareholders seeking to transfer equity need only furnish written notification to other shareholders, specifying quantity, price, payment method, and time limit for such and the other shareholders may buy the equity before any third-party buyer acquires it on those terms; (iii) a company may establish an audit committee comprised of an unspecified number of directors of the board and responsible for supervising the company's financial and accounting matters; and (iv) where a shareholder leveraging control over two or more companies attempts to evade debts and infringe upon creditors' rights by exploiting the independent legal personality of the company and the limited liability of shareholders, each involved company shall undertake joint and several liability for the debts incurred by either entity.

Implication of the Holding Foreign Companies Accountable Act

The Holding Foreign Companies Accountable Act (the "HFCAA") was enacted on December 18, 2020. The HFCAA states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection for the PCAOB for two consecutive years beginning in 2021, the SEC shall prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States. In addition, trading in our securities on U.S. markets, including NYSE, may be prohibited under the HFCAA if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years. On December 16, 2021, the PCAOB issued the HFCAA Determination Report to notify the SEC of its determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in the Chinese mainland and Hong Kong, including our auditor. On May 26, 2022, we were conclusively identified by the SEC under the HFCAA as having filed audit reports issued by a registered public accounting firm that cannot be inspected or investigated completely by the PCAOB in connection with the filing of our 2021 Form 20-F. The inability of the PCAOB to conduct inspections in the past also deprived our investors of the benefits of such inspections. On December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations completely of PCAOB-registered public accounting firms headquartered in the Chinese mainland and Hong Kong in 2022. The PCAOB vacated its previous 2021 determinations accordingly. As a result, we do not believe we are at risk of having our securities subject to a trading prohibition under the HFCAA unless a new determination is made by the PCAOB. However, whether the PCAOB will continue to conduct inspections and investigations completely to its satisfaction of PCAOB-registered public accounting firms headquartered in the Chinese mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control, including uncertainties surrounding Sino-U.S. relations. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in the Chinese mainland and Hong Kong in the future. The PCAOB is required under the

HFCAA to make its determination on an annual basis with regards to its ability to inspect and investigate completely accounting firms based in the Chinese mainland and Hong Kong. The possibility of being a "Commission-Identified Issuer" and risk of delisting could continue to adversely affect the trading price of our securities. If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in the Chinese mainland and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a "Commission-Identified Issuer" under the HFCAA following the filing of the annual report for the relevant fiscal year, and if we were so identified for two consecutive years, trading in our securities on U.S. markets would be prohibited. For the details of the risks associated with the enactment of the HFCAA, see "— 3.D. Risk Factors — Risks Related to Doing Business in China — Trading in our securities may be prohibited under the HFCAA and U.S. national securities exchanges, such as the NYSE, may determine to delist our securities if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years."

3.A. Reserved

3.B. Capitalization and Indebtedness

Not applicable.

3.C. Reason for the Offer and Use of Proceeds

Not applicable.

3.D. Risk Factors

Below please find a summary of the principal risks and uncertainties we face, organized under relevant headings. In particular, as we are a China-based company incorporated in the Cayman Islands, you should pay special attention to subsections headed "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China" and "Item 3. Key Information — 3.D. Risk Factors — Risks Related to the Group's Corporate Structure."

Risks Related to Our Business and Industry

- If we fail to anticipate user preferences to provide content catering to user demands, our ability to attract and retain users may be materially and adversely affected. For details, see page 15 of this annual report.
- We depend upon third-party licenses for the content of our content offerings, and any adverse changes to or loss of, our relationships with these content providers may materially and adversely affect our business, operating results, and financial condition. For details, see page 15 of this annual report.
- We may not have obtained complete licenses for certain copyrights with respect to a small portion of the content offered on our platform. For details, see page 16 of this annual report.
- We allow user-generated content to be uploaded on our platform. If users have not obtained all necessary copyright licenses in connection with such uploaded content, we may be subject to potential disputes and liabilities. For details, see page 16 of this annual report.
- Assertions or allegations that we have infringed or violated intellectual property rights, even not true, could harm our business and reputation. For details, see page 17 of this annual report.
- Our license agreements are complex, impose numerous obligations upon us and may make it difficult to operate our business. Any breach or adverse change to the terms of such agreements could adversely affect our business, operating results and financial condition. For details, see page 18 of this annual report.
- Minimum guarantees required under certain of our license agreements for music and long-form audio content may limit our operating flexibility and may materially and adversely affect our business, financial condition and results of operations. For details, see page 18 of this annual report.
- If we are unable to obtain accurate and comprehensive information necessary to identify the copyright ownership of the content offered on our platform, our ability to obtain necessary or commercially viable licenses from the copyright owners may be adversely affected, which may result in us having to remove content from our platform, and may subject us to potential copyright infringement claims and difficulties in controlling content-related costs. For details, see page 18 of this annual report.
- If music copyright owners withdraw all or a portion of their music works from the MCSC to the extent the MCSC had not obtained authorization to license from the relevant copyright owners, we may have to enter into direct licensing agreements with these copyright owners, which may be time-consuming and costly, and we may not be able to reach an agreement with some copyright owners, or may have to pay higher rates than we currently pay. For details, see page 19 of this annual report.

- Uncertainties surrounding our monetization efforts may cause us to lose users and materially and adversely affect our business, financial condition and results of operations. For details, see page 19 of this annual report.
- Complying with evolving laws, regulations and other obligations regarding cybersecurity, information security, privacy and data protection and other related laws, regulations and obligations may be expensive and may force us to make adverse changes to our business. Many of these laws, regulations and other obligations are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws, regulations and other obligations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm our business. For details, see page 27 of this annual report.
- Challenges faced by the PRC or global economy, including any prolonged downturn, could materially and adversely affect our business and our financial condition. For details, see page 31 of this annual report.
- Future strategic transactions or acquisitions may have a material and adverse effect on our business, financial condition and results of operations. For details, see page 34 of this annual report.

Risks Related to Our Relationship with Tencent

- If we are no longer able to benefit from our business cooperation with Tencent, our business may be adversely affected. For details, see page 36 of this annual report.
- Any negative development in Tencent's market position, brand recognition or financial condition may materially and adversely affect our user base, marketing efforts and the strength of our brand. For details, see page 37 of this annual report.
- Tencent, our controlling shareholder, has had and will continue to have effective control over the outcome of shareholder actions in our company. The interests of Tencent may not be aligned with the interests of our other shareholders and holders of the ADSs. For details, see page 37 of this annual report.
- We may have conflicts of interest with Tencent and, because of Tencent's controlling ownership interest in our company, we may not be able to resolve such conflicts on terms favorable to us. For details, see page 37 of this annual report.

Risks Related to the Group's Corporate Structure

- Uncertainties remain as to the interpretation and application of current and future PRC laws, regulations, and rules relating to the agreements that establish the VIE structure for the Group's operations in China, including potential future actions by the PRC regulators, which could affect the enforceability of our contractual arrangements with the VIEs and, consequently, significantly affect our financial condition and results of operations. If the PRC regulators find such agreements non-compliant with relevant PRC laws, regulations, and rules, or if these laws, regulations, and rules or the interpretation thereof change in the future, we could be subject to severe penalties or be forced to relinquish our interests in the VIEs. For details, see page 38 of this annual report.
- Any failure by the VIEs or their shareholders or partners to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business. For details, see page 39 of this annual report.
- The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities may be required under PRC law in connection with any future issuance of securities overseas, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing. For details, see page 39 of this annual report.
- Uncertainties remain as to the interpretation and implementation of the Foreign Investment Law of the PRC and how it may impact the viability of the Group's current corporate structure, corporate governance and business operations. For details, see page 41 of this annual report.
- We rely on contractual arrangements with the VIEs and their respective shareholders or partners for a large portion of the Group's business operations, which may not be as effective as direct ownership in providing operational control. For details, see page 42 of this annual report.

Risks Related to Doing Business in China

- Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations could materially and adversely affect us. For details, see page 43 of this annual report.
- The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets. For details, see page 44 of this annual report.

- Our operations depend on the performance of the internet infrastructure and telecommunications networks in China, which are in large part operated and maintained by state-owned operators. For details, see page 44 of this annual report.
- Trading in our securities may be prohibited under the HFCAA and U.S. national securities exchanges, such as the NYSE, may determine to delist our securities if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years. For details, see page 52 of this annual report.

Risks Related to the ADSs or our Ordinary Shares

- The trading price of the ADSs and our Class A ordinary shares is likely to be volatile, which could result in substantial losses to investors. For details, see page 54 of this annual report.
- If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Class A ordinary shares and/or ADSs, the trading price for our Class A ordinary shares and/or ADSs and trading volume could decline. For details, see page 54 of this annual report.
- Our dual-class voting structure will limit the holders of our Class A ordinary shares and ADSs to influence corporate matters, provide certain shareholders of ours with substantial influence and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial. For details, see page 54 of this annual report.
- The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our Class A ordinary shares and/or ADSs could adversely affect their trading price. For details, see page 55 of this annual report.

Risks Related to Our Business and Industry

If we fail to anticipate user preferences to provide content catering to user demands, our ability to attract and retain users may be materially and adversely affected.

Our ability to attract and retain our users, drive user engagement and deliver a superior user experience depends largely on our ability to continue to offer attractive content, including songs, playlists, video, long-form audio, lyrics, live streaming of performances and karaoke-related content. Content that was once popular with our users may become less attractive if user preferences evolve. The success of our business relies on our ability to anticipate changes in user preferences and industry dynamics, and respond to such changes in a timely, appropriate and cost-effective manner. If we fail to cater to the tastes and preferences of our users, or fail to deliver a superior user experience, we may suffer from reduced user traffic and engagement, and our business, financial condition and results of operations may be materially and adversely affected.

We strive to generate creative ideas for content acquisition and to source high-quality content, including both popular, mainstream content and long-tail content. Sourcing attractive content may be challenging, expensive and time-consuming. We have invested and intend to continue to invest substantial resources in content acquisition and production. However, we may not be able to successfully source attractive content or to recover our content acquisition and production investments. Any deterioration in our content quality, failure to anticipate user preferences, inability to acquire attractive content, or any negative feedback from users on our existing content offerings may materially and adversely affect our business, financial condition and operating results.

We depend upon third-party licenses for the content of our content offerings, and any adverse changes to or loss of, our relationships with these content providers may materially and adversely affect our business, operating results, and financial condition.

Significant portions of our music and long-form audio offerings are licensed from our content partners, including leading publishers and labels in China and internationally with whom we have entered into distribution and licensing agreements. There is no assurance that the licenses currently available to us will continue to be available in the future at royalty rates and on terms that are favorable, commercially reasonable or at all.

The royalty rates and other terms of these licenses may change as a result of various reasons beyond our control, such as changes in our bargaining power, changes in the industry, or changes in the legal or regulatory environment. If our content partners are no longer willing or able to license content to us on terms acceptable to us, the breadth or quality of our content offerings may be adversely affected or our content acquisition costs may increase. Likewise, increases in royalty rates or changes to other terms of our licenses may materially and adversely affect the breadth and quality of our content offerings and may, in turn, materially and adversely affect our business, financial condition and results of operations.

There also is no guarantee that we have all of the licenses for the content available on our platform, as we need to obtain licenses from many copyright owners, some of whom are unknown, and there are complex legal issues such as uncertainties of law as

to when and whether particular licenses are needed. Additionally, there is a risk that copyright owners (particularly aspiring artists), their agents, or legislative or regulatory bodies may require or attempt to require us to enter into additional license agreements with, and pay royalties to, newly defined groups of copyright owners, some of which may be difficult or impossible to identify.

Even when we are able to enter into license agreements with content partners, we cannot guarantee that such agreements will continue to be renewed indefinitely. It is also possible that such agreements will never be renewed at all. The non-renewal or termination of one or more of our license agreements, the renewal of license agreements on less favorable terms, any deterioration in our relationships with content providers or the entry of license agreements between our content providers and any of our competitors could have a material adverse effect on our business, financial condition and results of operations.

We may not have obtained complete licenses for certain copyrights with respect to a small portion of the content offered on our platform.

Under PRC laws and regulations, to secure the rights to provide music or long-form audio content on the internet or for our users to download or stream music or long-form audio from our platform, or to provide other related online music or long-form audio services, we must obtain licenses from the appropriate copyright owners for one or more of the copyrights, including the content publishing and recording rights, among others. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Intellectual Property Rights — Copyright."

We may not have complete licenses for the copyrights underlying a small portion of the content offered on our platform at any given time. As a result, we may be subject to assertions by third parties of infringement or other violations by us of their copyright in connection with such content. A portion of the content was uploaded voluntarily by users or performers, and our inability to obtain complete copyright licenses for such content was mainly because the relevant copyright owners cannot be accurately identified despite of our proactive efforts to locate such copyright owners. See "— We allow user-generated content to be uploaded on our platform. If users have not obtained all necessary copyright licenses in connection with such uploaded content, we may be subject to potential disputes and liabilities."

In addition, with respect to the musical compositions and lyrics we license from certain content partners, including the MCSC, there is no guarantee that such content partners have the rights to license the copyright underlying all music content covered by our agreements. We entered into two agreements with MCSC in April and November 2025, respectively, with the agreement in November serving as a further supplement and clarification to the agreement in April. Pursuant to these agreements, for any musical compositions and lyrics that the MCSC was not explicitly authorized to sublicense to us, the MCSC has undertaken to resolve such disputes and compensate the relevant copyright owners from infringement claims made by third-party rights owners against us for using their content on our platform if the infringement occurred since the expiry of the framework agreement we previously entered into with MCSC. Despite such undertakings by the MCSC, there is no guarantee that we will not be subject to potential copyright infringement claims by third parties in relation to content licensed from the MCSC.

We allow user-generated content to be uploaded on our platform. If users have not obtained all necessary copyright licenses in connection with such uploaded content, we may be subject to potential disputes and liabilities.

We allow users to upload user-generated content on our platform, which exposes us to potential disputes and liabilities in connection with third-party copyright. When users register on our platform, they agree to our standard agreement, under which they agree not to disseminate any content infringing on third-party copyright.

Historically, we have allowed users to upload content anonymously and over the years accumulated a large amount of content, including user-generated content originally uploaded or otherwise provided to our platform by users who may not have obtained proper and complete copyright licenses from the ultimate rights holders. Given the large amount of such content, the way they were uploaded by users and the passage of time since they were initially uploaded, it is generally impracticable for us to accurately identify and verify the individual users or performers that uploaded or provided such content, the copyright status of such content, and the appropriate copyright owners from whom copyright licenses should have been obtained.

Under PRC laws and regulations, online service providers, which provide storage space for users to upload works or links to other services or content, may be held liable for copyright infringement under various circumstances, including situations where the online service provider knows or should reasonably have known that the relevant content uploaded or linked to on its platform infringes upon the copyright of others and the online service provider profits from such infringing activities. For example, online service providers are subject to liability if they fail to take necessary measures, such as deletion, blocking or disconnection, after being duly notified by the legal right holders.

As an online service provider, we have adopted a comprehensive set of measures to reduce the likelihood of using, developing or making available any content without the proper licenses or necessary consents. Such measures include (i) requiring users to acknowledge and agree that they will not upload or perform content which may infringe upon others' copyright; (ii) putting in place procedures to block users on our blacklists from uploading or distributing content; (iii) using best reasonable efforts to seek licenses

from the relevant copyright owners once they are identified and verified and adopting contractual protections for works licensed from labels and other copyright owners; and (iv) implementing "notice and take-down" policies to be eligible for the safe harbor exemption for user-generated content. According to our PRC legal counsel, to the extent that these measures, especially the "notice and take-down" procedures, are fully and properly implemented in compliance with all applicable laws and regulations and provided that we do not actively participate in infringing activities, our failure to obtain complete copyright licenses for user-generated content would not, in itself, constitute a violation of current PRC copyright law. However, these measures may not be effective in preventing the unauthorized posting and use of third parties' copyrighted content or the infringement of other third-party intellectual property rights. Specifically, it is possible that such acknowledgments and agreements by users may not be enforceable against third parties who file claims against us. Furthermore, a plaintiff may not be able to locate users who generate content that infringes on the plaintiff's copyright and may choose to sue us instead. In addition, individual users who upload infringing content on our platform may not have sufficient resources to fully indemnify us, if at all, for any such claims. Also, such measures may fail or be considered insufficient by courts or other relevant regulatory authorities. If we are not eligible for the safe harbor exemption, we may be subject to joint infringement liability with the users, and we may have to change our policies or adopt new measures to become eligible and retain eligibility for the safe harbor exemption, which could be expensive and reduce the attractiveness of our platform to users.

Assertions or allegations that we have infringed or violated intellectual property rights, even not true, could harm our business and reputation.

Third parties, including artists, copyright owners and other online music, long-form audio and other platforms, have asserted, and may in the future assert, that we have infringed, misappropriated or otherwise violated their copyright or other intellectual property rights. As we face increasing competition in China and globally, the possibility of intellectual property rights claims against us grows.

We have adopted robust screening processes to filter out or disable access to potentially infringing content. We have also adopted procedures to enable copyright owners to provide us with notice and evidence of alleged infringement and are generally willing to enter into license agreements to compensate copyright owners for works distributed on our platform. See also "Item 4. Information on the Company — 4.B. Business Overview — Content Monitoring." However, given the volume of content available on our platform, it is not possible to identify and promptly remove all alleged infringing content that may exist. Third parties may take action against us if they believe that certain content available on our platform violates their copyright or other intellectual property rights. Moreover, while we use location-based controls and technology to prevent all or a portion of our services and content from being accessed outside of the PRC as required by certain licensing agreements with our content partners, these controls and technology may be breached and the content available on our platform may be accessed from geographic locations where such access is restricted, in which case we may be subject to potential liabilities, regardless of whether there is any fault and/or negligence involved on our part.

We have been involved in litigation based on allegations of infringement of third-party copyright due to the content available on our platform. We may be involved in similar litigation and disputes or subject to allegations of infringement, misappropriation or other violations of intellectual property rights in China, as well as globally as we may continue to seek to expand our international footprint. If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources to defend such claims. Furthermore, an adverse outcome of a dispute may damage our reputation, force us to adjust our business practices, or require us to pay significant damages, cease providing content that we were previously providing, enter into potentially unfavorable license agreements in order to obtain the right to use necessary content or technologies, subject us to criminal penalties, and/or take other actions that may have a material adverse effect on our business, operating results and financial condition.

We also distribute some of our licensed content to other platforms. Our agreements with such third-party platforms typically require them to comply with the terms of the license and applicable copyright laws and regulations. However, there is no guarantee that the third-party platforms that we distribute our licensed content will comply with the terms of our license arrangements or all applicable copyright laws and regulations. In the event of any breach or violation by such platforms, we may be held liable to the copyright owners for damages and be subject to legal proceedings as a result, in which case our business, financial condition and results of operations may be materially and adversely affected.

In addition, music, long-form audio, internet, technology and media companies like us are frequently subject to litigation based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Other companies in these industries may have larger intellectual property portfolios than we do, which could make us a target for litigation as we may not be able to assert counterclaims against parties that sue us for intellectual property infringement. Furthermore, from time to time, we may introduce new products and services, which could increase our exposure to intellectual property claims. It is difficult to predict whether assertions of third-party intellectual property rights or any infringement or misappropriation claims arising from such assertions will substantially harm our business, financial condition and results of operations.

Our license agreements are complex, impose numerous obligations upon us and may make it difficult to operate our business. Any breach or adverse change to the terms of such agreements could adversely affect our business, operating results and financial condition.

Many of our license agreements are complex and impose numerous obligations on us, including obligations to:

- calculate and make payments based on complex royalty structures that involve a number of variables, including the revenue generated and size of user base, which requires tracking usage of content on our platform that may have inaccurate or incomplete metadata necessary for such calculation;
- make minimum guaranteed payments;
- adopt and implement effective anti-piracy and geo-blocking measures; and
- comply with certain security and technical specifications.

Many of our license agreements grant the licensors the right to audit our compliance with the terms and conditions of such agreements. If we materially breach such obligation or any other obligations set forth in any of our license agreements, we could be subject to monetary penalties and our rights under such license agreements could be terminated, which could have a material adverse effect on our business, financial condition and results of operations.

Minimum guarantees required under certain of our license agreements for music and long-form audio content may limit our operating flexibility and may materially and adversely affect our business, financial condition and results of operations.

Certain of our license agreements for music and long-form audio content require that we make minimum guarantees to copyright owners, that may be tied to our number of users or the amount of content used or distributed on our platform. Accordingly, our ability to sustain profitability and operating leverage in part depends on our ability to increase our revenue through increased sales of our music and long-form audio services to our users to maintain a healthy gross margin. The duration of our license agreements that contain minimum guarantees is typically between one to three years, but our paying users may cancel their subscriptions at any time. To the extent we continue to make minimum guarantees to copyright owners, if our paying user growth does not meet our expectations or our sales or revenue do not grow as fast as expected or even decline during the term of our license agreements, our results of operations and financial conditions may be materially and adversely affected. To the extent our revenues do not meet our expectations, our business, financial condition and results of operations also could be adversely affected as a result of such minimum guarantees. In addition, these fixed payments may limit our flexibility in planning for, or reacting to, changes in our business and the markets in which we operate.

We rely on estimates of the market share of licensable content controlled by each content partner, as well as our own user growth and forecasted revenue, to forecast whether such minimum guarantees could be recouped against our actual content acquisition costs incurred over the duration of the license agreement. To the extent that our actual revenue and/or market share underperform relative to our expectations, leading to content acquisition costs that do not exceed such minimum guarantees, our margins may be materially and adversely affected.

If we are unable to obtain accurate and comprehensive information necessary to identify the copyright ownership of the content offered on our platform, our ability to obtain necessary or commercially viable licenses from the copyright owners may be adversely affected, which may result in us having to remove content from our platform, and may subject us to potential copyright infringement claims and difficulties in controlling content-related costs.

Comprehensive and accurate copyright owner information for their publishing rights and recording rights underlying our music and long-form audio content is sometimes unavailable to us or difficult or, in some cases, impossible for us to obtain for various reasons beyond our control. For example, such information may be withheld by the owners or administrators of such rights, especially with regard to user-generated content or content provided by aspiring artists. If we are unable to identify comprehensive and accurate copyright owner information for the music or long-form audio content offered on our platform, such as identifying which composers, publishers or collective copyright organizations own, administer, license or sublicense music or long-form audio works, or if we are unable to determine which music or long-form audio works correspond to specific recordings, it may be difficult for us to (i) identify the appropriate copyright owners to whom to pay royalties or from whom to obtain a license or (ii) ascertain whether the scope of a license we have obtained covers specific music or long-form audio works. This also may make it difficult to comply with the obligations of any agreements with those rights holders.

If we do not obtain necessary and commercially viable licenses from copyright owners, whether due to the inability to identify or verify the appropriate copyright owners or for any other reason, we may be found to have infringed on the copyright of others, potentially resulting in claims for monetary damages, regulatory fines and penalties, or a reduction of content available to users on our platform, which would adversely affect our ability to retain and expand our user base, attract paying users for our paid music and long-form audio services and generate revenue from our content library. Any such inability may also involve us in expensive and protracted copyright disputes.

If music copyright owners withdraw all or a portion of their music works from the MCSC to the extent the MCSC had not obtained authorization to license from the relevant copyright owners, we may have to enter into direct licensing agreements with these copyright owners, which may be time-consuming and costly, and we may not be able to reach an agreement with some copyright owners, or may have to pay higher rates than we currently pay.

We entered into two agreements with MCSC in April and November 2025, respectively, with the agreement in November serving as a further supplement and clarification to the agreement in April. Pursuant to these agreements, we obtained licenses from the MCSC with respect to musical composition and lyrics for a substantial portion of our music content library. We cannot guarantee that composers and lyricists in China will not withdraw all or a portion of their music works from the MCSC. To the extent that the MCSC had not obtained authorization to license from the relevant copyright owners, including circumstances where the copyright owners choose not to be represented by the MCSC, our ability to secure favorable licensing arrangements could be negatively affected, our content licensing cost may increase, and we may be subject to liabilities for copyright infringement. If we are unable to reach an agreement with respect to the content of any music copyright owners who withdraw all or a portion of their music works from the MCSC, or if we have to enter into direct licensing agreements with such music copyright owners at rates higher than those set by the MCSC for the use of music works, our ability to offer music content may be limited or our service costs may significantly increase, which could materially and adversely affect our business, financial condition and results of operations.

Uncertainties surrounding our monetization efforts may cause us to lose users and materially and adversely affect our business, financial condition and results of operations.

We have devoted substantial efforts to monetize our content and user base by increasing our number of paying users and cultivating our users' willingness to pay for content. We currently generate our revenues from (i) online music services, and (ii) social entertainment services and others. At the strategic level, we plan to continue to optimize our existing monetization strategies and explore new monetization opportunities. However, if these efforts fail to achieve our anticipated results, we may not be able to increase or even maintain our revenue growth. For example, we generated most of the revenue for our live streaming services from the sale of virtual gifts. Our live streaming service offers free access to live music performances and other music content, with users having the option to purchase virtual gifts for performers and other users. There is a risk that we might not fully understand or meet our users' needs and preferences for live streaming and our other services, which might have negative impacts on the outcome of our monetization efforts. Furthermore, the PRC regulatory authorities' recent heightened scrutiny and regulation of live streaming businesses may also have a negative impact on our monetization opportunities. See "— Our business operations may be adversely affected by the heightened regulatory oversight and scrutiny on live streaming platforms and performers." Moreover, our Super VIP (SVIP) subscription provides a holistic listening experience across various devices and scenarios, with additional benefits such as enhanced sound effect options, direct access to digital albums, and priority booking for offline performances. Despite our continued efforts in innovating our monetization strategies, we cannot guarantee that our attempts to explore new monetization models or enhance our paying user conversion will be successful.

In order to increase the number of our paying users and cultivate our users' willingness to pay for content, we will need to address a number of challenges, including:

- providing consistently high-quality and user-friendly experience for our online music services;
- continuing to curate a catalog of engaging content;
- continuing to introduce new, appealing products, services and content that users are willing to pay for;
- continuing to innovate and stay ahead of our competitors;
- managing the risks associated with data security and user privacy;
- navigating regulatory environments that could impact our monetization efforts;
- continuing to maintain and enhance the copyright protection environment; and
- maintaining and building our relationships with our content providers and other industry partners.

If we fail to address any of these challenges, especially if we fail to offer high-quality content and superior user experience to meet user preferences and demands, we may not be successful in increasing the number of our paying users and cultivating our users' willingness to pay for content, which could have a material adverse impact on our business, financial condition and results of operations.

Our business depends on our strong brands, and any failure to maintain, protect and enhance our brands could hurt our ability to retain or expand our user base and advertising customers.

We rely on our strong brands, principally *QQ Music*, *Kugou*, *Kuwo*, *WeSing* and *Lazy Audio*, to maintain our market leadership. Maintaining and enhancing our brands depends largely on our ability to continue to deliver comprehensive, high-quality content and service offerings to our users, which may not always be successful. Maintaining and enhancing our brands also depends largely on our ability to remain a leader in China's online music and audio entertainment market, which could be difficult and expensive. If we do not successfully maintain our strong brands, our reputation and business prospect could be harmed.

Our brands may be impaired by a number of factors, including any failure to keep pace with technological advances, slower load times for our services, a decline in the quality or breadth of our content offerings, any failure to protect our intellectual property rights, or alleged violations of law and regulations or public policy. Additionally, if our content partners fail to maintain high standards, our brands could be adversely affected.

If we fail to keep up with industry trends or technological developments, our business, results of operations and financial condition may be materially and adversely affected.

The online music and audio entertainment market is rapidly evolving and subject to continuous technological changes. Our success will depend on our ability to keep up with the changes in technology and user behavior resulting from new developments and innovations. For example, as we provide our product and service offerings across a variety of mobile systems and devices, including in-car systems, we rely on our services working seamlessly with widely-used mobile operating systems like Android, iOS and Harmony OS, which are beyond our control. If any changes in such mobile operating systems or devices degrade the functionality of our services or give preferential treatment to competitive services, the usage of our services could be adversely affected. In addition, we are incorporating AI technology across our product offerings to enhance music content distribution and promotion as well as creation and production, which requires us to stay current with industry trends and rapid technological advancements. Failure to do so could render our products obsolete and diminish their appeal, thereby impacting our business prospects negatively. Technological innovations may also require substantial capital expenditures in product development as well as in modification of products, services or infrastructure. We cannot assure you that we can obtain financing to cover such expenditure. See "— We require a significant amount of capital to fund our content acquisitions, user acquisitions and technology investments. If we cannot obtain sufficient capital, our business, financial condition and prospects may be materially and adversely affected." If we fail to adapt our products and services to such changes in an effective and timely manner, we may suffer from decreased user traffic and user base, which, in turn, could materially and adversely affect our business, financial condition and results of operations.

China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation.

The PRC regulators regulate the internet industry extensively, including foreign ownership of companies in the internet industry and the licensing requirements pertaining to them. A number of regulatory authorities, such as the MOFCOM, the Ministry of Culture and Tourism, the National Copyright Administration, the MIIT, the NRTA and the CAC regulate different aspects of the internet industry. In addition to complying with the laws and regulations promulgated and enforced by Chinese regulatory authorities, operators in the internet industry also need to follow Chinese regulatory authorities' policies and guidelines. Such laws, regulations, policies and guidelines cover many aspects of the telecommunications, internet information services, copyright, internet culture, online publishing industries and online audio-video products services, including entry into such industries, scope of permitted business activities, licenses and permits for various business activities and foreign investments into such industries. Operators are required to obtain various regulatory approvals, licenses and permits in connection with their provision of internet information services, internet cultural services, online publishing services, online audio-video products, other related value-added telecommunications services. If we fail to obtain and maintain approvals, licenses or permits required for our and the VIEs' business, we could be subject to liabilities, penalties and operational disruption and our business could be materially and adversely affected. In addition, if we fail to follow applicable laws, regulations, policies and guidelines, or applicable laws, regulations, policies and guidelines are tightened by any regulatory authorities, or if there are new laws, regulations, policies or guidelines introduced to impose additional regulatory approvals, licenses, permits and requirements, our business may be disrupted and our results of operations may be adversely affected.

Tencent Music Entertainment (Shenzhen) Co., Ltd., or Tencent Music Shenzhen, operates our online music services, *QQ Music*, and online karaoke business, *WeSing*, using sub-domains of *www.qq.com* owned by an entity controlled by our parent, Tencent, who holds a valid Internet Content Provider License, or the ICP License. Tencent Music Shenzhen also acquired an ICP License for the domains *www.tencentmusic.com* and *www.qqmusic.com* on July 25, 2025. The domains registered on Tencent Music Shenzhen's ICP License are separate from those used by *QQ Music* and *WeSing*, and as of the date of this annual report, Tencent Music Shenzhen has not been subject to any legal or regulatory penalties for failure to obtain such licenses under its own name. As Tencent Music Shenzhen operates *QQ Music* and *WeSing*, an Audio and Video Service Permission, or AVSP, may be required. Tencent Music Shenzhen currently operates these two platforms as sub-domains of *www.qq.com* of Shenzhen Tencent Computer System Co., Ltd.,

which holds a valid AVSP for the *www.qq.com* domain and is controlled by our parent, Tencent. As of the date of this annual report, Tencent Music Shenzhen has not been subject to any legal or regulatory penalties for failure to obtain such license. In the event Tencent Music Shenzhen is required to obtain an AVSP under its own name for operating our *QQ Music* and *WeSing* platforms, Tencent Music Shenzhen may not be eligible for an AVSP, because the current PRC laws and regulations require an applicant for the AVSP to be a wholly state-owned or state-controlled entity. Tencent Music Shenzhen currently holds an Internet Cultural Operation License, or the ICO License, for conducting commercial internet cultural activities. However, the domain names registered on such ICO License are not the domain names used by *QQ Music* and *WeSing*, which are operated by Tencent Music Shenzhen as sub-domains of *www.qq.com*, a domain name owned by an entity controlled by our parent, Tencent, who maintains a valid ICO License under its own name. As of the date of this annual report, Tencent Music Shenzhen has not been subject to any legal or regulatory penalties for failure to obtain such licenses under its own name.

Shenzhen Lanren, the entity operating *Lazy Audio* has been listed as the pilot institution of online audio and video industry in Guangdong by Radio and Television Administration of Guangdong Province in September 2020 and has obtained the consent letter from the NRTA. Shenzhen Lanren has completed its record-filing in the Information Management System for National Online Audio-Video Platform, or the Online Audio-Video System, for the provision of audio-video program services through *Lazy Audio*. As of the date of this annual report, Shenzhen Lanren has not been subject to any legal or regulatory penalties for the lack of the AVSP.

In addition, Tencent Music Shenzhen, Guangzhou Kugou, Beijing Kuwo, Shenzhen Lanren may be required to obtain an Online Publishing Service Permit for their release of music or audio works via the internet. These entities intend to apply for an Online Publishing Service Permit when they become eligible to do so under applicable PRC laws and regulations. As of the date of this annual report, none of these entities has been subject to any legal or regulatory penalties for their failure to obtain an Online Publishing Service Permit. There is, however, no assurance that such applications will eventually be approved in a timely manner, or at all.

If any of Tencent Music Shenzhen, Guangzhou Kugou, Beijing Kuwo, Shenzhen Lanren or any of our other subsidiaries or the VIEs or the VIEs' subsidiaries is found to be in violation of PRC laws and regulations regarding licenses and permits, we could be subject to legal and regulatory penalties and our business operations may not be able to continue operating in the same manner or at all, and our business, financial condition and results of operations could be materially and adversely affected.

PRC laws and regulations are evolving, and there are uncertainties relating to the regulation of different aspects of the internet, music entertainment and long-form audio industries, including but not limited to exclusive licensing and sublicensing arrangements. Pursuant to an article posted on National Copyright Administration's official website, in September 2017, the National Copyright Administration held meetings with a number of music industry players, including us, where it encouraged the relevant industry players to "avoid acquiring exclusive music copyright" and indicated that they should also not engage in activities involving "collective management of music copyright." Furthermore, the National Copyright Administration held meetings with a number of music industry players on January 6, 2022 to emphasize that relevant industry players shall not execute exclusive music copyright agreement except under certain circumstances and shall develop internal copyright management system. On July 24, 2021, the SAMR issued an Administrative Penalty Decision to Tencent regarding its acquisition of CMC in 2016. Pursuant to the decision, we shall implement a rectification plan to, among other things, terminate exclusive music copyright licensing arrangements within 30 days from the date of the decision. To comply with such decision, Tencent and we have terminated the exclusivity with upstream copyright holders subject to certain limited exceptions specified in the decision. We have consistently complied with regulatory requirements and have continuously endeavored to improve our competition compliance work. While we are pursuing non-exclusive collaborations with upstream copyright holders, there can be no assurance that all the licenses once exclusively available to us will remain available at royalty rates and on terms that are commercially reasonable or at all. In addition, the termination of exclusive copyright licensing arrangements may potentially lower the competition barriers in a way that benefits some of our competitors. Any such adverse regulatory development or enforcement in China may have a material and adverse impact on our business, financial condition and results of operations. To the extent our historical or current licensing arrangements are found objectionable by the regulatory authorities, we may be subject to legal and regulatory penalties and/or have to revisit and modify such arrangements in a way that may cause substantial costs, and our ability to offer content and our competitive advantages may be harmed. Such events may have a material and adverse impact on business, financial condition and results of operations.

We operate in a relatively new and evolving market.

Many aspects of our business are unique, evolving and relatively unproven. Our business and prospects primarily depend on the continuing development and growth of the online music and audio entertainment industry, the live streaming industry, as well as the long-form audio industry in China, which are influenced by a wide range of factors. For example, content quality, user experience, technological innovations, development of internet and internet-based services, regulatory environment and macroeconomic environment are important factors that affect our business and prospects. The markets for our products and services are relatively new and rapidly developing and are subject to significant challenges. In addition, our continued growth depends, in part, on our ability to respond to constant changes in the internet industry, including rapid technological evolution, continued shifts in customer demands, frequent introductions of new products and services and constant emergence of new industry standards and practices. Developing and

integrating new content, products, services or infrastructure could be expensive and time-consuming, and these efforts may not yield the benefits we expect to achieve. We cannot assure you that we will succeed in any of these aspects or that the industries in which we operate will continue to grow as rapidly as in the past. If online music, live streaming, or long-form audio as forms of entertainment lose their popularity due to changing social trends and user preferences, or if such industries in China fail to grow as quickly as expected, our business, financial condition and results of operations may be materially and adversely affected.

We operate in a competitive industry. If we are unable to compete successfully, we may lose market share to our competitors.

We operate in a competitive industry. We compete for users and their time and spending primarily with other online music service providers and audio entertainment providers in China. We also face general competition from online content offerings of various forms, including long- and short-form videos, karaoke services, live streaming, radio services, literature, and games provided by other online service providers. In particular, we are facing increasing noticeable competition from offerings of other emerging content forms which have been growing in popularity rapidly in recent years, such as live streaming and user-generated short videos.

We compete with our competitors based on a number of factors, such as the diversity and quality of content, product features, social interaction features, quality of user experience, brand awareness and reputation, and our ability to continuously attract, incentivize and retain live streaming performers and their agencies. Some of our competitors may be able to respond more quickly to technological innovations or changes in user demands and preferences, acquire more attractive and diverse content, and act more effectively in the development, promotion and sale of products than we can. Also, they may enter into more favorable relationships with content providers and provide their users with content that competes with our offerings. If any of our competitors achieves greater market acceptance or is able to provide more attractive content offerings than we do, our user traffic and market share may decrease, which may result in a loss of users and a material and adverse effect on our business, financial condition and results of operations.

We may fail to attract and retain talented and popular live streaming performers, karaoke singers and other key opinion leaders to maintain the attractiveness and level of engagement of our social entertainment services.

The engagement levels of our user base as well as the quality of our social entertainment content offered on our platform are closely linked to the popularity and performance of our live streaming performers, karaoke singers and other key opinion leaders.

With respect to our live streaming services, we rely on live streaming performers to attract user traffic and drive user engagement and enter into cooperation agreements with them and/or their agencies. There can be no assurance that these live streaming performers will not breach these cooperation agreements by, for example, performing on online platforms competing with us, or that we will be able to renew such agreements upon expiration on terms acceptable to us, or at all. If any of these circumstances were to occur, our live streaming services may be negatively affected.

In addition to our most popular live streaming performers, we must continue to attract and retain talented and popular karaoke singers and other key opinion leaders in order to maintain and increase our social entertainment content offerings and ensure the sustainable growth of our user community. We must identify and acquire potential popular karaoke singers and other key opinion leaders and provide them with sufficient resources. However, we cannot assure you that we can continue to maintain the same level of attractiveness to such popular karaoke singers and other key opinion leaders.

If we can no longer maintain our relationships with our live streaming performers, karaoke singers and other key opinion leaders or their appeal decreases, the popularity of our platform may decline and the number of our users may decrease, which could materially and adversely affect our business, financial condition and results of operations.

We cooperate with various talent agencies to manage and recruit our live streaming performers and any adverse change in our relationships could materially and adversely impact our business.

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

We share a portion of the revenues generated from the sales of virtual gifts during performers' live streams with the performers and their talent agencies. If we cannot balance the interests between us, live streaming performers and the talent agencies and offer a revenue-sharing mechanism that is attractive to live streaming performers and talent agencies, we may not be able to retain their services. If other platforms offer better revenue sharing incentives to talent agencies, such talent agencies may choose to devote more of their resources to live streaming performers who stream on such other platforms or encourage their live streaming performers to

spend more time performing on such other platforms, all of which could materially and adversely affect our business, financial condition and results of operations.

Our brand image and business may be adversely impacted by misconduct by our live streaming performers and users and their misuse of our platform.

We do not have full control over how users use or behave on our platform, whether through live streaming, commenting or other forms of sharing or communication. We face the risk that our platform may be misused or abused by live streaming performers or users. We have a robust internal control system in place to review and monitor live streams and other forms of social interactions among our users and will shut down streams that are illegal or inappropriate. However, we may not be able to identify all such streams and content or prevent all such content from being posted.

Moreover, we have limited control over the real-time behavior of our live streaming performers and users. To the extent such behavior is associated with our platform, our ability to protect our brand image and reputation may be limited. Our business and public perception of our brand may be materially and adversely affected by the misuse of our platform. In addition, in response to allegations of illegal or inappropriate activities conducted through our platform or any negative media coverage about us, PRC regulatory authorities may intervene and hold us liable for non-compliance with PRC laws and regulations concerning the dissemination of information on the internet and subject us to administrative penalties, including confiscation of income and fines or other sanctions, such as requiring us to restrict or discontinue certain features and services. As a result, our business, financial condition and results of operations may be materially and adversely affected.

We face the risk that live streaming performers that perform on our platform may infringe upon third parties' intellectual property rights.

Live streaming performers across our platforms are prohibited from disseminating content infringing on others' intellectual property rights. However, we cannot guarantee that all content generated by our live streaming performers or users is legal and non-infringing, and we cannot guarantee that the online performance and/or other use of music works by the live streaming performers are authorized by the corresponding intellectual property rights owners.

As the application of existing laws and regulations to specific aspects of online music and social entertainment business may continue to evolve, it is difficult to predict whether we will be subject to joint infringement liability if our live streaming performers or users infringe on third parties' intellectual property rights. Furthermore, if we are found to be jointly liable either by new regulations or court judgments, we may have to change our policies and it may materially and adversely impact on our business, financial condition and results of operations.

Our business operations may be adversely affected by the heightened regulatory oversight and scrutiny on live streaming platforms and performers.

Regulatory authorities in China have been heightening its oversight on live streaming businesses. In November 2020, the NRTA promulgated the Circular on Strengthening the Administration of Live Streaming Web Shows and Live Streaming E-commerce, or the Circular 78, which sets forth requirements for certain live streaming businesses with respect to real-name registration, limits on users' spending on virtual gifting, restrictions on minors from virtual gifting, live streaming review personnel requirements and content tagging requirements, among other things. In February 2021, the CAC, together with six other authorities, jointly issued the Guidance Opinions on the Strengthening the Regulation and Management Work of Internet Live Streaming, or the Circular 3. Pursuant to Circular 3, internet streaming platforms are required to set up appropriate caps on the maximum purchase price for each piece of virtual gifts and maximum value of virtual gifts that the users give to the performers each time and live streaming performers must comply with laws and regulations when conducting live streaming activities, and are prohibited from engaging in activities that threaten national security, disrupt social order, infringe upon the legitimate rights and interests of others, or spread obscene information. Additionally, live streaming performers are not allowed to engage in illegal transactions within or across platforms, organize or incite users to commit online violence, or organize gambling or disguised gambling, whether online or offline.

A portion of our revenue is from virtual gift payments from our users to performers. Consequently, any future limitation imposed by PRC authorities on the sale, exchange or circulation of virtual gifts could lower these payments. This reduction may adversely affect the engagement of our live streaming performers, leading to user churn and have a material adverse effect on our business, financial condition and results of operations. For example, starting in the second quarter of 2023, we made proactive adjustments to our live-streaming features, enforced stricter compliance procedures, and introduced various service improvements and risk management strategies. As a result, these adjustments have led to decreased user engagement with our live-streaming services and a decline in revenue from our social entertainment offerings. In addition, the Law of the PRC on the Protection of Minors (2024 Revision) took effect on April 26, 2024, which provides that, among others, live streaming service providers are prohibited from providing minors under age 16 with online live streaming publisher account registration services, and that they must obtain the

consent from the minors' parents or guardians and verify the identity of the minors before allowing minors aged between 16 and 18 to register a live streaming publisher account. Furthermore, in December 2021, certain live streaming e-commerce influencers in China on other platforms were fined by the State Taxation Administration for tax evasion, which demonstrated the PRC tax authorities' enhanced efforts to strengthen tax administration in live streaming businesses. On March 25, 2022, CAC, the State Taxation Administration and SAMR issued Opinions on Further Regulating the For-Profit Activities in Online Live Streaming to Promote a Healthy Development of the Industry, which provides that, among others, live streaming platforms shall report to tax authorities information including but not limited to live streaming publishers' identity, information of the live streaming account and bank account which receives profits, types of revenue and profits earning information. On May 7, 2022, the CAC, together with three other authorities, jointly issued the Opinions on Regulating Live Streaming Rewards and Strengthening Minor Protections, or the Live Streaming Opinions, which reiterates the requirements for live streaming platforms in respect of strengthening real-name registration, restrictions on minors from virtual gifting and prohibition on providing live streaming services to minors. Although we believe we have adjusted the relevant aspects of our live streaming services in material compliance with these new requirements, there is no guarantee that the relevant PRC regulators will not impose additional requirements on our operations or otherwise find any aspect of our operations not to be in full compliance with these regulatory requirements. Although we are currently not able to accurately quantify the financial impacts of the Live Streaming Opinions due to its limited implementation track record and our ability to rapidly adapt our operations, enhanced regulation with respect to live streaming businesses in China may constrain our business operations and profitability, which in turn may adversely affect our results of operations and financial condition.

Failure to protect our intellectual property could substantially harm our business, operating results and financial condition.

We rely upon a combination of trade secrets, confidentiality policies, nondisclosure and other contractual arrangements and patent, copyright, software copyright, trademark, and other intellectual property laws to protect our intellectual property rights. Despite our efforts to protect our intellectual property rights, the steps we take in this regard might not be adequate to prevent or deter infringement or other misappropriation of our intellectual property by competitors, former employees or other third parties.

We have filed, and may in the future file, patent applications on certain of our innovations. It is possible, however, that these innovations may not be patentable. In addition, given the cost, efforts and risks associated with patent application, we may choose not to seek patent protection for some innovations. Furthermore, our patent applications may not lead to granted patents, the scope of the protection gained may be insufficient or an issued patent may be deemed invalid or unenforceable. We also cannot guarantee that any of our present or future patents or other intellectual property rights will not lapse or be invalidated, circumvented, challenged, or abandoned.

Litigation or proceedings before regulatory authorities, administrative and judicial bodies may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of our rights. Our efforts to protect our intellectual property in such litigation and proceedings may be ineffective and could result in substantial costs and diversion of resources and management time, each of which could substantially harm our operating results.

While we typically require our employees and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing or enforcing such agreements with each party that develops intellectual property that we regard as our own. In addition, such agreements may be breached. We may be forced to bring claims against the breaching third parties, or defend claims that they may bring against us related to the ownership of such intellectual property.

The content available on our platform may be found objectionable by the regulatory authorities, which may subject us to penalties and other regulatory or administrative actions.

As an internet content provider, we are subject to PRC regulations governing the distribution of music, music videos, long-form audio and other forms of content over the internet. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations." These regulations prohibit internet content providers and internet publishers from posting on the internet any content that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, frightening, gruesome, offensive, fraudulent or defamatory. In particular, the regulatory authorities have been tightening their oversight over content provided by online and mobile live streaming and video services, especially those deemed "vulgar." Failure to comply with these requirements may result in monetary penalties, revocation of licenses to provide internet content or other licenses, suspension of the concerned platforms and reputational harm. In addition, these laws and regulations are subject to interpretation by the PRC regulators, and it may not be possible to determine in all cases the types of content that could cause us to be held liable for offering content that is found objectionable by the PRC regulators.

Internet content providers may be held liable for content displayed on or linked to their online platforms that is subject to certain restrictions. We allow our users to upload user-generated content, such as music, videos, audio, comments, reviews and other forms of content. We also make it possible for selected professional producers to make their content available to users through our official

music accounts and allow them a high level of control of the content offered through our music accounts. While we have in place internal rules and procedures to monitor user-generated content on our platform, due to the massive amount of such content, we may not be able to identify, in a timely manner or at all, the content that is illegal or inappropriate or that may otherwise be found objectionable by the PRC regulators. Additionally, we may not be able to keep our rules and procedures abreast of changes in the PRC regulators' requirements for content display. Failure to identify and prevent illegal or inappropriate content from being displayed on our platform may result in legal and administrative liability, government sanctions, fines, loss of licenses and/or permits, or reputational harm. If the PRC regulators find any content displayed on our platform objectionable, they may require us to limit or eliminate the dissemination of such content on our platform. In the past, we have from time to time been requested by relevant regulatory authorities to remove or restrict certain content that is deemed inappropriate or sensitive. Although we have not been materially penalized for our content so far, in the event that the PRC regulatory authorities find any content on our platform objectionable and impose penalties on us or take other actions against us in the future, our business, financial condition and results of operations may be materially and adversely affected. See also "Item 4. Information on the Company — 4.B. Business Overview — Content Monitoring."

We are subject to risks and uncertainties associated with the evolving AI regulations, potential infringement claims and increasing costs for regulatory compliance.

We are incorporating AI into various parts of our product offerings. For instance, we have integrated the advanced capabilities of DeepSeek large language models (LLMs) to empower users and creators in song creation, creating a more tailored and inclusive experience. Moreover, in collaboration with Tencent *Yuanbao*, we introduced an all-in-one AI agent within *QQ Music* and *Kugou Music* that supports a wide range of intelligent functions, including enabling AI-powered song search, analyzing users' saved music libraries, generating personalized playlists, recommending songs and providing music-related knowledge assistance. We also launched Lengjing, a one-stop AI-powered music video creation platform that supports multiple visual styles and is designed to enhance music library MV coverage and artist promotion. In addition, our proprietary large language model supports the generation of AI background images that align with the mood and artistic context of user-selected lyrics. This feature currently offers multiple visual style templates and continues to expand its range of supported styles.

However, as with most emerging technologies, AI comes with its own set of risks and challenges that could affect its adoption and our business. AI algorithms may be flawed, and the data used could be incomplete or biased. Inappropriate or controversial data practices, by us or by others, could limit the acceptance of our AI-enhanced products and content. Certain AI applications could trigger ethical issues. Should our AI-related offerings become controversial due to their effects on human rights, privacy, employment, or other social matters, we risk reputational harm or legal repercussions. In addition, uncertainties regarding the development and application of AI technology present a potential risk. There remains the possibility that AI technology may not progress as anticipated or deliver expected benefits, which could limit the acceptance and popularity of our AI- related offerings.

Furthermore, there are uncertainties around the ownership and intellectual property protection of AIGC products. Using AIGC tools could also lead to potential copyright and right of personality infringement and other legal challenges. If we are unable to secure the needed permissions or licenses for using AI tools-whether because we cannot identify the rights holder or for any other reason-we might infringe on others' rights which could lead to monetary claims, fines, penalties, or less content for our users. The regulatory and legal framework on generative AI is evolving rapidly and might not fully address every aspect of its research, development, and use. PRC government authorities have sped up creating laws for generative AI related technologies, such as algorithms and deep synthesis. On November 25, 2022, the CAC, the MIIT and the Ministry of Public Security jointly issued the Administrative Provisions on the Deep Synthesis of Internet Information Services, or the Deep Synthesis Provisions, which became effective on January 10, 2023. According to the Deep Synthesis Provisions, no organization or individual may use deep synthesis services to produce, reproduce, release or disseminate information prohibited by laws and administrative regulations, or to engage in activities that endanger national security and interests, damage the national image, infringe upon social public interests, disrupt the economic and social order or undermine the legitimate rights and interests of others. Specifically, the providers of deep synthesis services shall, among other things, establish and maintain management systems for algorithmic mechanism review, data security and personal information protection. On July 10, 2023, seven governmental authorities including the CAC published the Provisional Measures on AI-Generated Content Services, or the AIGC Measures, setting compliance standards for generative AI service providers. The AIGC Measures require generative AI service providers to take responsibility for the content they produce in accordance with the law, ensure information security, respect the lawful rights and interests of others, refrain from harming others' physical and mental health, and not infringe upon others' portrait rights, reputation rights, honor rights, privacy rights, or personal information rights. Besides, providers of generative AI services that influence public opinion or could mobilize society shall undergo security assessments and follow procedures for registering or updating their algorithms as required by applicable regulations. Non-compliance with the AIGC Measures may subject the providers of generative-AI services to penalties, including warning, public denouncement, rectification orders and suspension of the provision of relevant services. On September 24, 2024, the State Council issued the Regulations on Network Data Security Administration, which require network data processors offering generative artificial intelligence services to enhance the security management of training data and its processing activities, and to implement effective measures to prevent and address network data security risks. On October 28, 2025, the Standing Committee of the National People's Congress decided to amend the PRC Cybersecurity Law, which took effect on January 1, 2026. According to the amendment of PRC Cybersecurity Law,

the State shall support basic theoretical research on AI and the research and development of key technologies such as algorithms, advance the construction of infrastructure such as training data resources and computing power, improve ethical norms for AI, strengthen risk monitoring and assessment and safety supervision, and promote the application and healthy development of AI. However, since these laws and regulations are still relatively new and significant uncertainties remain with respect to their interpretation and implementation, we cannot assure you whether we will be able to comply with the requirements of such laws and regulations in a timely manner or at all. If we are unable to complete all necessary filings and/or assessments, or if we have any dispute with any third party relating to intellectual property or data security, our business operation may be adversely affected.

Pending or future litigation or regulatory proceedings could have a material and adverse impact on our reputation, business, financial condition and results of operations.

From time to time, we have been, and may in the future be, subject to lawsuits brought by our competitors, individuals, or other entities against us, as well as regulatory investigations or proceedings, based on claims such as intellectual property infringement, antitrust/competition, or regulatory compliance concerning content acquisition, distribution or other activities that occurred on our music, social entertainment and long-form audio platforms. We cannot predict the outcomes of such lawsuits or regulatory actions, which may not be successful or favorable to us. Lawsuits and/or regulatory investigations against us, our shareholders, directors, officers, or employees could attract further regulatory scrutiny, generate negative publicity that damages our reputation, and disrupt the sustainability of our business, which may adversely affect our user base, relationships with content partners, and financial performance. See "- Our business operations may be adversely affected by the heightened regulatory oversight and scrutiny on live streaming platforms and performers." In addition to the related cost, managing and defending litigation and regulatory proceedings can significantly divert our management's attention from operating our business. We may also need to pay damages or settle lawsuits or regulatory proceedings with a substantial amount of cash or be required by the relevant regulatory authorities to make substantive changes to our existing business model. As of December 31, 2025, there were 160 lawsuits pending in connection with alleged copyright infringement on our platform against us or our affiliates with an aggregate amount of damages sought of approximately RMB187.1 million (US$26.8 million). While we do not believe that any such proceedings are likely to have a material adverse effect on us, if there were adverse determinations in legal proceedings against us, we could be required to pay substantial monetary damages or adjust our business practices, which could have an adverse effect on our reputation, business, financial condition and results of operations.

We and our directors and officers may be named as defendants in shareholder class action lawsuits, which could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation.

In the past, following periods of volatility in the overall market and in the market price of a particular public company's securities, securities class action litigation has often been instituted against these companies. We and our directors and officers have been and may in the future be named as defendants in potential shareholder class action lawsuits. There can be no assurance that we will be able to prevail in our defense or reverse any unfavorable judgment on appeal, and we may decide to settle lawsuits on unfavorable terms. We may not be able to estimate the potential loss, if any, associated with the resolution of such lawsuits. Any adverse outcome of these cases, including any plaintiffs' appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus have a material adverse effect on our business, financial condition, results of operation, cash flows and reputation. In addition, there can be no assurance that our insurance carriers will cover all or part of the defense costs, or any liabilities that may arise from these matters. The litigation process may utilize a significant portion of our cash resources and divert management's attention from the day-to-day operations of our company, all of which could harm our business. We also may be subject to claims for indemnification related to these matters, and we cannot predict the impact that indemnification claims may have on our business or financial results.

To the extent we prioritize innovation and long-term user engagement over short-term financial results, we may not be able to generate results of operations that align with investors' expectations, in which case our stock price may be negatively affected.

Our business is growing and becoming more complex, and our success depends on our ability to quickly develop and launch new and innovative products and services. This business strategy could result in unintended outcomes or decisions that are poorly received by our users or partners. We may choose actions, like heavily investing in content creation and innovation, that might lower our short-term earnings if we believe it will improve user experience and benefit our long-term financial performance. For example, we are seeking to build long-term partnerships with our content partners, including partnerships in the pan-entertainment sector with other companies within the Tencent ecosystem, and will continue to invest substantially in producing in-house or in collaboration with content partners popular, trend-setting content catering to evolving user demands. Furthermore, as our brand awareness increases, we may continue to expand into new markets and geographic locations. These decisions may not produce the long-term benefits that we expect, in which case our user growth and engagement, our relationships with our partners, and our business, financial condition and results of operations could be materially and adversely affected.

Privacy concerns or security breaches relating to our platform could result in economic loss, damage our reputation, deter users from using our products, and expose us to legal penalties and liability.

We collect, process, and store significant amounts of data concerning our users, business partners and employees, including personal and transaction data involving our users, only to a minimum extent necessary to enable our business operations and services, and as permitted by applicable laws and regulations. While we have taken reasonable steps to protect such data, there is no guarantee that such steps will be successful. Techniques used to gain unauthorized access to data and systems, disable or degrade service, or sabotage systems, are constantly evolving, and we may be unable to anticipate, deter, or prevent such techniques or otherwise implement adequate preventative measures to avoid unauthorized access to such data or our systems.

Like all internet services, our service may be vulnerable to software bugs, computer viruses, internet worms, break-ins, phishing attacks, attempts to overload servers with denial-of-service, and similar attacks and disruptions from the unauthorized use of our and third-party computer systems, any of which could lead to system interruptions, delays, or shutdowns and cause the loss of critical data or the unauthorized access to our data or our users' data.

Computer malware, viruses, and computer hacking and phishing attacks have become more prevalent in our industry, have occurred on our systems in the past, and we may experience cyber-attacks of varying degrees in the future, including hacking or attempted hacking into our user accounts and redirecting our user traffic to other internet platforms. Any functions that we use to facilitate interactivity with other internet platforms have the potential to increase the scope of access that hackers may have to our user accounts. Additionally, our use of third-party systems and digital services introduces additional risks. These external platforms might not have the same level of security and data protection standards as ours, increasing the likelihood of data breaches and unauthorized access to sensitive information. Any security flaws in these third-party systems could directly impact our services' integrity, leading to potential data loss or exposure. Moreover, the interconnected nature of our services with third-party platforms can amplify the risks of cyber-attacks. As we integrate our systems with external services, the pathways through which attackers can gain unauthorized access expand. This integration can potentially expose us to more sophisticated attacks aimed at exploiting vulnerabilities not just within our systems but also within those of our business partners and vendors.

Though it is difficult to determine what, if any, harm may directly result from any specific interruption or attack, our failure to maintain performance, reliability, security and availability of our products and technical infrastructure to the satisfaction of our users may harm our reputation and ability to retain existing users and attract new users. Although we have in place systems and processes that are designed to protect our data and our users' data, prevent data loss, disable undesirable accounts and activities on our platform, and prevent or detect security breaches, we cannot assure you that such measures will provide absolute security. We may incur significant costs in protecting against cyber-attacks, and if an actual or perceived breach of security occurs to our systems or a third party's systems, we could be required to expend significant resources to mitigate the breach of security and to address matters related to any such breach, including notifying users or regulators.

Complying with evolving laws, regulations and other obligations regarding cybersecurity, information security, privacy and data protection and other related laws, regulations and obligations may be expensive and may force us to make adverse changes to our business. Many of these laws, regulations and other obligations are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws, regulations and other obligations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm our business.

We are subject to a variety of laws, regulations and other obligations relating to the security and privacy of data, including restrictions on the collection, use, storage, transfer and other processing of personal information and requirements to take steps to prevent unauthorized access to, or the unauthorized destruction, use, modification, acquisition, disclosure, release or transfer of, personal data.

The PRC regulatory authorities have in recent years strengthened the oversight on cybersecurity and data privacy. According to the institutional reform plan of the State Council approved by the National People's Congress on March 10, 2023, the National Data Bureau has been established under the administration of the NDRC on October 25, 2023. The National Data Bureau is responsible for, among other things, advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources, and promoting the digitalization of the Chinese economy and society.

The PRC Cyber Security Law, which became effective in June 2017 and was amended on October 28, 2025, created China's first national-level data protection regime for "network operators," which may include all organizations in China that provide services over the Internet or other information network. Specifically, the PRC Cyber Security Law provides that China adopts a multi-level protection scheme, under which network operators are required to perform obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered.

In addition, the PRC Data Security Law was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and took effect on September 1, 2021. The PRC Data Security Law establishes a tiered system for data protection in terms of

their importance. Data categorized as "important data," which will be determined by regulatory authorities in the form of catalogs, are required to be treated with higher level of protection. Specifically, the PRC Data Security Law provides that operators processing "important data" are required to appoint a "data security officer" and a "management department" to take charge of data security. In addition, such operator is required to evaluate the risk of its data activities periodically and file assessment reports with relevant regulatory authorities.

Numerous regulations, guidelines and other measures have been or are expected to be adopted under the umbrella of, or in addition to, the PRC Cyber Security Law and PRC Data Security Law. For example, Regulations on the Security Protection of Critical Information Infrastructure, or the CII Protection Regulations, was promulgated by the State Council of the PRC on July 30, 2021 and became effective on September 1, 2021. According to the CII Protection Regulations, critical information infrastructure, or the CII, refers to any important network facilities or information systems of the important industry or field such as public communication and information service, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in the case of damage, function loss or data leakage. Regulators supervising specific industries are required to formulate detailed guidance to recognize the CII in the respective sectors, and a critical information infrastructure operator, or a CIIO, must take the responsibility to protect the CII's security by performing certain prescribed obligations. For example, CIIOs are required to conduct network security test and risk assessment, report the assessment results to relevant regulatory authorities, and timely rectify the issues identified at least once a year. In addition, relevant administration departments of each critical industry and sector shall be responsible for formulating eligibility criteria and identifying CIIOs in the respective industry or sector. The operators shall be informed about the final determination as to whether they are categorized as CIIOs. As of the date of this annual report, no detailed rules or guidance with respect to the implementation of such regulations had been issued by any regulatory authorities and we had not been identified as a CIIO by any regulatory authorities. Furthermore, the exact scope of CIIOs under the current regulatory regime remains unclear. Therefore, it is uncertain whether we would be deemed as a CIIO under PRC law.

The Personal Information Protection Law of the PRC, which was promulgated by the Standing Committee of the National People's Congress on August 20, 2021 and took effect on November 1, 2021, integrates the various rules with respect to personal information rights and privacy protection and applies to the processing of personal information within the Chinese mainland as well as certain personal information processing activities outside the Chinese mainland, including those for the provision of products and services to natural persons within China or for the analysis and assessment of acts of natural persons within China.

Additionally, in December 2021, the CAC and several other administrations jointly promulgated the amended Cybersecurity Review Measures, or the Cybersecurity Review Measures, which took effect on February 15, 2022, and superseded and replaced the cybersecurity review measures that became effective since June 2020. Pursuant to the Cybersecurity Review Measures, where the relevant activity affects or may affect national security, a CIIO that purchases network products and services, or an internet platform operator that conducts data processing activities, shall be subject to the cybersecurity review. The Cybersecurity Review Measures also expands the cybersecurity review to internet platform operators in possession of personal information of over one million users if such operators intend to list their securities in a foreign country. The Cybersecurity Review Measures elaborate the factors to be considered when assessing the national security, including but not limited to the risks of core data, important data or a large amount of personal information being stolen, leaked, destroyed, and illegally used or illegally exited the country, risks of critical information infrastructure, core data, important data or a large amount of personal information data being affected, controlled and maliciously used by foreign governments after a listing, and risks associated with Internet information security. See "— Risks Related to the Group's Corporate Structure — The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities may be required under PRC law in connection with any future issuance of securities overseas, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing." Additionally, relevant regulatory authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities affect or may affect national security.

Furthermore, on September 24, 2024, the State Council published the Regulation on Network Data Security Administration, or the Regulations on Network Data, which took effect on January 1, 2025. The Regulations on Network Data provides that data processing operators engaging in data processing activities that affect or may affect national security must be subject to network data security review. Network data processing activities refer to the collection, retention, use, processing, transmission, provision, disclosure, deletion, and other activities of network data. However, the Regulations on Network Data provides no further explanation or interpretation as to how to determine what "may affect national security," and there remain uncertainties as to whether we would be subject to the cybersecurity review.

On February 6, 2023, the MIIT issued the Notice on Further Improving the Service Capability of Mobile Internet Apps, or the Mobile Internet Apps Notice. The Mobile Internet Apps Notice requires further enhancement of the service capability of mobile internet apps and reiterates the need to protect the legitimate rights and interests of the users and create a healthy service ecology. Specifically, the Mobile Internet Apps Notice emphasizes, among other things, the regulation of installation and unloading activities, the optimization of service experience, strengthening personal information protection, responding to users' demands and the

implementation of responsibilities of the developer and operator of mobile apps. However, since such notice is relatively new, uncertainty remains as to its interpretation and implementation in practice, as well as its ultimate impact on our business and results of operations in the long term. Failure to comply with such requirements may subject us to penalties and adversely affect our business, financial condition and results of operations.

On March 22, 2024, the CAC issued the Provisions on Promoting and Regulating Cross-border Data Flows, also known as the Cross-border Data Flows Provisions. According to these provisions, data processors are required to undergo a security assessment if they transfer information overseas under the following circumstances: (i) when a critical information infrastructure operator transfers personal information or material data overseas, and (ii) when data operators other than critical information infrastructure operators transfer material data overseas or, as of January 1 of the current year, have cumulatively transferred over one million pieces of personal information (excluding sensitive personal information) or over ten thousand pieces of sensitive personal information. The Cross-border Data Flows Provisions also outline exemptions from the data export security assessment for data processors transferring personal information overseas under certain conditions, such as when a data processor other than a critical information infrastructure operator has cumulatively transferred personal information (excluding sensitive personal information) of fewer than 100,000 individuals as of January 1 of the current year.

On February 12, 2025, the CAC published the Administrative Measures for the Compliance Audit of Personal Information Protection, or the Compliance Audit Measures, which took effect on May 1, 2025. According to the Compliance Audit Measures, compliance audit of personal information protection refers to the supervision activities in which the personal information processing activities of personal information handlers are examined and evaluated regarding their compliance with laws and administrative regulations. The Compliance Audit Measures further provides, among other things, that personal information handlers that process personal information of more than 10 million individuals shall conduct at least one personal information protection compliance audit every two years.

We believe, to the best of our knowledge, that our and the VIEs' business operations do not violate any of the above PRC laws and regulations currently in force in all material aspects except for the risks and uncertainties as disclosed in this annual report. We have been taking and will continue to take reasonable measures to comply with such laws, regulations, announcement, provisions and inspection requirements. However, since these laws and regulations in China are relatively new, uncertainties still exist in relation to their interpretation and implementation. Any change in laws and regulations relating to privacy, data protection and information security and any enhanced and scrutinized enforcement action of such laws and regulations could greatly increase our cost in providing our products and services, limit their use or adoption or require certain changes to be made to our operations. We cannot assure you that we will be compliant with these new laws and regulations described above in all respects, and we may be ordered to rectify and terminate any actions that are deemed illegal by the regulatory authorities and become subject to fines and other regulatory sanctions, which may materially and adversely affect our business, financial condition, and results of operations. Evolving interpretations of such laws, regulations, announcements and provisions or any future regulatory changes might impose additional restrictions or obligations on us and the VIEs for generating and processing personal information and other data. We and the VIEs may be subject to additional regulations, laws and policies adopted by the PRC regulators. In response to these additional regulations, laws and policies, we and the VIEs may apply more stringent social and ethical standards in our cybersecurity and data privacy policies. To the extent that we need to alter our and the VIEs' business model or practices to adapt to these announcement and provisions and future regulations, laws and policies, we could incur additional expenses.

In addition, if and to the extent we expand our operations into Europe, we may be required to comply with various laws and regulations, including the European Union ("EU") General Data Protection Regulation ("GDPR") or the United Kingdom ("UK") General Data Protection Regulation ("UK GDPR"), which impose stringent obligations regarding the collection, control, use, sharing, disclosure and other processing of personal data, including obligations to notify relevant data protection authorities and affected individuals within strict time periods of applicable personal data breaches. Failure to comply with the GDPR or UK GDPR can result in significant fines and other liability, including fines up to EUR 20 million (or GBP 17.5 million under the UK GDPR) or 4% of worldwide annual turnover of the preceding financial year, whichever is greater. Furthermore, any violation of the GDPR or UK GDPR by service providers that are acting as our data processors (i.e., processing personal data on our behalf) could also mean that we are subject to these fines and are required to comply with the notification obligations described above. While the UK GDPR currently imposes substantially the same obligations as the GDPR, the UK GDPR will not automatically incorporate changes to the GDPR going forward (which would need to be specifically incorporated by the UK government), which creates a risk of divergent parallel regimes and related uncertainty. Legal developments in the European Economic Area ("EEA") have also created complexity and uncertainty regarding processing and transfers of personal data from the EEA and UK to so-called third countries. Complying with the GDPR, UK GDPR and other applicable regulatory requirements may cause us to incur substantial expenses or require us to alter or change our practices in a manner that could harm our business.

Further, if and to the extent we expand our operations into the United States, we may become subject to numerous federal, state and local privacy and data security laws and regulations governing the collection, sharing, use, retention, disclosure, protection, transfer and other processing of personal information. For example, at the federal level, Section 5 of the Federal Trade Commission Act prohibits unfair or deceptive acts or practices in or affecting commerce (which extends to privacy and data security practices). At

the state level, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, "CCPA"), broadly defines personal information and provides California residents expanded privacy rights and protections, including the right to opt out of certain sharing and sales of their personal information. Numerous other states also have enacted, or are considering enacting, comprehensive state-level privacy and data security laws that share similarities with the CCPA. In addition, laws in all 50 U.S. states require businesses to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach. There is also discussion in the United States Congress of a new comprehensive federal data privacy law. We may be required to expend considerable resources to comply with applicable laws and regulations if and to the extent we expand our operations into the United States.

Moreover, while we strive to publish and prominently display privacy policies that are accurate, comprehensive, and compliant with applicable laws, regulations, industry standards and other obligations, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to privacy and data security. Although we endeavor to comply with our privacy policies, we may at times fail to do so or be alleged to have failed to do so. If our public statements about our use, collection, disclosure and other processing of personal information, whether made through our privacy policies, information provided on our website, press statements or otherwise, are alleged to be deceptive, unfair or misrepresentative of our actual practices, we may be subject to potential government or legal investigation or action.

Regulatory requirements regarding privacy and data security are constantly evolving, making the extent of our responsibilities in that regard uncertain. Any failure, or perceived failure, by us or the VIEs, or by our third-party partners, to maintain the security of personal data or to comply with applicable privacy or data security laws, regulations, policies, contractual provisions, industry standards, and other requirements, may result in civil or regulatory liability, including actions and investigations, fines, penalties, enforcement orders requiring us to cease operating in a certain way, litigation, or adverse publicity, and may require us or the VIEs to expend significant resources in responding to and defending against allegations and claims. Moreover, claims or allegations that we and/or the VIEs have failed to adequately protect personal data, or otherwise violated applicable privacy and data security laws, regulations, policies, contractual provisions, industry standards, or other requirements, may result in damage to our reputation and a loss of confidence in us and/or the VIEs by users or partners, potentially causing us and/or the VIEs to lose users, advertisers, content providers, other business partners and revenues, which could have a material adverse effect on our business, financial condition and results of operations and could cause the market price of our Class A ordinary shares and/or the ADSs to drop significantly.

Our business expansion subjects us to increased and additional business, legal, financial, reputational, and competitive risks.

As part of our growth strategy, we have continued to expand our offerings and explore new, innovative ways to attract and engage with users, such as live performances and concerts and ticketing services. Our business expansion involves numerous risks and challenges, including increased capital requirements, new competitors, reputational risks, the use of emerging and advanced technologies, legal and regulatory restrictions, and the need to develop new strategic relationships, among other things. The implementation of our expansion strategy may also require additional changes to our existing business model and cost structure, modifications to our infrastructure, and exposes us to new regulatory, legal and reputational risks, any of which may require additional expertise that we currently may not have. For example, we promote the commercialization of AI-generated content and actively offer users interactive AI features. While AI offers innovative capabilities, it also presents risks associated with technology failures, unexpected operational challenges, and the need for continuous updates and improvements to stay competitive and effective. The rapidly evolving regulatory landscape around AI technologies and digital content distribution could impose new compliance requirements or restrictions. Changes in copyright, data protection laws, and regulations governing AI could impact our operations, necessitating significant adjustments to our platform and operational practices. As users may create music using AI and distribute them through our platform, there may be complexities surrounding the ownership and copyright of AI-generated or AI-enhanced content. The ambiguity in intellectual property rights for AI-generated or AI-enhanced works could lead to legal disputes and challenges in monetizing the content. Also see "- We are subject to risks and uncertainties associated with the evolving AI regulations, potential infringement claims and increasing costs for regulatory compliance."

In addition, we offer artist-related merchandise, including a diverse range of products designed, endorsed, or inspired by various artists, such as branded apparel, posters and art prints, and accessories. These products may expose us to certain risks that could adversely affect our financial condition and operational results. Our artist-related merchandise could face product liability claims if the products are found to be defective, harmful, or if they fail to meet consumer safety standards. The value and appeal of artist-related merchandise are closely tied to the public image and popularity of the associated artists, and any negative publicity involving these artists, such as involvement in legal issues, scandalous behavior, or controversial statements, could significantly diminish the desirability of the merchandise.

There is no guarantee that we will be able to generate sufficient revenue from these new strategic ambitions to offset the associated costs and expenses. If we fail to successfully monetize and generate revenues from new businesses, or if we fail to effectively manage the numerous risks and challenges associated with such expansion, our business, operating results, and financial condition could be adversely affected.

Challenges faced by the PRC or global economy, including any prolonged downturn, could materially and adversely affect our business and our financial condition.

The global macro-economic environment is facing challenges. There is considerable uncertainty over the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China, and their near- or long-term impacts of the Chinese and global economies. There have been concerns over unrest and terrorist threats in the Middle East, Europe, and Africa, including the ongoing Russia-Ukraine war and the recurrent Israel-Hamas conflict, the conflicts involving Ukraine, Syria, and North Korea, as well as over the United States' recent military operation against Iran and Venezuela and potential ones against Mexico and Greenland. The Russia-Ukraine war has caused, and continues to intensify, significant geopolitical tensions in Europe and across the world. The subsequent economic and trade sanctions imposed by the North Atlantic Treaty Organization and the European Union countries, the United States and certain other countries against Russia and Belarus continue to impact the economic conditions of the targeted countries and markets.

In recent year, there have been ongoing concerns about the relationship and trade disputes between the United States and China. While these tensions have not directly impacted our business, prolonged trade disputes may disrupt global economic conditions, potentially impacting our business and growth prospects. In addition, on October 28, 2024, the U.S. Department of the Treasury issued a final rule on outbound investment, effective January 2, 2025, which restricts or requires notification of certain investments by U.S. persons in Chinese entities involved in semiconductors, quantum technologies, and artificial intelligence. Although we believe we are not currently subject to these restrictions, future developments in our business or changes in law may result in such designation, which may materially and adversely affect our ability to raise capital. On February 21, 2025, the United States President Donald Trump issued a National Security Presidential Memorandum titled the America First Investment Policy (the "America First Investment Policy") to provide guidance on investment oversight. The America First Investment Policy includes directives to, among other things, (i) determine if adequate financial auditing standards are upheld for companies covered by the HFCAA, and (ii) review the variable interest entity and subsidiary structures used by "foreign-adversary companies" to trade on United States exchanges, as well as allegations of fraudulent behavior by these companies, to protect United States investors. More recently, in May 2025, top Republican officers in the United States have asked SEC to consider whether Chinese companies listed on the U.S. stock exchange should be delisted for failing to protect U.S. investors.

We are also subject to risk related to the broader financial markets as a result of global financial downturn. We face risks of losing deposits if banks or financial institutions close or fail due to issues such as bankruptcy, fraud, or insolvency. These failures can destabilize the financial system and harm the wider economy. It is unclear whether these challenges and uncertainties will be addressed or resolved, and how they might impact global political and economic conditions over the long term.

Economic conditions in China are sensitive to global economic conditions, changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. While China's economic growth remained relatively stable, it may be hard to predict its long-term development given various uncertainties. Any severe or prolonged slowdown in the global or PRC economy may materially and adversely affect our business, results of operations and financial condition.

We depend on our senior management and highly skilled personnel. If we are unable to attract, retain and motivate a sufficient number of them, our ability to grow our business could be harmed.

We believe that our future success depends significantly on our continuing ability to attract, develop, motivate and retain our senior management and a sufficient number of experienced and skilled employees. Qualified individuals are in high demand, particularly in the internet content and entertainment industries, and we may have to incur significant costs to attract and retain them. Additionally, we use share-based awards to attract talented employees, and if our Class A ordinary shares and/or ADSs decline in value, we may have difficulties recruiting and retaining qualified employees.

In particular, we cannot ensure that we will be able to retain the services of our senior management and key executive officers. The loss of any key management or executive could be highly disruptive and adversely affect our business operations and future growth. Moreover, if any of these individuals joins a competitor or forms a competing business, we may lose crucial business secrets, technological know-how and other valuable resources. Although our senior management and executive officers have non-compete agreements with us, we cannot assure you that they will comply with such agreements or that we will be able to effectively enforce such agreements.

Compliance with the laws or regulations governing virtual currency may result in us having to obtain additional approvals or licenses or change our current business model.

Since 2007, the Chinese mainland has implemented regulations governing the issuance and use of virtual currency in response to the growth of the online game industry.

The Circular on Strengthening the Administration of Online Game Virtual Currency, or the Online Game Virtual Currency Circular, jointly issued by the Ministry of Culture and the MOFCOM in June 2009, broadly defined virtual currency as a type of virtual exchange instrument issued by online game operation enterprises, purchased directly or indirectly by the game users by exchanging legal currency at a certain exchange rate, saved outside the game programs, stored in servers provided by the online game operation enterprises in electronic record format and represented by specific numeric units. Virtual currency is used to exchange online game services provided by the issuing enterprise for a designated extent and time, and is represented by several forms, such as online prepaid game cards, prepaid amounts or internet game points, and does not include game props obtained from playing online games. In addition, the Online Game Virtual Currency Circular defines "issuing enterprise" and "transaction enterprise" and stipulates that a single enterprise may not operate both types of business. Online game operators are further prohibited from distributing virtual gifts or virtual currencies to users paying cash or virtual currency through random selection methods such as lotteries, gambling or prize drawing. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Virtual Currency."

Although the term "virtual currency" is widely used in livestreaming industry, we do not believe that the virtual currencies issued by us to users fall into the definition of virtual currency under the Online Game Virtual Currency Circular since we are not online game operator, and as advised by our PRC legal counsel, our service does not constitute virtual currency transaction services under applicable PRC regulations, as the digital tokens or credits provided are non-transferable, non-tradable, have no monetary value outside the platform, and are solely used to access or enhance in-app features—without enabling any form of exchange, redemption, or value transfer between users or to third parties. However, given the uncertainties of the interpretation and enforcement of the virtual currency related laws, regulations and policies, we cannot assure you that internet platforms, including us, will not be subject to liabilities due to the activities of third parties, including our users. As the Ministry of Culture and Tourism withdrew from overseeing virtual currency since May 2019, such uncertainty further deepened as to which authority will regulate the industry and how. On December 22, 2023, the Measures for the Administration of Online Games (Draft for Comments), or the Draft Online Games Measures, were promulgated by the National Press and Publication Administration for public comments until January 22, 2024. The Draft Online Games Measures provide for the establishment, management, and supervision of online game publishing and operating entities, as well as restrictions on overuse and high consumption of games, and protection of minors. According to the Draft Online Games Measures, the national publishing authority will be responsible for the supervision and management of online game publishing and operating activities nationwide. As of the date of this annual report, there is no schedule as to when the Draft Online Games Measures will be enacted. There are uncertainties about when it will be enacted, its final details, and how it will be interpreted and implemented, and uncertainty also remains as to what authorities will finally be responsible for the governance of online games.

We cannot assure you that the PRC regulatory authorities will not take stricter actions by expanding the applicability of the above mentioned online game-related regulations to non-online game industry, or will not take a view contrary to ours or consider any other aspects of our business operations involving virtual currencies as virtual currency transactions or otherwise subject such transactions to the PRC regulatory regime on online games. If the PRC regulatory authorities deem any transfer or exchange on our platform to be a virtual currency transaction, or if our platform is deemed to be engaged in illegal or inappropriate activities relating to third parties' misuse, we may be deemed to be engaging in the issuance of virtual currency and providing transaction platform services that enable the trading of such virtual currency. Simultaneously engaging in both of these activities is prohibited under PRC law. We may be required to cease either our virtual currency issuance activities or such deemed "transaction service" activities and may be subject to certain penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Furthermore, if new laws, regulations, policies or guidelines regarding virtual currency are introduced, imposing additional regulatory approvals, licenses, permits and requirements to us, we may be required to obtain approvals or licenses or change our current business model, which could adversely affect our business and financial performance.

We require a significant amount of capital to fund our content acquisitions, user acquisitions and technology investments. If we cannot obtain sufficient capital, our business, financial condition and prospects may be materially and adversely affected.

Operating our online platforms requires significant, continuous investment in acquiring content, users and technology. Acquiring licenses to music, long-form audio and other types of digital content can be costly. Historically, we have financed our operations primarily with operating cash flows, securities offerings and shareholder contributions. As part of our growth strategies, we expect to continue to require substantial capital in the future to cover, among other things, the costs to license content and innovate our technologies, which requires us to obtain additional equity or debt financing. Our ability to obtain additional financing in the future is subject to uncertainties, including those relating to:

- our future business development, financial condition and results of operations;
- general market conditions for financing activities;
- macro-economic and other conditions in China and elsewhere; and
- our relationship with Tencent, our controlling shareholder.

Although we strive to diversify our sources of capital, we cannot assure you that such efforts will be successful. If we cannot obtain sufficient capital, we may not be able to implement our growth strategies, and our business, financial condition and prospects may be materially and adversely affected.

If we fail to attract more advertisers to our platform or if advertisers are less willing to advertise with us, our business, financial condition and results of operations may be adversely affected.

Our advertising revenues depend on the overall growth of the online advertising industry in China and advertisers' continued willingness to deploy online advertising as part of the advertising spend. In addition, advertisers may choose more established Chinese internet portals or search engines over our platform. If the online advertising market does not continue to grow, or if we are unable to capture and retain a sufficient share of that market, our ability to grow our advertising revenues may be materially and adversely affected. Furthermore, our key and long-term priority of optimizing user experience and satisfaction may limit our ability to significantly grow our advertising revenues. To the extent our philosophy of prioritizing user experience negatively impacts our relationships with advertisers, or does not deliver the long-term benefits that we expect, the success of our business, financial condition and results of operations could be materially and adversely affected.

Our ability to attract or retain direct advertisers or advertising agencies may be negatively impacted by the changing regulatory environment. As an online music and audio entertainment platform, we are subject to various PRC regulations governing online advertising. For example, the MIIT promulgated the Notice of the Ministry of Industry and Information Technology on Launching the Action for Improvements to the Perception of Information and Communications Services, or the MIIT Notice. Under the MIIT Notice, internet enterprises shall set obvious and effective close buttons in the splash ads of their APPs. Moreover, since the second half of 2021, the MIIT has launched a series of regulatory campaigns which imposed certain restrictions on splash ads in order to improve user experience on online platforms, including restricting the use of splash ads to redirect user traffic and allowing users to skip splash ads. Such restrictions have generally compromised advertising effectiveness of splash ads on China's online platforms, which in turn led to a decrease in our advertising revenues. On February 25, 2023, the Administrative Measures for Internet Advertising, or the Internet Advertising Measures, were published by the SAMR which became effective from May 1, 2023. The Internet Advertising Measures emphasizes, among other things, the responsibilities of internet advertising operators and publishers. The interpretation and implementation in practice may continue to evolve and uncertainties remain as to their ultimate impact on our business and results of operations in the long term. Failure to comply with such requirements may subject us to penalties and adversely affect our business, financial condition and results of operations.

Additionally, we may continue to expand our online advertising service offerings to monetize our large user base. There is no guarantee that such new advertising initiatives would be well accepted by users. Our users may not choose to continue to use our products or services if they find any of our new advertising methods or formats substantially reduce their user experience. If this were to occur, we may not be able to attract or retain direct advertisers or advertising agencies. If we fail to retain and enhance our business relationships with these advertisers or third-party advertising agencies, we may suffer from a loss of advertisers and our business and results of operations may be materially and adversely affected. If we fail to retain existing advertisers and advertising agencies or attract new direct advertisers and advertising agencies or any of our current advertising methods or promotion activities becomes less effective, our business, financial condition and results of operations may be materially and adversely affected.

Our operating metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in those metrics may harm our reputation and our business.

We regularly review MAUs, number of paying users, ARPPU and other metrics to evaluate growth trends, measure our performance and make strategic decisions. These metrics are calculated using our internal data and have not been validated by an independent third party. While these numbers are based on what we believe to be reasonable estimates of our user base for the applicable period of measurement, there are inherent challenges in measuring how our services are used across large populations in China. For example, individuals who have multiple accounts and devices registered with our platform could result in an overstatement of the number of our users. We are also subject to the risk associated with artificial manipulation of data, such as stream counts on our platform. Any errors or inaccuracies in these metrics could result in less informed business decisions and operational inefficiencies. For example, if our user base is overstated by MAU and other user engagement metrics we track, we may fail to make the right strategic choices needed to expand our user base and achieve our growth strategies.

We are subject to payment processing risk.

Our users pay for our membership services, content offered on our platforms, virtual gifts and any other music and long-form audio-related services or merchandise offered by us through a variety of online payment solutions. We rely on third parties to process such payments. Acceptance and processing of these payment methods are subject to certain rules and regulations and require payment of interchange and other fees. To the extent there are increases in payment processing fees, material changes in the payment network, such as delays in receiving payments from processors and/or changes in the rules or regulations concerning payment processing, our ability to provide superior user experience, including convenient payment options, may be undermined, and our revenue, operating expenses and results of operations could be adversely impacted.

Our ability to expand our user base depends in part on users being able to access our services, which may be affected by third-party interference beyond our control.

Access to our services may be affected by restrictions on the ability of our users to access websites, mobile apps, client-based desktop applications or other user interfaces via the internet. Corporations, professional organizations and regulatory agencies could block access to the internet or our online platforms as a competitive strategy or for other reasons, such as security or confidentiality concerns, or regulatory or compliance reasons. In any of these occurrences, users may not be able to access our services, and user engagement and monetization of our services may be adversely affected.

Additionally, we offer our apps via smartphone, tablet and in-car apps stores operated by third parties. Some of these third parties are now, and others may in the future become, competitors of ours, and could stop allowing or supporting access to our mobile apps through app stores, increase access costs or change the terms of access in a way that makes our apps less desirable or harder to access. Furthermore, since the mobile devices that provide users with access to our services are not manufactured and sold by us, we cannot guarantee that such devices will perform reliably, and any faulty connection between these devices and our services may result in user dissatisfaction toward us. As a result, our brand and reputation, business, financial condition and results of operations may be materially and adversely affected.

Negative media coverage could adversely affect our business.

Negative publicity about us or our business, shareholders, affiliates, directors, officers or other employees, as well as the industry in which we operate, can harm our operations. Such negative publicity could be related to a variety of matters, including:

- alleged misconduct or other improper activities committed by our shareholders, affiliates, directors, officers and other employees;
- false or malicious allegations or rumors about us or our shareholders, affiliates, directors, officers and other employees;
- user complaints about the quality of our products and services;
- copyright infringements involving us and content offered on our platform;
- security breaches of confidential user information; and
- regulatory investigations or penalties resulting from failure of us or our related parties to comply with applicable laws and regulations.

In addition to traditional media, there has been increasing use of social media platforms and similar devices in China, including instant messaging applications, such as *Weixin*, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of users and other interested persons. The availability of information on instant messaging applications and social media platforms is nearly instant and as such, does not afford us an opportunity for redress or correction. Information, whether accurate or not, can spread widely and quickly. Anyone can post information about our company, shareholders, directors, officers, and employees on these platforms anytime. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our reputation, business, financial condition and results of operations.

Future strategic transactions or acquisitions may have a material and adverse effect on our business, financial condition and results of operations.

To the extent permitted by applicable laws and regulations, we may enter into strategic transactions and acquisitions, including joint ventures or equity investments, with various third parties to further our business purpose from time to time. For instance, on June 10, 2025, we announced a proposed acquisition of Ximalaya Inc. ("Ximalaya"), pursuant to an Agreement and Plan of Merger (the "Merger Agreement") dated June 10, 2025 by and among Ximalaya, certain other parties named in the agreement and us.

These transactions could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by third parties and other potential events impeding or preventing the completion of transactions, and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties and, to the extent any of these strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third parties.

In addition, when appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. In addition to possible shareholders' approval, such transactions may also require approvals, registrations and licenses from relevant regulatory authorities and compliance with any applicable laws and regulations in different jurisdictions, which could result in increased costs, delays, additional conditions or denials of such transactions. Furthermore, past and

future acquisitions and the subsequent integration of new assets and businesses require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations, and we may not be able to realize our anticipated financial benefits if we fail to integrate successfully. Acquired assets or businesses may subject us to additional operational and compliance risks and may not generate the financial results we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets, and exposure to potential unknown liabilities of the acquired business, including potential litigation risks. Moreover, the costs of identifying and consummating acquisitions may be significant. Furthermore, our equity investees may generate significant losses arising from factors that may be out of our control, such as economic downturns, geopolitical tensions and closures of banks or other financial institutions, a portion of which will be shared by us in accordance with IFRS. Any such negative developments could have a material adverse effect on our business, financial condition and results of operations.

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

Under PRC advertising laws and regulations, we are obligated to monitor the advertising content shown on our platform to ensure that such content is true and accurate, and the format of the advertisements and the way they are presented are in full compliance with applicable laws and regulations. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Online Advertising Services." Violation of these laws and regulations may subject us to penalties, including fines, confiscation of our advertising income, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. Compliance with the applicable laws and regulations regarding the format of the advertisements and the way they are presented may also adversely affect our advertising revenues. Moreover, a majority of the advertisements shown on our platform are provided to us by third parties. While we have implemented a combination of automated monitoring and manual review to ensure that the advertisements shown on our platform are in compliance with applicable laws and regulations, we cannot assure you that all the content contained in such advertisements is true and accurate as required by the advertising laws and regulations, especially given the interpretation application and enforcement of such laws and regulations may continue to evolve. In addition, advertisers may, through illegal technology, evade our content monitoring procedures to show advertisements on our platform that do not comply with applicable laws and regulations. The inability of our systems and procedures to adequately and timely discover such evasions may subject us to regulatory penalties or administrative sanctions.

Programming errors could adversely affect our user experience and market acceptance of our content, which may materially and adversely affect our business and results of operations.

Our platform or content on our platform may contain programming errors that adversely affect our user experience and market acceptance of our content. We have from time to time received user feedback pertaining to programming errors. While we generally have been able to resolve such errors in a timely manner, we cannot assure you that we will be able to detect and resolve all these programming errors effectively. Programming errors or defects may adversely affect user experience, cause users to refrain from subscribing for our services, or cause our advertising customers to reduce their use of our services, any of which could materially and adversely affect our business and results of operations.

We have granted, and may continue to grant, share incentives, which may result in increased share-based compensation expenses and cause shareholding dilution to our existing shareholders.

We account for compensation costs for all share-based awards using a fair-value based method and recognize expenses in our consolidated statements of comprehensive income in accordance with IFRS. Under our current share incentive plan adopted in 2024, we are authorized to grant options, restricted shares, restricted share units and other types of awards as the administrator of such plan may decide. The maximum aggregate number of Class A ordinary shares that we are authorized to issue pursuant to the equity awards granted under such plan is 228,775,377. As of March 31, 2026, 33,085,726 RSUs and the options to purchase a total of 21,682,148 Class A ordinary shares have been granted and are outstanding, subject to satisfaction of certain performance criteria under such plan. In 2023, 2024 and 2025, we recorded RMB670 million, RMB596 million and RMB669 million (US$96 million), respectively, of share-based compensation expenses. We believe the granting of share-based awards is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. In addition, issuance of additional shares with respect to share-based awards may dilute the shareholding percentage of our existing shareholders.

If we fail to maintain an effective system of internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud, and investor confidence in our company and the market price of our Class A ordinary shares and/or ADSs may be adversely affected.

The SEC, as required by Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, adopted rules requiring most public companies to include a management report on such company's internal control over financial reporting in its annual

report, which contains the management's assessment of the effectiveness of the company's internal control over financial reporting. In addition, when a company meets the SEC's criteria, an independent registered public accounting firm must report on the effectiveness of the company's internal control over financial reporting.

Our management and independent registered public accounting firm have concluded that our internal control over financial reporting as of December 31, 2025 was effective. However, we cannot assure you that in the future our management or our independent registered public accounting firm will not identify material weaknesses during the Section 404 of the Sarbanes-Oxley Act audit process. In addition, because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of the Class A ordinary shares and/or ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. Furthermore, we have incurred and expect to continue to incur considerable costs and to use significant management time and the other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act which can significantly divert our management's attention from operating our business.

Increasing focus with respect to environmental, social and governance matters may impose additional costs on us or expose us to additional risks. Failure to comply with the laws and regulations on environmental, social and governance matters may subject us to penalties and adversely affect our business, financial condition and results of operations.

The governments and public advocacy groups globally have been increasingly focused on environment, social and governance, or ESG, issues in recent years, making our business more sensitive to ESG issues and changes in regulatory policies and laws and regulations associated with environment protection and other ESG-related matters. Investor advocacy groups, certain institutional investors, investment funds, and other influential investors are also increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. Regardless of the industry, increased focus from investors and the regulatory authorities on ESG and similar matters may hinder access to capital, as investors may decide to reallocate capital or to not commit capital as a result of their assessment of a company's ESG practices. Any ESG concern or issue or potential changes in social trend and political policies relating to ESG could increase our regulatory compliance costs or require us to alter our practices in a way that could harm our business. If we do not adapt to or comply with the evolving expectations and standards on ESG matters from investors and the regulatory authorities or are perceived to have not responded appropriately to the growing concern for ESG issues, regardless of whether there is a legal requirement to do so, we may suffer from reputational damage and the business, financial condition, and the price of our Class A ordinary shares and/or ADSs could be materially and adversely affected.

We face risks related to accidents, disasters and public health challenges in China and globally.

Accidents, disasters, and public health challenges in China and globally could impact our business and results of operations. These types of events could negatively impact user activity and our local operations, if any, in the affected regions, or, depending upon the severity, across China or globally, which could adversely impact our business and results of operations. For example, the outbreak of coronavirus, or COVID-19, had caused us to take specific precautionary measures intended to minimize the risks of COVID-19 to our employees, users, artists and business partners, including temporarily requiring our employees to work remotely and canceling or postponing sponsored offline events and activities, thus compromising our efficiency and productivity during such periods, and requiring us to incur additional costs, slow down our branding and marketing efforts, and resulting in short-term fluctuations in our results of operations. China began to modify its COVID-19 policy in late 2022, and most of the travel and other public health restrictions were lifted in December 2022. Should a global health crisis like COVID-19 happen again, it could harm economies and financial markets worldwide and reduce demand for our services, which may in turn have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Our Relationship with Tencent

If we are no longer able to benefit from our business cooperation with Tencent, our business may be adversely affected.

Our ultimate controlling shareholder and a strategic partner, Tencent, is one of the largest internet companies in the world. Our business has benefited significantly from Tencent's brand name and strong market position in China. In addition, we have benefited from distributing our content through Tencent's extensive social network, which provides Tencent's large number of users with access to our content. We also cooperate with Tencent in a number of other areas, such as user traffic acquisition, advertising, technology and IT infrastructure. We cannot assure you that we will continue to benefit from our cooperation with Tencent and its subsidiaries in the future. To the extent we cannot maintain our cooperative relationships with Tencent on terms favorable to us or at all, we will need to source other business partners to provide services such as distribution channels, promotion services, as well as IT and payment services, and we may lose access to key strategic assets, which could result in material and adverse effects on our business and results of operations.

Any negative development in Tencent's market position, brand recognition or financial condition may materially and adversely affect our user base, marketing efforts and the strength of our brand.

We have benefited significantly and expect to continue to benefit significantly from Tencent's strong brand recognition, broad user base, and its content ecosystem, which enhances our reputation and credibility. If Tencent loses its market position, the effectiveness of our marketing efforts through our association with Tencent may be materially and adversely affected. In addition, any negative publicity associated with Tencent or any negative development with respect to Tencent's market position, financial condition, or compliance with legal or regulatory requirements, will likely have an adverse impact on our user traffic and engagement as well as our reputation and brand.

Tencent, our controlling shareholder, has had and will continue to have effective control over the outcome of shareholder actions in our company. The interests of Tencent may not be aligned with the interests of our other shareholders and holders of the ADSs.

As of March 31 2026, Tencent beneficially owns 10.8% of our outstanding Class A ordinary shares and 98.5% of our outstanding Class B ordinary shares, representing in the aggregate 93.6% of our total voting power (calculating using the beneficial ownership information reported in the Amendment No. 3 to Schedule 13G filed by Tencent with the SEC on February 10, 2023). Tencent's voting power gives it the power to control certain actions that require shareholder approval under Cayman Islands law, our Articles of Association and New York Stock Exchange requirements, including approval of mergers and other business combinations, changes to our Articles of Association, the number of shares available for issuance under any share incentive plans, and the issuance of significant amounts of our ordinary shares in private placements.

Tencent's voting control may cause transactions to occur that might not be beneficial to you as a holder of the Class A ordinary shares and/or ADSs and may prevent transactions that would be beneficial to you. For example, Tencent's voting control may prevent a transaction involving a change of control in us, including transactions in which you as a holder of the Class A ordinary shares and/or ADSs might otherwise receive a premium for the Class A ordinary shares and/or ADSs over the then-current market price. In addition, Tencent is not prohibited from selling the controlling interest in us to a third party and may do so without your approval and without providing for a purchase of your Class A ordinary shares and/or ADSs. If Tencent is acquired, otherwise undergoes a change of control or is subject to a corporate restructuring, an acquirer, successor or other third party may be entitled to exercise the voting control and contractual rights of Tencent, and may do so in a manner that could vary significantly from that of Tencent currently.

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

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

- *Agreements with Tencent*. We maintain a master business cooperation agreement dated August 14, 2023. Tencent may use its control over us to prevent us from bringing a legal claim against it in the event of a contractual breach by Tencent, notwithstanding our contractual rights under the master business cooperation agreement and any other agreement we may enter into with Tencent from time to time.
- *Allocation of business opportunities*. There may arise business opportunities in the future that both we and Tencent are interested in and which may complement each of our respective businesses. Tencent holds a large number of business interests, some of which may directly or indirectly compete with us. Tencent may decide to take up such opportunities itself, which would prevent us from taking advantage of those opportunities.
- *Employee recruiting and retention*. We may compete with Tencent in the hiring of employees, especially computer programmers, engineers, sales and other employees with experience or an interest in the internet industry.
- *Sale of shares in our company*. Tencent may decide to sell all or a portion of the shares that it holds in our company to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of our employees or our other shareholders or holders of the ADSs.
- *Developing business relationships with Tencent's competitors*. We may be limited in our ability to do business with Tencent's competitors, which may limit our ability to serve the best interests of our company and our other shareholders or holders of the ADSs or Class A ordinary shares.
- *Our directors may have conflicts of interest*. Certain of our directors are also employees of Tencent. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for Tencent and us.

Our financial contribution to Tencent was not material during the periods presented in this annual report, and Tencent may from time to time make strategic decisions that it believes are in the best interests of its business as a whole, which may be different from the decisions that we would have made on our own. Tencent's decisions with respect to us or our business may favor Tencent and therefore the Tencent shareholders, which may not necessarily be aligned with our interests and the interests of our other shareholders. Moreover, Tencent may make decisions, or suffer adverse trends, that may disrupt or discontinue our collaborations with Tencent or our access to Tencent's user base. Although we are now a stand-alone public company and we have an audit committee, consisting of independent non-executive directors, to review and approve all proposed related party transactions, we may not be able to resolve all potential conflicts of interest, and even if we do so, the resolution may be less favorable to us than if we were dealing with a non-controlling shareholder.

Risks Related to the Group's Corporate Structure

Uncertainties remain as to the interpretation and application of current and future PRC laws, regulations, and rules relating to the agreements that establish the VIE structure for the Group's operations in China, including potential future actions by the PRC regulators, which could affect the enforceability of our contractual arrangements with the VIEs and, consequently, significantly affect our financial condition and results of operations. If the PRC regulators find such agreements non-compliant with relevant PRC laws, regulations, and rules, or if these laws, regulations, and rules or the interpretation thereof change in the future, we could be subject to severe penalties or be forced to relinquish our interests in the VIEs.

Foreign investment in the value-added telecommunication services industry and internet cultural service industry in China is extensively regulated and subject to numerous restrictions. Pursuant to the Special Administrative Measures for Entrance of Foreign Investment (Negative List) (2024 Version), or the Negative List, published by the MOFCOM and the NDRC on September 6, 2024 and became effective on November 1, 2024 with a few exceptions, foreign investors are not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider. On March 29, 2022, the Decision of the State Council on Revising and Repealing Certain Administrative Regulations, which took effect on May 1, 2022, was promulgated to amend certain provisions of regulations including the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision), whereby foreign-invested value-added telecommunications enterprises are no longer required to adopt the Sino-foreign joint venture form and the requirement for major foreign investor to demonstrate a good track record and experience in operating value-added telecommunications businesses is deleted. However, as no detailed guidance or implementation measure has been issued, uncertainty still remains as to how it should be interpreted and implemented. As advised by our PRC legal counsel, such regulatory development does not invalidate our ICP licenses or require us to modify our current contractual arrangements according to PRC laws and regulations. In addition, foreign investors are prohibited from investing in companies engaged in online publishing businesses, internet audio-video programs businesses, internet culture businesses (except for music), and radio and television program production businesses. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Foreign Investment."

We are a Cayman Islands company and our wholly-owned PRC subsidiaries are currently considered foreign-invested enterprise. Accordingly, our PRC subsidiaries are not eligible to provide value-added telecommunication services (except for a few exceptions), internet audio-video program services, online publishing businesses, internet culture businesses (except for music), radio and television program production businesses and other related businesses in China. To ensure strict compliance with the PRC laws and regulations, the Group conducts such business activities through the VIEs and their respective subsidiaries in the PRC. Our wholly-owned subsidiaries in China have entered into a series of contractual arrangements with the VIEs and their shareholders or partners, as the case may be, which enable us to (i) direct the activities of the VIEs that most significantly impact the VIEs' economic performance, (ii) receive substantially all of the economic benefits of the VIEs, and (iii) have an exclusive option to purchase all or part of the equity interests and assets in the VIEs when and to the extent permitted by PRC law. As a result of these contractual arrangements, we are the primary beneficiary of the VIEs and hence consolidate their financial results under IFRS. See "Item 4. Information on the Company — 4.C. Organizational Structure — Contractual Arrangements with the VIEs and Their Respective Shareholders or Partners" for further details.

If the regulatory authorities find that our contractual arrangements do not comply with their restrictions on foreign investment in the value-added telecommunication services, internet cultural services, internet audio-video program services and certain other businesses and related business, or if the regulatory authorities otherwise find that we, the VIEs or any of their respective subsidiaries are in violation of PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations or failures, including, without limitation:

- revoking the business licenses and/or operating licenses of such entities;
- discontinuing or placing restrictions or onerous conditions on our operation through any transactions between our PRC subsidiaries and the VIEs;
- imposing fines, confiscating the income from our PRC subsidiaries or the VIEs, or imposing other requirements with which we or the VIEs may not be able to comply;

- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements with the VIEs and deregistering the equity pledges of the VIEs, which in turn would affect our ability to consolidate, derive economic interests from the VIEs; or
- restricting or prohibiting our use of the proceeds of financing activities to finance our business and operations in China.

Any of these actions could cause significant disruptions to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. In addition, new PRC laws, regulations, and rules may be introduced to impose additional requirements, posing additional challenges to the Group's corporate structure and contractual arrangements. If any of these occurrences results in our inability to direct the activities of the VIEs or our failure to receive the economic benefits from the VIEs and/or our inability to claim our contractual control rights over the assets of the VIEs that conduct substantially all of our operations in China, we may not be able to consolidate the entity in our consolidated financial statements in accordance with IFRS which could materially and adversely affect our financial condition and results of operations and cause our Class A ordinary shares and/or ADSs to significantly decline in value or become worthless.

Any failure by the VIEs or their shareholders or partners to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.

Since PRC laws prohibit or restrict foreign equity ownership in certain kinds of business in China, we have relied and expect to continue to rely on the contractual arrangements with the VIEs and their shareholders or partners, as the case may be, to operate our business in China. However, these contractual arrangements may not be as effective as direct ownership in providing us with control over our affiliated entities. Any of our affiliated entities, including the VIEs and their shareholders or partners, as the case may be, could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. In the event that the shareholders or partners of the VIEs breach the terms of these contractual arrangements and voluntarily liquidate the VIEs, or the VIEs declare bankruptcy and all or part of their assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to conduct some or all of our business operations or otherwise benefit from the assets held by our affiliated entities, which could have a material adverse effect on our business, financial condition and results of operations. The enforceability of the contractual agreements between us, the VIEs and their shareholders or partners depends to a large extent upon whether the VIEs and their shareholders or partners will fulfill these contractual agreements. Their interests in enforcing these contractual agreements may not align with our interests or the interests of our shareholders. If their interest diverges from that of the company and other shareholders, it may potentially increase the risk that they could seek to act contrary to these contractual arrangements. If the VIEs or their shareholders or partners fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under PRC law. Our contractual arrangements are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these agreements would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. There remain uncertainties under PRC laws and regulations with respect to the enforceability of our contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such adjudication should legal action become necessary. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, and our ability to conduct our business may be negatively affected.

The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities may be required under PRC law in connection with any future issuance of securities overseas, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, purport to require offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of PRC domestic companies or assets to obtain China Securities Regulatory Commission, or the CSRC approval prior to publicly listing their securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear. If CSRC approval under the M&A Rules is required, it is uncertain whether it would be possible for us to obtain the approval, and any failure to obtain or delay in obtaining CSRC approval for our future issuance of securities overseas would subject us to sanctions imposed by the CSRC and other PRC regulatory agencies.

Furthermore, the Opinions on Strictly Cracking Down on Illegal Securities Activities emphasized the need to strengthen the administration over "illegal securities activities" and the supervision on overseas listings by China-based companies, and proposed to

take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based, overseas-listed companies, although such opinions did not specify the definition of "illegal securities activities."

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, and five supporting guidelines, which took effect on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies that directly or indirectly seek to offer or list their securities overseas are required to fulfill the filing procedure with the CSRC and report relevant information to the CSRC. Specifically, the overseas securities offering and listing of any issuer will be deemed as indirect overseas offering by PRC domestic companies if the following conditions are met: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by PRC domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the Chinese mainland, or its main place(s) of business are located in the Chinese mainland, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the Chinese mainland. The determination as to whether an overseas offering and listing by domestic companies is indirect, shall be made on a substance over form basis. In addition, pursuant to the Trial Measures, an overseas offering and listing of the securities of a PRC domestic company is prohibited under any of the following circumstances, if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company intending to make the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no clear conclusion has yet been made thereof; or (v) there are material ownership disputes over equity interests held by the PRC domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller. Further, at the press conference held for the Trial Measures on February 17, 2023, officials from the CSRC clarified that the PRC domestic companies that have already been listed overseas on or before the effective date of the Trial Measures (i.e., March 31, 2023) shall be deemed as existing issuers, or the Existing Issuers. Existing Issuers are not required to complete the filing procedures immediately but shall carry out filing procedures as required if they conduct refinancing or are involved in other circumstances that require filing with the CSRC, including but not limited to the issuance of stocks. The officials from the CSRC have also confirmed that for the PRC domestic companies that seek to list overseas with VIE structure, the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with VIE structure which meet the compliance requirements. If we fail to complete the filing with the CSRC in a timely manner or at all, for any future offering, any other financing activities or other circumstances which are subject to the filing requirements under the Trial Measures, our ability to raise or utilize funds and our operations could be materially and adversely affected.

On February 24, 2023, the CSRC, Ministry of Finance, National Administration of State Secrets Protection and National Archives Administration of China promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Archives Rules, which took effect on March 31, 2023. Pursuant to the Archives Rules, PRC domestic companies (which may refer to either a joint-stock company incorporated domestically that conducts direct overseas offering and listing, or a domestic operating entity that conducts indirect overseas offering and listing) that seek overseas offering and listing shall strictly abide by applicable laws and regulations of the PRC and the Archives Rules, enhance legal awareness of keeping state secrets and strengthening archives administration, institute a sound confidentiality and archives administration system, and take necessary measures to fulfill confidentiality and archives administration obligations. Such domestic companies shall not leak any state secret and working secret of government agencies, or harm national security and public interest. Furthermore, a PRC domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level. Moreover, a PRC domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals and entities including securities companies, securities service providers and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. A PRC domestic company that provides documents and materials to securities companies and securities service providers shall abide by applicable national regulations on confidentiality in handling such documents and materials and provide at the same time to the securities companies and securities service providers a written statement on the company's implementation of the requirements according to the Archives Rules. Further, where a PRC domestic company, after fulfilling relevant procedures, provides to securities companies, securities service providers and other entities with any documents and materials that contain state secrets or working secrets of government agencies, or any other documents and materials that will be detrimental to national security or public interest if leaked, a non-disclosure agreement shall be signed between the provider and receiver of such information according to the Law of the PRC on Guarding State Secrets, other laws and regulations and the Archives Rules. The Archives Rules also stipulate that a PRC domestic company that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

In addition, on December 28, 2021, the CAC and several other regulatory authorities in China jointly promulgated the Cybersecurity Review Measures, which came into effect on February 15, 2022. Pursuant to the Cybersecurity Review Measures, (i) a CIIO that purchases network products and services, or an internet platform operator that conducts data processing activities, which affects or may affect national security, shall be subject to the cybersecurity review, (ii) an application for cybersecurity review shall be made by an issuer which is an internet platform operator holding personal information of more than one million users before such issuer applies to list its securities in a foreign country, and (iii) relevant regulatory authorities in the PRC may initiate cybersecurity review if they determine an operator's network products or services or data processing activities affect or may affect national security. There remain uncertainties as to how the Cybersecurity Review Measures will be interpreted and enforced, and to what extent it may affect us. If the CSRC or other relevant PRC regulatory agencies subsequently determine that prior approval is required for any of our future offerings of securities overseas or to maintain the listing status of our securities overseas, we cannot guarantee that we will be able to obtain such approval in a timely manner, or at all. The CSRC or other PRC regulatory agencies also may take actions requiring us, or making it advisable for us, not to proceed with such offering or maintain the listing status of our Class A ordinary shares and/or ADSs. If we proceed with any of such offering or maintain the listing status of our Class A ordinary shares and/or ADSs without obtaining these regulatory agencies' approval to the extent it is required, or if we are unable to comply with any new approval requirements which might be adopted for offerings that we have completed prior to the publication of the above-referenced opinions, we may face regulatory actions or other sanctions from these regulatory agencies. These regulatory agencies may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from offering of securities overseas into China or take other actions that could have a material adverse effect on our business, financial condition, results of operations and prospects, as well as the trading price of the Class A ordinary shares and/or ADSs.

Furthermore, if there are any other approvals, filings and/or other administration procedures to be obtained from or completed with the CSRC or other PRC regulatory agencies as required by any new laws and regulations for any of our future proposed offering or listing of securities overseas or to maintain the listing status of the Class A ordinary shares and/or ADSs, we cannot assure you that we can obtain the required approval or complete the required filings or other regulatory procedures in a timely manner, or at all. Any failure to obtain the relevant approvals or complete the filings and other relevant regulatory procedures may subject us to regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies, which may have a material adverse effect on our business, financial condition or results of operations.

Uncertainties remain as to the interpretation and implementation of the Foreign Investment Law of the PRC and how it may impact the viability of the Group's current corporate structure, corporate governance and business operations.

On March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which became effective on January 1, 2020 and replaced three existing laws regulating foreign investment in China, namely, the Wholly Foreign-Invested Enterprise Law of the PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of the PRC and the Sino-Foreign Equity Joint Venture Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. The Foreign Investment Law of the PRC embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, uncertainties still exist in relation to its interpretation and implementation. For example, the Foreign Investment Law of the PRC adds a catch-all clause to the definition of "foreign investment" so that foreign investment, by its definition, includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council" without further elaboration on the meaning of "other means." The Implementing Regulation of the Foreign Investment Law Regulations, or the FIL Interpretations, adopted by the State Council on December 12, 2019 also did not provide further clarification for such "other means." In accordance with the FIL Interpretations, where a party concerned claims an investment agreement to be invalid on the basis that it is for investment in prohibited industries under the negative list or it is for investment in restricted industries under the negative list and violates the restrictions set out therein, the courts should support such claim. It leaves leeway for future legislations to be promulgated by competent PRC legislative institutions to provide for contractual arrangements as a form of foreign investment. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, our current corporate structure, corporate governance and business operations, as well as our ability to consolidate the VIEs' results in our consolidated financial statements, could be materially and adversely affected.

The Guideline No.2 on the Application of Regulatory Rules on Overseas Securities Offerings and Listings, or the Guideline No.2, as one of the supporting guidelines for the Trial Measures, provides that the filing documents submitted to the CSRC shall specify, among other things: (i) whether the issuer's business, licenses or qualifications are not allowed to be controlled by way of contractual arrangements by PRC laws, administrative regulations or relevant provisions; and (ii) whether the domestic operating entities controlled by way of contractual arrangements are subject to any restricted or prohibited industries for foreign investments. The officials from the CSRC clarified at the press conference held for the Trial Measures on February 17, 2023 that, the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the overseas listing of companies with VIE structure which meet the compliance requirements. Uncertainty still remains on how such rules will be interpreted and implemented and

whether the Group's corporate structure will be seen as violating current foreign investment rules as we leverage contractual arrangements to operate certain businesses in which foreign investors are prohibited from or restricted in investing. Furthermore, if future legislations prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face uncertainties as to whether we can complete such actions in a timely manner, or at all. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, the Group's current corporate structure, corporate governance and business operations could be materially and adversely affected.

We rely on contractual arrangements with the VIEs and their respective shareholders or partners for a large portion of the Group's business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with the VIEs and their respective shareholders or partners, as the case may be, as well as certain of the VIEs' subsidiaries to operate the Group's business in China. These contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs. For example, the VIEs and their respective shareholders or partners could breach their contractual arrangements with us by, among other things, failing to conduct their operations in an acceptable manner or taking other actions that are detrimental to our interests. The revenues contributed by the VIEs and their subsidiaries constituted substantially all of our revenues in 2023, 2024 and 2025.

If we had direct ownership of the VIEs, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIEs that are companies, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level, and to exercise our rights as a managing partner to effect changes of the management and executives of the VIEs that are partnerships. However, under the current contractual arrangements, we rely on the performance by the VIEs and their respective shareholders or partners of their respective obligations under the contracts to direct the activities of the VIEs that most significantly impact the VIEs' economic performance. The shareholders or partners of the VIEs may not act in the best interests of the company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate certain portion of our business through the contractual arrangements with the VIEs and their respective shareholders or partners. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation or other legal proceedings. See "— Any failure by the VIEs or their shareholders or partners to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business." Therefore, our contractual arrangements with the VIEs and their respective shareholders or partners may not be as effective in controlling our business operations as direct ownership.

All the agreements under our contractual arrangements with the VIEs are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law, and any disputes would be resolved in accordance with PRC legal procedures.

All the agreements under our contractual arrangements with the VIEs are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. There remain uncertainties under PRC laws and regulations with respect to the enforceability of our contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a VIE should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to direct the activities of the VIEs that most significantly impact the VIEs' economic performance, and our ability to conduct our business may be negatively affected. See "— Risks Related to Doing Business in China — Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations could materially and adversely affect us."

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

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements between us and the VIEs were not entered into on an arm's-length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the income of the VIEs in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the VIEs for PRC tax purposes, which could in turn increase its tax liabilities without reducing our PRC subsidiary's tax expenses. In addition, the PRC tax authorities may

impose late payment fees and other penalties on the VIEs for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if the VIEs' tax liabilities increase or if it is required to pay late payment fees and other penalties.

The shareholders or partners of the VIEs may have actual or potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

The shareholders or partners of the VIEs may have actual or potential conflicts of interest with us. These shareholders or partners may breach, or cause the VIEs to breach, or refuse to renew, the existing contractual arrangements we have with them and the VIEs, which would have a material and adverse effect on our ability to effectively control the VIEs and receive economic benefits from them. For example, the shareholders or partners may be able to cause our agreements with the VIEs to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders or partners will act in the best interests of our company or such conflicts will be resolved in our favor. Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders or partners and our company. If we cannot resolve any conflict of interest or dispute between us and these shareholders or partners, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to uncertainties as to the outcome of any such legal proceedings.

We may lose the ability to use, or otherwise benefit from, the licenses, permits and assets held by the VIEs.

As part of our contractual arrangements with the VIEs, the VIEs hold certain assets, licenses and permits that are material to our business operations, including the ICP License, the AVSP and the ICO License. Our contractual arrangements with the VIEs contain terms that specifically obligate the VIEs' shareholders or partners to ensure the valid existence of the VIEs and restrict the disposal of material assets of the VIEs. However, in the event the VIEs' shareholders or partners breach the terms of these contractual arrangements and voluntarily liquidate any of the VIEs, or any of the VIEs declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of or encumbered without our consent, we may be unable to conduct some or all of our business operations or otherwise benefit from the assets held by the VIEs, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, under the contractual arrangements, the VIEs may not, in any manner, sell, transfer, mortgage or dispose of their material assets or legal or beneficial interests in the business without our prior consent. If any of the VIEs undergoes a voluntary or involuntary liquidation proceeding, its shareholders or partners or unrelated third-party creditors may claim rights to some or all of the assets of the VIEs, thereby hindering our ability to operate our business as well as constrain our growth.

Risks Related to Doing Business in China

Uncertainties regarding the enforcement of laws, and changes in policies, laws and regulations could materially and adversely affect us.

In 1979, the PRC began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past three decades has significantly enhanced the protections afforded to various forms of foreign investments in China. In particular, the PRC legal system is a civil law system based on written statutes. Unlike some other law systems, prior court decisions under the civil law system may be cited for reference but have limited precedential value. Our PRC subsidiaries are subject to laws and regulations applicable to foreign-invested enterprises. Additionally, as companies incorporated in China, our PRC subsidiaries, the VIEs and their subsidiaries are subject to various Chinese laws and regulations. Since the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules and the enforcement of these laws, regulations and rules involve uncertainties. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or tort claims. In addition, the regulatory uncertainties may be exploited by third parties through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us. Furthermore, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention.

The regulatory authorities have significant oversight over our business and may influence our operations as the regulatory authorities deem appropriate to further regulatory, political and societal goals. The regulatory authorities have recently published new policies that affected our industry and our business, and we cannot rule out the possibility that it will in the future further release regulations or policies regarding our industry that could further adversely affect our business, financial condition and results of operations. Furthermore, the regulatory authorities have also recently published new regulations and guidance to exert more oversight and control over securities offerings and other capital markets activities that are conducted overseas and foreign investment in China-based companies like us. Any such action, once taken by the regulatory authorities, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or in extreme cases, become worthless. We cannot assure you that we will be able to comply with these new laws and regulations in all respects, and

we may be ordered to rectify, suspend or terminate any actions or services that are deemed illegal by the regulatory authorities and become subject to material penalties, which may materially harm our business, financial condition, results of operations and prospects.

In addition, PRC laws and regulations relating to the provision of online music and audio content are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations and avoid conducting any non-compliant activities under the applicable laws and regulations, the PRC regulatory authorities may promulgate new laws and regulations regulating the provision of online music and audio content in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations relating to the provision of online music and audio content. Moreover, developments in the market for online music and audio content may lead to changes in PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies that may limit or restrict online music and audio entertainment platforms like us, which could materially and adversely affect the Group's business and operations as well as the value of the ADSs and/or our Class A ordinary shares.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under PRC law, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities.

In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit the application through our office automation system and the application will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or the VIEs. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non-tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations.

Our operations depend on the performance of the internet infrastructure and telecommunications networks in China, which are in large part operated and maintained by state-owned operators.

The successful operation of our business depends on the performance of the internet infrastructure and telecommunications networks in China. Almost all access to the internet is maintained through state-owned telecommunications operators under the administrative control and regulatory supervision of the MIIT. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the telecommunications networks provided by telecommunications service providers. Internet traffic in China has experienced significant growth during the past few years. Our platform regularly serves a large number of users. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the internet infrastructure and telecommunications networks in China will be able to support the demands associated with the continued growth in internet usage. If we were unable to increase our online content and service delivering capacity accordingly, we may not be able to continuously grow our internet traffic and the adoption of our products and services may be hindered, which could adversely impact our business and our share price.

In addition, we generally have no control over the costs of the services provided by telecommunications service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. If internet access fees or other charges to internet users increase, our user traffic may decline and our business may be harmed.

Changes in China's economic, political and social conditions as well as government policies could have a material adverse effect on our business and prospect.

Substantially all of our operations are located in China. Accordingly, our business, prospect, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally, and by continued economic growth in China as a whole. In addition, the Chinese regulators continue to play a significant role in regulating industry development by imposing industrial policies. The Chinese regulators also have significant influence over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies.

Any adverse changes in economic conditions in China, in the policies promulgated by the Chinese regulators or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to a reduction in demand for our services and adversely affect our competitive position. The Chinese regulators have implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by regulations over capital investments or changes in tax regulations. In addition, in the past the Chinese regulators have implemented certain measures, including interest rate adjustment, to prevent the economy or specific sectors from overheating or developing chaotically. These measures may impact economic activity in China. Any potential prolonged slowdown in the Chinese economy may reduce the demand for our services and influence our business and operating results.

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

The PRC regulators have adopted regulations governing the distribution of news and other information over the internet. Under these regulations, internet content providers and internet publishers are prohibited from posting or displaying over the internet content that, among other things, violates PRC laws and regulations, or is reactionary, obscene, superstitious, fraudulent or defamatory. Failure to comply with these requirements may result in the revocation of licenses to provide internet content and other licenses, and the closure of the concerned websites. The website operator may also be held liable for such information displayed on or linked to the websites. If our website is found to be in violation of any such requirements, we may be penalized by relevant authorities, and our operations or reputation could be adversely affected.

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

We are a Cayman Islands holding company and, other than external financing, we rely principally on dividends and other distributions on equity from our PRC subsidiaries for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and for services of any debt we may incur. Our PRC subsidiaries' ability to distribute dividends is based upon their distributable earnings. Current PRC regulations permit our PRC subsidiaries to pay dividends to their respective shareholders only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, each of our PRC subsidiaries, the VIEs and their subsidiaries are required to set aside at least 10% of their after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of their registered capital. These reserves are not distributable as cash dividends. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any limitation on the ability of our PRC subsidiaries to distribute dividends or other payments to their respective shareholders could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our businesses, pay dividends or otherwise fund and conduct our business.

Under the Enterprise Income Tax Law of the PRC and related regulations, dividends, interests, rent or royalties payable by a foreign-invested enterprise, such as our PRC subsidiaries, to any of its foreign non-resident enterprise investors, and proceeds from any such foreign enterprise investor's disposition of assets (after deducting the net value of such assets) are subject to a 10% withholding tax, unless the foreign enterprise investor's jurisdiction of incorporation has a tax treaty with China that provides for a reduced rate of withholding tax.

In response to the persistent capital outflow and the RMB's depreciation against the U.S. dollar in the fourth quarter of 2016, the PBOC and the SAFE, have implemented a series of capital control measures in the subsequent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. For instance, the PBOC issued the Circular on Further Clarification of Relevant Matters Relating to Offshore RMB Loans Provided by Domestic Enterprises, or PBOC Circular 306, on November 26, 2016, which provides that offshore RMB loans provided by a domestic enterprise to offshore enterprises with which it has an equity relationship shall not exceed 30%, as subsequently adjusted to 50% on January 5, 2021, of the domestic enterprise's most recent audited owner's equity. PBOC Circular 306 may constrain our PRC subsidiaries' ability to provide offshore loans to us. The PRC regulators may continue to strengthen its capital controls and our PRC subsidiaries' dividends and other distributions may be subject to tighter scrutiny in the future. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

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

Any transfer of funds by us to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to PRC regulations. Capital contributions to our PRC subsidiaries are subject to the approval of or filing with the MOFCOM in its local branches and registration with a local bank authorized by the SAFE. Any foreign loan procured by our PRC subsidiaries is required to be registered or filed with the SAFE or its local branches or satisfy relevant requirements as provided in SAFE Circular 28. Any medium- or long-term loan to be provided by us to the VIEs must be registered with the NDRC and the SAFE or its local branches. We may not be able to obtain these government approvals or complete such registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us to our PRC subsidiaries. If we fail to receive such approvals or complete such registration or filing, our ability to use the proceeds of our financing activities and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business. There is, in effect, no statutory limit on the amount of capital contribution that we can make to our PRC subsidiaries, provided that the PRC subsidiaries complete the relevant filing and registration procedures. With respect to loans to the PRC subsidiaries by us, (i) if the relevant PRC subsidiaries adopt the traditional foreign exchange administration mechanism, or the Current Foreign Debt Mechanism, the outstanding amount of the loans shall not exceed the difference between the total investment and the registered capital of the PRC subsidiaries; and (ii) if the relevant PRC subsidiaries adopt the Notice No. 9 Foreign Debt Mechanism, the outstanding amount of the loans shall not exceed 350% of the net asset of the relevant PRC subsidiary.

In addition, on October 23, 2019, the SAFE promulgated the Circular on Further Promoting the Facilitation of Cross-Border Trade and Investment, or SAFE Circular 28, pursuant to which, our PRC subsidiaries established in the pilot regions, which refers to the Guangdong-Hong Kong-Macao Greater Bay Area and Hainan province, are not required to register each of their foreign debts with the SAFE or its local branches but to complete foreign debts registration with the SAFE or its local branches in the amount of 200% of the net asset of the relevant PRC subsidiary. Upon such registrations, our relevant PRC subsidiaries will be allowed to procure foreign loans within the registered amount and complete the formalities for inward and outward remittance of funds, purchase and settlement of foreign currency directly with a bank, and are required to make declaration of international balance of payments pursuant to applicable regulations. On December 4, 2023, the SAFE promulgated the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment, pursuant to which, the pilot policies for facilitating cross-border financing are extended nationwide, qualified high and new technology enterprises, specialized and sophisticated enterprises that produce new and unique products and core technologies and technology-based small and medium-sized enterprises within 14 provinces can independently borrow foreign debts within the limit of the equivalent of US$10 million, such qualified enterprises within other provinces can borrow foreign debts within the limit of the equivalent of US$5 million. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation.

According to the Notice of the PBOC on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing, or PBOC Notice No. 9, after a transition period of one year since the promulgation of PBOC Notice No. 9, the PBOC and the SAFE will determine the cross-border financing administration mechanism for the foreign-invested enterprises after evaluating the overall implementation of PBOC Notice No. 9. As of the date of this annual report, neither the PBOC nor the SAFE has promulgated and made public any further rules, regulations, notices or circulars as to which mechanism will be adopted by the PBOC and the SAFE in the future. It is uncertain which mechanism will be adopted by the PBOC and the SAFE in the future and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries. Currently, our PRC subsidiaries have the flexibility to choose between the Current Foreign Debt Mechanism and the Notice No. 9 Foreign Debt Mechanism. However, if a more stringent foreign debt mechanism becomes mandatory, our ability to provide loans to our PRC subsidiaries or the VIEs may be significantly limited, which may adversely affect our business, financial condition and results of operations. Despite neither the Foreign Investment Law nor its Implementing Regulation prescribes whether the certain concept “total investment amount” with respect to foreign-invested enterprises will still be applicable, no PRC laws and regulations have been officially promulgated to abolish the Current Foreign Debt Mechanism.

The Circular on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign- Invested Enterprises, or SAFE Circular 19, effective as of June 1, 2015, as amended by Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement under the Capital Account, or SAFE Circular 16, effective on June 9, 2016, allows FIEs to settle their foreign exchange capital at their discretion, but continues to prohibit FIEs from using the Renminbi fund converted from their foreign exchange capitals for expenditure beyond their business scopes, and also prohibit FIEs from using such Renminbi fund to provide loans to persons other than affiliates unless otherwise permitted under its business scope. As a result, we are required to apply Renminbi funds converted from the net proceeds we received from our financing activities within the business scopes of our PRC subsidiaries. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to use Renminbi converted from the net proceeds of our financing activities to fund the establishment of new entities in China by the VIEs or their respective subsidiaries, to invest in or acquire any other PRC companies through our PRC subsidiaries, or to establish new consolidated VIEs in China, which may adversely affect our business, financial condition and results of operations. Even though SAFE Circular 28 allows all FIEs (including those without an investment business scope) to utilize and convert their foreign exchange capital for making equity investment in China if certain requirements prescribed therein are satisfied, uncertainties still exist in relation to its interpretation and implementation.

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

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC regulators changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund ("IMF") completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, Renminbi is determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC regulatory authorities may in the future announce further changes to the exchange rate system and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on our business operation or your investment. For example, to the extent that we need to convert U.S. dollars we receive from our financing activities into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our Class A ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

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

Foreign exchange controls may limit our ability to utilize our revenues effectively and affect the value of your investment.

The regulatory authorities in China impose foreign exchange controls on the convertibility of the Renminbi, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in Renminbi. Under our current corporate structure, our Cayman Islands holding company primarily relies on dividend payments from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of the SAFE by complying with certain procedural requirements. Specifically, under the existing exchange restrictions, without prior approval of the SAFE, cash generated from the operations of our PRC subsidiaries in China may be used to pay dividends to the company. However, approval from or registration with appropriate regulatory authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval or registration to use cash generated from the operations of our PRC subsidiaries and VIEs to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. Access to foreign currencies for current account transactions may be further restricted in the future as the applicable laws, regulations and policies evolve. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders and holders of the ADSs.

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

The Rules on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements in some instances that the anti-monopoly law enforcement agency be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise.

The Anti-Monopoly Law of the PRC requires that the anti-monopoly law enforcement agency be notified in advance of any transaction where the parties' turnover in the China market and/or global market exceed certain thresholds and the buyer would obtain

control of, or decisive influence over, the target as a result of the business combination. As further clarified by the Provisions on the Threshold of Filings for Undertaking Concentrations issued by the State Council in 2008 and amended in September 2018 and January 2024, such thresholds include: (i) the total global turnover of all undertakings participating in the transaction exceeds RMB12 billion in the preceding fiscal year and at least two of these undertakings each had a turnover of more than RMB800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the undertakings participating in the transaction exceeded RMB4 billion in the preceding fiscal year, and at least two of these undertakings each had a turnover of more than RMB800 million within China in the preceding fiscal year. There are numerous factors the anti-monopoly law enforcement agency considers in determining "control" or "decisive influence," and, depending on certain criteria, the anti-monopoly law enforcement agency may conduct anti-monopoly review of transactions in respect of which it was notified. On June 24, 2022, the Decision of the Standing Committee of the National People's Congress to Amend the Anti-Monopoly Law of the People's Republic of China was adopted and became effective on August 1, 2022, which stipulates that where a concentration of undertakings does not reach the threshold for declaration set by the State Council, but there is evidence proving that the concentration of undertakings has or may have the effect of excluding or limiting competition, the law enforcement agencies may require the undertakings concerned to make a declaration.

In particular, the PRC anti-monopoly enforcement agencies have in recent years strengthened enforcement under the PRC Anti-Monopoly Law. In March 2018, the SAMR was formed as a new regulatory agency to take over, among other things, the anti-monopoly enforcement functions from the relevant departments under the MOFCOM, the NDRC and the SAIC, respectively. Since its inception, the SAMR has continued to strengthen anti-monopoly enforcement. On December 28, 2018, the SAMR issued the Notice on Anti-monopoly Enforcement Authorization which grants authorities to its province-level branches to conduct anti-monopoly enforcement within their respective jurisdictions. On April 25, 2024, the SAMR promulgated the Anti-monopoly Compliance Guideline for Undertakings, also known as the Anti-monopoly Guideline. The Anti-Monopoly Guideline introduces a compliance incentive mechanism, allowing anti-monopoly enforcement agencies to consider the establishment and implementation of anti-monopoly compliance management systems by business operators when addressing monopolistic practices. On June 6, 2024, the State Council published the Regulation on Fair Competition Review that became effective on August 1, 2024, which has strengthened the supervision of fair competition reviews by establishing a comprehensive oversight mechanism, including fair competition review, random inspections, complaint handling, supervision, and other related processes. The SAMR has also issued the Discretionary Benchmark for Administrative Penalty for Illegal Concentration of Undertakings (for Trial Implementation) on February 19, 2025, which became effective on the same date and stipulated that for any illegal concentration of undertakings that does not have the effect of excluding or restricting competition, the maximum fine shall not exceed 5 million yuan. If the amount calculated according to certain provision hereof exceeds 5 million yuan, the amount of the fine shall be determined as 5 million yuan. For any illegal concentration of undertakings that has or may have the effect of excluding or restricting competition, the maximum fine shall not exceed 10% of the sales revenue of the previous year. The SAMR further promulgated the Implementing Measures for the Regulation on Fair Competition Review on February 28, 2025, which came into effect on April 20, 2025. The Implementing Measures further clarify the applicable review standards and the specific circumstances subject to fair competition review, and set out the procedural requirements, including the applicable time limits for review and handling. On June 27, 2025, the State Council promulgated the revised Anti-Unfair Competition Law to expand regulation of digital markets, data use and platform conduct. The revised Anti-Unfair Competition Law prohibits the improper acquisition or use of data lawfully held by other operators through deceptive or technically circumventive means, even where such data does not constitute a trade secret, and restricts the use of data, algorithms or platform rules to disrupt competitors' online services. The scope of unfair competition is further extended to digital identifiers, misleading search practices, fabricated transactions and false reviews. It also strengthens enforcement by increasing penalties and liability for online unfair competition and obstructing investigations, increasing compliance risks for data-driven platform operators.

In February 2021, the SAMR promulgated the Guidelines to Anti-Monopoly in the Field of Internet Platforms, or the Anti-Monopoly Guidelines for Internet Platforms, aiming to improve anti-monopoly administration on online platforms. The Anti-Monopoly Guidelines for Internet Platforms operate as a compliance guidance under the existing PRC anti-monopoly laws and regulations for platform economy operators. However, considering the uncertainties as to the interpretation and implementation of the Anti-Monopoly Guidelines for Internet Platforms, we may face challenges in addressing its requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in an effort to do so. Any failure or perceived failure by us to comply with the Anti-Monopoly Guidelines for Internet Platforms and other anti-monopoly laws and regulations may result in regulatory investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations. On November 18, 2021, the National Anti-monopoly Bureau was officially established to formulate anti-monopoly institutional measures and guidelines, implement anti-monopoly law enforcement, undertake the guidance for enterprises' anti-monopoly action responding abroad and so on.

In July 2021, the SAMR issued an Administrative Penalty Decision to Tencent regarding its acquisition of CMC in 2016. Pursuant to the decision, we shall implement a rectification plan to, among other things, terminate exclusive music copyright licensing arrangements within 30 days from the date of the decision. We shall also discontinue any arrangement where we offer high advance licensing payment to and seek preferential licensing terms from copyright owners without reasonable grounds. Tencent and we have terminated all existing exclusive music copyright licensing arrangements with the relevant upstream copyright holders subject to certain limited exceptions specified in the decision, and we will pursue nonexclusive collaborations with upstream copyright holders.

We have consistently complied with regulatory requirements and have continuously endeavored to improve our competition compliance work. In light of the uncertainties relating to the interpretation, implementation and enforcement of the Anti-Monopoly Law of the PRC, we cannot assure you that the anti-monopoly law enforcement agency will not deem any other past and future acquisitions or investments involving us to have triggered filing requirement for anti-trust review. If we are found to have violated the Anti-Monopoly Law of the PRC for any failure to file the notification of concentration and request for review or otherwise, we or our parent could be potentially subject to fines, and the parts of the transaction causing the prohibited concentration could be ordered to be unwound, which may materially and adversely affect our business, financial condition and results of operations. Pursuant to the Decision of the Standing Committee of the National People's Congress to Amend the Anti-Monopoly Law of the People's Republic of China that came into effect on August 1, 2022, the State Council anti-monopoly enforcement agency may order the operators to stop the implementation of the concentration, to dispose of shares, assets, and the business within a period of time, or take other necessary measures to restore the state before the concentration, and impose on it a fine of not more than 10% of its last year's sales revenue, if the concentration of undertakings has or may have an effect of excluding or limiting competition; if the concentration does not have the effect of excluding or limiting competition, a fine up to RMB5,000,000 may be imposed on operators. On March 10, 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings, the Provisions on the Prohibition of Monopoly Agreements, the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition, all of which took effect from April 15, 2023. Subsequently, the Provisions on the Prohibition of Monopoly Agreements were amended and promulgated on December 9, 2025, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition were amended and promulgated on December 18, 2025, both of which took effect on February 1, 2026. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimized the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. Specifically, the Review Measures of Concentration of Undertakings have clarified the factors to be considered for the recognition of "control" and "implementation of concentration" under the review mechanism of concentration of undertakings and elaborate the implementation rules regarding the suspension of review. According to the Review Measures of Concentration of Undertakings, where a concentration of undertakings does not meet the threshold for declaration, but there is evidence that the concentration of undertakings has or may have the effect of excluding or limiting competition, the SAMR may order the operators to file the concentration of undertakings. Since the above-mentioned laws and regulations are relatively new, uncertainty still remains as to the interpretation and implementation of such laws and regulations.

In addition, the Circular of the General Office of the State Council on the Establishment of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors that became effective in March 2011, and the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the SAMR, the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us.

The SAFE promulgated the Circular on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles, or SAFE Circular 37, in July 2014. SAFE Circular 37 requires PRC residents or entities to register with the SAFE or its local branches in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing with such PRC residents or entities' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions. According to the Circular of Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment released in February 2015 by the SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 2015. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Foreign Exchange Registration of Offshore Investment by PRC Residents."

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

We have notified all PRC residents or entities who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC residents to complete the foreign exchange registrations. However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

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

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

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to the SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. In the meantime, our directors, executive officers and other employees who are PRC citizens or who are non-PRC residents residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, and who have been granted share-based awards by us, may follow the Circular of SAFE on Issues Concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plan of Overseas Listed Companies, promulgated by the SAFE in 2012. Pursuant to the circular, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to certain exceptions, are required to register with the SAFE through a qualified domestic agent, which shall be either a domestic company participating in such equity incentive plan or another domestic institution designated by such domestic company capable of handling the assets custody business, and complete certain other procedures. A qualified domestic agent shall be responsible for the registration process and must regularly report to the local foreign exchange administration. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We, our directors, our executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted share-based awards are subject to these regulations, and failure to complete SAFE registration requirements may subject the aforementioned parties to fines, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Foreign Exchange Registration of Offshore Investment by PRC Residents — Employee Stock Incentive Plan."

The SAT has issued certain circulars concerning employee share options, restricted shares and restricted share units. Under these circulars, our employees working in China who exercise share options or are granted restricted shares or restricted share units will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options, restricted shares or restricted share units with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC regulatory authorities. See "Item 4. Information on the Company — 4.B. Business Overview — Regulations — Regulations on Foreign Exchange Registration of Offshore Investment by PRC Residents — Employee Stock Incentive Plan."

Our business may be negatively affected by the potential obligations to make additional social insurance and housing fund contributions.

We are required by PRC laws and regulations to pay various statutory employee benefits, including pensions, housing fund, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated regulatory agencies for the benefit of the Group's employees. The relevant regulatory agencies may examine whether an employer has made adequate payments of the requisite statutory employee benefits, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. Certain of our PRC subsidiaries and VIEs have historically failed to promptly make social insurance and housing fund contributions in full for their employees. In addition, certain of our PRC subsidiaries and VIEs engage third-party human resources agencies to make social insurance and housing fund contributions for some of their employees, and there is no assurance that such third-party agencies will make such contributions in full in a timely manner, or at all. If the relevant PRC authorities determine that our PRC subsidiaries and VIEs shall make supplemental social insurance and housing fund contributions or that our PRC subsidiaries and VIEs are subject to fines and legal sanctions in relation to failure to make social insurance and housing fund contributions in full for the Group's employees, our business, financial condition and results of operations may be adversely affected.

We or the VIEs may be subject to domestic and other tax obligations and we may be classified as a "PRC resident enterprise" for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our non-PRC shareholders and ADS holders and have a material adverse effect on our results of operations and the value of your investment.

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

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." Since, to our knowledge, a majority of our management members are currently based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that our company or any of our subsidiaries outside of China is a PRC resident enterprise for enterprise income tax purposes, we may be subject to PRC enterprise income on our worldwide income at the rate of 25%, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises (including the holders of the ADSs that are enterprises). In addition, non-resident enterprise shareholders (including the ADS holders) may be subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including the ADS holders who are individuals) and any gain realized on the transfer of ADSs or ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us), if such dividends or gains are deemed to be from PRC sources. These rates may be reduced by an applicable tax treaty, but it is unclear whether non-PRC shareholders of our company would be able to obtain the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. In the ordinary course of business, there are transactions for which the ultimate tax determination is uncertain and requires judgment. From time to time, we or the VIEs are subject to review and audit by domestic and foreign tax authorities, and the prospective or retrospective application of changing tax laws, regulations, interpretations, administrative practices and principles could result in additional tax liabilities. Any such tax may reduce the returns on your investment in the Class A ordinary shares and/or ADSs.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

On February 3, 2015, the SAT issued the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or SAT Circular 7. SAT Circular 7 extends its tax jurisdiction to transactions involving the transfer of taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Circular 7 has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Circular 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets.

On October 17, 2017, the SAT issued the Circular on Issues of Withholding of Income Tax of Non-resident Enterprises at Source, or SAT Circular 37, which came into effect on December 1, 2017. SAT Circular 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is known as an indirect transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such indirect transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

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

Trading in our securities may be prohibited under the HFCAA and U.S. national securities exchanges, such as the NYSE, may determine to delist our securities if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years.

Our independent registered public accounting firm that issues the audit report included in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards. Our auditor is located in China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely, without the approval of the Chinese authorities. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. As a result, investors were deprived of the benefits of such PCAOB inspections.

In recent years, U.S. regulatory authorities have continued to express their concerns about challenges in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. More recently, as part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, the United States enacted the HFCAA in December 2020. Trading in our securities on U.S. markets, including the NYSE, may be prohibited under the HFCAA if the PCAOB determines that it is unable to inspect or investigate completely our auditor for two consecutive years. On December 16, 2021, the PCAOB issued the HFCAA Determination Report to notify the SEC of its determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in the Chinese mainland and Hong Kong, or the 2021 Determinations, including our auditor. On May 26, 2022, we were conclusively identified by the SEC under the HFCAA as having filed audit reports issued by a registered public accounting firm that cannot be inspected or investigated completely by the PCAOB in connection with the filing of our 2021 Form 20-F. The inability of the PCAOB to conduct inspections in the past also deprived our investors of the benefits of such inspections. On December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations completely of PCAOB-registered public accounting firms headquartered in the Chinese mainland and Hong Kong in 2022. The PCAOB vacated its previous 2021 Determinations accordingly. As a result, we do not believe we are at risk of having our securities subject to a trading prohibition under the HFCAA unless a new determination is made by the PCAOB. More recently, on February 21, 2025, the United States President Donald Trump issued the

America First Investment Policy to provide guidance on investment oversight. The policy includes directives to, among other things, determine if adequate financial auditing standards are upheld for companies covered by the HFCAA.

However, whether the PCAOB will continue to conduct inspections and investigations completely to its satisfaction of PCAOB-registered public accounting firms headquartered in the Chinese mainland and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor's, control, including the uncertainties surrounding Sino-U.S. relations. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in the Chinese mainland and Hong Kong in the future. The PCAOB is required under the HFCAA to make its determination on an annual basis with regards to its ability to inspect and investigate completely accounting firms based in the Chinese mainland and Hong Kong. The possibility of being a "Commission-Identified Issuer" and risk of delisting could continue to adversely affect the trading price of our securities.

If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in the Chinese mainland and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a "Commission-Identified Issuer" under the HFCAA following the filing of the annual report for the relevant fiscal year. If we were so identified for two consecutive years, trading in our securities on U.S. markets would be prohibited. This would substantially impair your ability to sell or purchase the ADSs when you wish to do so. Furthermore, such trading prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition and prospects.

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

In December 2012, the SEC instituted administrative proceedings against the Big Four PRC-based accounting firms, including our independent registered public accounting firm, alleging that these firms had violated U.S. securities laws and the SEC's rules and regulations thereunder by failing to provide to the SEC the firms' audit work papers with respect to certain PRC-based companies that are publicly traded in the United States.

On January 22, 2014, the administrative law judge presiding over the matter rendered an initial decision that each of the firms had violated the SEC's rules of practice by failing to produce audit papers and other documents to the SEC. The initial decision censured each of the firms and barred them from practicing before the SEC for a period of six months.

On February 6, 2015, the four China-based accounting firms each agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S.-listed companies. The settlement required the firms to follow detailed procedures and to seek to provide the SEC with access to Chinese firms' audit documents via the CSRC. Under the terms of the settlement, the underlying proceeding against the four China-based accounting firms was deemed dismissed with prejudice four years after entry of the settlement. The four-year mark occurred on February 6, 2019. While we cannot predict if the SEC will further challenge the four China-based accounting firms' compliance with U.S. law in connection with U.S. regulatory requests for audit work papers or if the results of such a challenge would result in the SEC imposing penalties such as suspensions, if the accounting firms are subject to new or additional remedial measures, our ability to file our financial statements in compliance with SEC requirements could be impacted. A determination that we have not timely filed financial statements in compliance with the SEC requirements could ultimately lead to the delisting of the ADSs from the NYSE or the termination of the registration of our ordinary shares under the Securities Exchange Act of 1934, or both, which would substantially reduce or effectively terminate the trading of the ADSs in the United States.

Risks Related to the ADSs or our Ordinary Shares

If we change the listing venue of our securities, including delisting from either of the NYSE and the Hong Kong Stock Exchange, you may lose the shareholder protection mechanisms afforded under the regulatory regimes of the applicable securities exchange.

As a company listed on the NYSE and the Hong Kong Stock Exchange, we are subject to various listing standards and requirements that are aimed at protecting your rights as shareholders of our company, subject to certain applicable permitted exceptions. If we choose to change the listing venue of our securities, including delisting from either exchange, you may lose the shareholder protection measures afforded under the regulatory regimes of the applicable securities exchange. In particular, various factors will be taken into consideration by our company in relation to the circumstances under which it may be considered not desirable or viable for the shares to remain listed on a certain stock exchange, such as the then regulatory environment of the listing venue and whether the additional compliance cost arising by remaining listed in a particular stock exchange will be unduly burdensome for our company to further its interest, realize its vision or implementing certain business plans.

The trading price of the ADSs and our Class A ordinary shares is likely to be volatile, which could result in substantial losses to investors.

The trading price of the ADSs and our Class A ordinary shares is likely to be volatile and could fluctuate widely due to multiple factors, many of which are beyond our control. The price and trading volumes for our Class A ordinary shares and/or ADSs may be highly volatile for various factors, including the following:

- variations in our revenues, operating costs and expenses, earnings and cash flow;
- our controlling shareholder's business performance and the trading price of its stock;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new products and services by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us, our shareholders, affiliates, directors, officers or employees, our content offerings, our business model, our services or our industry;
- general economic or political conditions in China or elsewhere in the world;
- announcements of new regulations, rules or policies relevant for our business;
- additions or departures of key personnel;
- any share repurchase program;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which our Class A ordinary shares and/or ADSs will trade.

In addition, the stock market in general, and the market prices for companies with operations in China in particular, have experienced volatility that often has been unrelated to the operating performance of such companies. The securities of some China-based companies that have listed their securities in the United States have experienced significant volatility since their initial public offerings in recent years, including, in some cases, substantial declines in the trading prices of their securities. The trading performances of these companies' securities after their offerings may affect the attitudes of investors towards Chinese companies listed in the United States in general, which consequently may impact the trading performance of our Class A ordinary shares and/or ADSs, regardless of our actual operating performance. Moreover, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or other matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have engaged in any inappropriate activities. These broad market and industry fluctuations may adversely affect the market price of our Class A ordinary shares and/or ADSs. Volatility or a lack of positive performance in our Class A ordinary shares and/or ADSs price may also adversely affect our ability to retain key employees, most of whom have been granted options or other equity incentives.

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

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

Our dual-class voting structure will limit the holders of our Class A ordinary shares and ADSs to influence corporate matters, provide certain shareholders of ours with substantial influence and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

We have adopted a dual-class voting structure such that our ordinary shares consist of Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares and Class B ordinary shares have the same rights other than voting and conversion rights. Each holder of our Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is

entitled to 15 votes per share. Our Class A ordinary shares and Class B ordinary shares vote together as a single class on all matters submitted to a vote of our shareholders, except as may otherwise be required by law. Each Class B ordinary share is convertible into one Class A ordinary share, whereas Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon (i) any sale, transfer, assignment or disposition of any Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, or (ii) a change of beneficial ownership of any Class B ordinary shares as a result of which any person who is not an affiliate of registered holders of such Class B ordinary shares becomes a beneficial owner of such Class B ordinary shares, each of such Class B ordinary shares will be automatically and immediately converted into one Class A ordinary share. There is no limit on the circumstances where holders of Class B ordinary shares may transfer or otherwise dispose of their Class B ordinary shares.

As of March 31, 2026, Tencent beneficially owned 10.8% of our outstanding Class A ordinary shares and 98.5% of our outstanding Class B ordinary shares, and held in the aggregate 93.6% of our total voting power. As a result of this dual class share structure, Tencent will have complete control over the outcome of matters put to a vote of shareholders and have significant influence over our business, including decisions regarding mergers, consolidations, liquidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. This concentrated control will limit the ability of the holders of our Class A ordinary shares and ADSs to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial. Moreover, Tencent may increase the concentration of its voting power and/or share ownership in the future, which may, among other consequences, decrease the liquidity in our Class A ordinary shares and ADSs.

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

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

We may be the subject of unfavorable allegations made by short sellers in the future. Any such allegations may be followed by periods of instability in the trading price of our Class A ordinary shares and/or ADSs and negative publicity. If and when we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable federal or state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations and shareholders' equity, and the value of any investment in our Class A ordinary shares and/or ADSs could be greatly reduced or rendered worthless.

The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our Class A ordinary shares and/or ADSs could adversely affect their trading price.

Sales of substantial amounts of our Class A ordinary shares and/or ADSs in the public market, or the perception that these sales could occur, could adversely affect the trading price of our Class A ordinary shares and/or ADSs and could materially impair our ability to raise capital through equity offerings in the future. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the trading price of our Class A ordinary shares and/or ADSs. In addition, if any of the shares held by our shareholders are registered under the Securities Act, it would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of such registration. Sales of these registered shares in the public market, or the perception that such sales could occur, could cause the trading price of our Class A ordinary shares and/or ADSs to decline.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. Therefore, you may not rely on dividend distribution, if any, of our Class A ordinary shares and/or ADSs as a major source for investment return.

On May 11, 2024, our board of directors adopted a cash dividend policy, pursuant to which we may choose to declare and distribute a cash dividend each year in accordance with our memorandum and articles of association and applicable laws and regulations. However, our board retains full discretion over whether to distribute dividends, subject to certain requirements of Cayman Islands law. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium

account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. If our board of directors decides to declare and pay dividends, the form, frequency and amount will depend upon our future operations and earnings, cash flow, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. Accordingly, the return to the holders of our Class A ordinary shares and/or ADSs will likely depend substantially upon any future price appreciation of our Class A ordinary shares and/or ADSs. There is no guarantee that our Class A ordinary shares and/or ADSs will appreciate in value or even maintain the price at which the holders of our Class A ordinary shares and/or ADSs purchased the Class A ordinary shares and/or ADSs. The holders of our Class A ordinary shares and/or ADSs may not realize a return on their investment in our Class A ordinary shares and/or ADSs and they may even lose their entire investment in our Class A ordinary shares and/or ADSs.

Our Articles of Association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our Class A ordinary shares and ADSs.

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

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

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our Articles of Association, the Companies Act (As Revised) of the Cayman Islands, and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some other jurisdictions. In particular, the Cayman Islands has a less developed body of securities laws than the United States or Hong Kong. Under the laws of some jurisdictions in the United States, majority and controlling shareholders generally have certain fiduciary responsibilities to the minority shareholders; shareholder action must be taken in good faith, and actions by controlling shareholders which are obviously unreasonable may be declared null and void. In contrast, Cayman Islands law relating to the interests of minority shareholders may not be as protective in all circumstances as the law protecting minority shareholders in some U.S. jurisdictions. In addition, the circumstances in which a shareholder of a Cayman Islands company may sue the company derivatively, and the procedures and defenses that may be available to the company, may result in the rights of shareholders of a Cayman Islands company being more limited than those of shareholders of a company organized in the United States. Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States or a court in Hong Kong.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records (except for our Articles of Association, special resolutions passed by our shareholders and our register of mortgages and charges) or to obtain copies of registers of members of these companies. Our directors have discretion under our Articles of Association to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for our shareholders to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Furthermore, our directors have the power to take certain actions without shareholder approval which would require shareholder approval under Hong Kong law or the laws of most U.S. jurisdictions. The directors of a Cayman Islands company, without shareholder approval, may implement a sale of any assets, property, part of the business, or securities of the company. Our ability to create and issue new classes or series of shares without shareholders' approval could have the effect of delaying, deterring or preventing a change in control without any further action by our shareholders, including a tender offer to purchase our ordinary shares at a premium over then current market prices. Furthermore, our Articles of Association are specific to us and include certain

provisions that may be different from common practices in Hong Kong, such as (i) director's power to create preferred shares, (ii) director's power to cancel general meeting, (iii) that shares in our company that are beneficially owned by our company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of our outstanding shares at any given time, and (iv) that the quorum necessary for the transaction of the business of our board of directors may be fixed by the directors, and unless so fixed, the quorum shall be a majority of directors then in office and a majority of the directors appointed by Min River.

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

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

Shareholder claims or regulatory investigations that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. There are legal and other restrictions in China to providing information needed for regulatory investigations or litigation initiated outside China. For example, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigations or evidence collection activities within the territory of the PRC. The authorities in China are seeking to establish regulatory cooperation mechanisms with the securities regulatory authorities of other countries or regions to implement cross-border supervision and administration. For example, on August 26, 2022, the CSRC and the Ministry of Finance of the PRC signed a Statement of Protocol with the PCAOB, taking the first step toward opening access for the PCAOB to completely inspect and investigate registered public accounting firms headquartered in the Chinese mainland and Hong Kong. Subsequently on December 15, 2022, the PCAOB announced that it was able to conduct inspections and investigations completely of PCAOB-registered public accounting firms headquartered in the Chinese mainland and Hong Kong in 2022. Despite these efforts, there remains uncertainty as to the ability of overseas securities regulators to directly conduct investigations or evidence collection activities within China, which may increase difficulties faced by you in protecting your interests.

In addition, on February 24, 2023, CSRC, National Administration of State Secrets Protection and National Archives Administration of China jointly issued the Archives Rules, effective March 31, 2023. The Archives Rules allow overseas regulators and competent overseas authorities to request inspections, investigations, or evidence collection from domestic companies about their overseas offerings and listings, or from the domestic securities companies and securities service providers involved in these processes. This will be done through cross-border regulatory cooperation, with the CSRC or other relevant PRC authorities providing necessary assistance pursuant to bilateral and multilateral cooperation mechanisms. The domestic company, securities companies and securities service providers shall first obtain approval from the CSRC or other competent PRC authorities before they can cooperate with any inspections or investigations by overseas regulators, or provide any requested documents and materials.

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

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

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

If any of the holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, such holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary, lead to increased costs to bring a claim, limited access to information and other imbalances of resources between such holder and us, or limit such holder's ability to bring a claim in a judicial forum that such holder finds favorable. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court,

which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including outcomes that could be less favorable to the plaintiff(s) in any such action.

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

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

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of the ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which attach to the Class A ordinary shares underlying the ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. If we ask for your instructions, then upon receipt of your voting instructions, the depositary will try to vote the underlying Class A ordinary shares in accordance with these instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise any right to vote with respect to the underlying Class A ordinary shares unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. When a general meeting is convened, you may not receive sufficient advance notice of the meeting to enable you to withdraw the Class A ordinary shares underlying the ADSs and become the registered holder of such shares prior to the record date for the general meeting to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution to be considered and voted upon at the general meeting. In addition, under our Articles of Association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent you from withdrawing the Class A ordinary shares underlying the ADSs and becoming the registered holder of such shares prior to the record date, so that you would not be able to attend the general meeting or to vote directly. Where any matter is to be put to a vote at a general meeting, upon our instruction, the depositary will notify you of the upcoming vote and to deliver our voting materials to you. We cannot assure you that you will receive the voting material in time to ensure you can direct the depositary to vote your shares. If the depositary does not receive your voting instructions by a certain deadline set out in the voting materials, the depositary shall deem you have instructed the depositary to give a discretionary proxy to a person designated by our company pursuant to our existing deposit agreement. This means that you may not be able to exercise your right to direct how the shares underlying the ADSs are voted and you may have no legal remedy if the shares underlying the ADSs are not voted as you requested.

The dual-class structure of our ordinary shares may adversely affect the trading market for the ADSs and our Class A ordinary shares.

Certain proxy advisory firms have announced policies recommending votes against directors at public companies with multi-class share structures featuring unequal voting rights, which may influence index providers' eligibility criteria for inclusion on indices such as the S&P 500. In addition, several proxy advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual-class structure of our ordinary shares may prevent the inclusion of our Class A ordinary shares and ADSs representing Class A ordinary shares in such indices and may cause proxy advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for the ADSs and/or our Class A ordinary shares. Any actions or publications by proxy advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of the ADSs and/or our Class A ordinary shares.

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

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

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

As a company listed on the New York Stock Exchange, we are subject to New York Stock Exchange corporate governance listing standards. However, New York Stock Exchange rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the New York Stock Exchange corporate governance listing standards. We have followed and intend to follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of the New York Stock Exchange that listed companies must have: (i) a majority of independent directors; (ii) the establishment of a nominating/corporate governance committee composed entirely of independent directors; and (iii) a compensation committee composed entirely of independent directors. As a result of our reliance on the "foreign private issuer" exemptions, our shareholders may be afforded less protection than they otherwise would enjoy under New York Stock Exchange corporate governance listing standards applicable to U.S. domestic issuers.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies. However, changes in U.S. securities regulations may cause us to lose our status as a foreign private issuer and the exemptions to which we are currently entitled.

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

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring beneficial owners of more than 10% of a public company's securities to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under Regulation FD governing selective disclosure rules of material nonpublic information.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of the New York Stock Exchange. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely than that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

On June 4, 2025, the SEC issued a concept release seeking public comment on potential revisions to the definition of foreign private issuer under U.S. securities laws. The concept release considers whether the current criteria, such as the thresholds for U.S. ownership, voting control, board composition, and place of business, appropriately capture today's global market realities. The SEC is evaluating whether updates are warranted to ensure consistent application of disclosure and reporting requirements under the Exchange Act and to address potential disparities between foreign private issuers and domestic issuers. If the SEC revises the definition of foreign private issuer and we no longer qualify as one, we would become subject to the same reporting and disclosure requirements that apply to U.S. domestic issuers. This change would increase our regulatory compliance burden, including the need to file periodic reports on U.S. domestic forms, prepare financial statements in accordance with U.S. GAAP, comply with U.S. proxy solicitation rules, and adhere to more extensive executive compensation and beneficial ownership disclosure obligations. Any such loss of foreign private issuer status could result in higher compliance costs, increased administrative complexity, and potential adverse effects on our investor relations and market perception.

We are a "controlled company" within the meaning of the rules of the New York Stock Exchange and, as a result, can rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

We are a "controlled company" as defined under the rules of the New York Stock Exchange since Tencent beneficially owns more than 50% of our total voting power. For so long as we remain a controlled company under this definition, we are permitted to elect to rely on certain exemptions from corporate governance rules, including:

- an exemption from the rule that a majority of our board of directors must be independent directors;

- an exemption from the rule that the compensation of our chief executive officer must be determined or recommended solely by independent directors; and
- an exemption from the rule that our director nominees must be selected or recommended solely by independent directors.

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

There can be no assurance that we will not be a passive foreign investment company, or PFIC, for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in the ADSs or Class A ordinary shares.

In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties (other than certain rents and royalties derived in an active conduct of a trade or business) and certain gains. Cash is generally a passive asset for these purposes. Goodwill and other intangible assets (the value of which may be determined by reference to the excess of the sum of the corporation's market capitalization and liabilities over the value of its assets) are generally characterized as active assets to the extent it is attributable to activities that produce active income.

Based on the composition of our income and assets and the estimated value of our assets, including goodwill and other intangible assets, we believe it is reasonable to take the view that we were not a PFIC for our 2025 taxable year. However, we have not obtained valuations of our assets and have not received any opinion regarding the classification of our income and assets for purposes of the PFIC rules and therefore cannot provide any assurance that we were not in fact a PFIC for our 2025 taxable year. In addition, our PFIC status for any taxable year is a factual determination that can be made only after the end of that year and depends on the composition of our income and assets and the average value of our assets for the entire year. We hold a substantial amount of cash and financial investments and while this continues to be the case, our PFIC status depends primarily on the average value of our goodwill and other intangible assets. The value of our goodwill and other intangible assets may be determined, in large part, by reference to our market capitalization, which has been, and may continue to be, volatile. Therefore, even if we were not a PFIC in our 2025 taxable year, if our market capitalization declines or is volatile we may become a PFIC in our current or future taxable years. Moreover, it is not entirely clear how the contractual arrangements between our wholly-owned subsidiaries, the VIEs and the shareholders of the VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if the VIEs are not treated as owned by us for these purposes. For these reasons there is a risk (which, depending on market conditions, may be substantial) that we will be a PFIC for our current or any future taxable year.

If we are a PFIC for any taxable year during which a U.S. investor owns ADSs or Class A ordinary shares, the U.S. investor generally will be subject to adverse U.S. federal income tax consequences, including increased tax liability on disposition gains and "excess distributions," and additional reporting requirements. This will generally continue to be the case even if we cease to be a PFIC in a later taxable year, unless certain elections are made. See "Item 10. Additional Information — 10.E. Taxation — U.S. Federal Income Taxation — Passive Foreign Investment Company Rules."

The ADS holders may experience dilution of their holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the Securities Act with respect to all holders of ADSs or are registered under the provisions of the Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties, and may allow the rights to lapse. We may be unable to establish an exemption from registration under the Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to endeavor to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

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

In certain cases, the ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register

transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or regulatory body, or under any provision of the deposit agreement, or for any other reason.

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

As a public company, we incur significant accounting, legal and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC and the NYSE, have detailed requirements concerning corporate governance practices of public companies, including Section 404 of the Sarbanes-Oxley Act relating to internal controls over financial reporting. Complying with these rules and regulations applicable to public companies has increased our accounting, legal and financial compliance costs, making certain corporate activities more time-consuming and costly. We also incur additional costs as a result of our listing on the Hong Kong Stock Exchange. Our management will be required to devote substantial time and attention to our public company reporting obligations and other compliance matters. We cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. Our reporting and other compliance obligations as a public company may place a strain on our management, operational and financial resources and systems for the foreseeable future. In the past, shareholders of a public company in the United States often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the suit. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material and adverse effect on our financial condition and results of operations.

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

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

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

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

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

There is no direct trading or settlement between the NYSE and the Hong Kong Stock Exchange on which the ADSs and our Class A ordinary shares are respectively traded. In addition, the time differences between Hong Kong and New York, unforeseen market circumstances or other factors may delay the deposit of Class A ordinary shares in exchange for ADSs or the withdrawal of Class A ordinary shares underlying the ADSs. Investors will be prevented from settling or effecting the sale of their securities during such periods of delay. In addition, there is no assurance that any exchange for Class A ordinary shares into ADSs (and vice versa) will be completed in accordance with the timelines that investors may anticipate. Furthermore, the depositary for the ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of Class A ordinary shares, cancelation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share

distributions, distributions of securities other than ADSs and annual service fees. As a result, shareholders who exchange Class A ordinary shares into ADSs, and vice versa, may not achieve the level of economic return the shareholders may anticipate.

There is uncertainty as to whether Hong Kong stamp duty will apply to the trading of ADSs or deposits in, or withdrawals from, the ADS facility.

In connection with our secondary listing by way of introduction in Hong Kong in September 2022, we established a branch register of members in Hong Kong, or the Hong Kong share register. Our Class A ordinary shares that are traded on the Hong Kong Stock Exchange, including those that may be withdrawn from the ADS facility, will be registered on the Hong Kong share register, and the trading of these Class A ordinary shares on the Hong Kong Stock Exchange will be subject to the Hong Kong stamp duty. To facilitate deposits in and withdrawals from the ADS facility and trading between the NYSE and the Hong Kong Stock Exchange, we moved a majority of our Class A ordinary shares represented by ADSs from our register of members maintained in the Cayman Islands to our Hong Kong share register.

Under the Hong Kong Stamp Duty Ordinance, any person who effects any sale or purchase of Hong Kong stock, being stock the transfer of which is required to be registered in Hong Kong, is required to pay Hong Kong stamp duty. The stamp duty is currently set at a total rate of 0.20% of the greater of the consideration for, or the value of, shares transferred, with 0.10% payable by each of the buyer and the seller.

To the best of our knowledge, Hong Kong stamp duty has not been levied in practice on the trading of ADSs or deposits in, or withdrawals from, the ADS facility of companies that are listed in both the United States and Hong Kong and that have maintained all or a portion of their ordinary shares, including ordinary shares underlying ADSs, in their Hong Kong share registers. However, it is unclear whether, as a matter of Hong Kong law, the trading of ADSs or deposits in, or withdrawals from, the ADS facility of these dual-listed companies constitutes a sale or purchase of the underlying Hong Kong-registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisers on this matter. If Hong Kong stamp duty is determined by the competent authority to apply to the trading of ADSs or deposits in, or withdrawals from, the ADS facility, the trading price and the value of your investment in our Class A ordinary shares and/or ADSs may be affected.

ITEM 4. INFORMATION ON THE COMPANY

4.A. History and Development of the Company

Launch of QQ Music, Kugou, Kuwo, WeSing and Lazy Audio

- *QQ Music*: In 2003, *QQ*, the social network operated by Tencent, launched its online music services. In 2005, *QQ Music* commenced operations.
- *Kugou*: In 2004, *Kugou Music* was launched. In February 2006, Guangzhou Kugou Computer Technology Co., Ltd., or Guangzhou Kugou, was incorporated in China and commenced the operations of *Kugou Music*. In September 2012, Guangzhou Kugou commenced offering its live streaming services through *Fanxing Live*, which was rebranded to *Kugou Live* in December 2016.
- *Kuwo*: In December 2005, Beijing Kuwo Technology Co., Ltd., or Beijing Kuwo, was incorporated in China and commenced its operations of *Kuwo Music*. Beijing Kuwo and its then shareholders subsequently entered into a series of contractual arrangements with Yeelion Online Network Technology (Beijing) Co., Ltd., or Yeelion Online, through which Yeelion Online acquired effective control over Beijing Kuwo. In March 2013, Beijing Kuwo launched *Kuwo Live* to offer live streaming services.
- *WeSing*: In September 2014, *WeSing* commenced offering its online karaoke services.
- *Lazy Audio*: We launched *Kuwo Changting*, our long-form audio app, in April 2020. In April 2021, we integrated *Kuwo Changting* with *Lazy Audio*, a well-established audio platform in China operated by Shenzhen Lanren which we acquired in March 2021, and re-imaged the brand *Lazy Audio* (formerly branded as *Lanren Changting* during the relevant periods).

CMC's Acquisition of Guangzhou Kugou and Beijing Kuwo

In June 2012, China Music Corporation, or CMC, was incorporated in the Cayman Islands. Between December 2013 and April 2014, through a series of transactions, CMC obtained effective control over, and became the primary beneficiary of, each of Guangzhou Kugou and Beijing Kuwo through which it operated substantially all of its online music entertainment services in the PRC.

Combination of Tencent's Online Music Business with CMC

Prior to July 2016, Tencent held an approximately 15.8% equity interests in CMC. In July 2016, Tencent acquired control of CMC through a series of transactions, pursuant to which Tencent injected substantially all of its online music business in the PRC (which primarily included *QQ Music* and *WeSing*) into CMC in consideration of certain number of shares issued by CMC. Upon the completion of such transactions, Tencent owned an approximately 61.6% equity interests in CMC, and CMC became a consolidated subsidiary of Tencent. In December 2016, CMC was renamed "Tencent Music Entertainment Group," or TME. Ocean Music Hong Kong Limited was renamed "Tencent Music Entertainment Hong Kong Limited," or TME Hong Kong; and Ocean Interactive (Beijing) Information Technology Co., Ltd. was renamed "Tencent Music (Beijing) Co., Ltd.," or Beijing Tencent Music.

Initial Public Offering

In December 2018, we completed an initial public offering in which we and certain selling shareholders offered and sold an aggregate of 164,000,000 Class A ordinary shares in the form of ADSs. On December 12, 2018, the ADSs began trading on the New York Stock Exchange under the symbol "TME." We have used all net proceeds from our IPO in the manners set forth in our IPO prospectus, including content acquisition, strategic investments, and other operating and investment purposes.

Issuance of Senior Unsecured Notes

In September 2020, we completed the public offering of US$800 million aggregate principal amount of senior unsecured notes consisting of US$300 million of 1.375% notes due 2025 and US$500 million of 2.000% notes due 2030. The notes have been registered under the U.S. Securities Act of 1933, as amended, and are listed on the Hong Kong Stock Exchange. The notes due 2025 have been fully repaid.

Transaction with UMG

In March 2020, we joined a consortium led by Tencent to acquire a 10% equity stake in Universal Music Group, or UMG, from its parent company, Vivendi S.A. We invested a 10% equity interest in the consortium. In December 2020, the consortium exercised its call option to acquire an additional 10% equity interest in UMG from Vivendi S.A. at the same enterprise value as in the forgoing transaction, and such acquisition was completed in January 2021. In March 2025, the consortium completed a transfer of the UMG shares held by the consortium to its members through distribution-in-kind. Following the distribution, we held directly 2% equity interests in UMG.

Acquisition of Shenzhen Lanren

In January 2021, we entered into a definitive agreement to acquire 100% equity interest of Shenzhen Lanren, which operates *Lazy Audio*, a well-established audio platform in China, for a total consideration of RMB2.7 billion, primarily payable in cash, plus certain post-acquisition awards to Shenzhen Lanren's management team. Founded in 2012, Shenzhen Lanren provides entertainment in the forms of audiobooks, Chinese comedy, podcasts and other radio shows to customers via its comprehensive audio platform *Lazy Audio*. It monetizes via different channels, including pay per title, subscription payment for content, and advertising. *Lazy Audio* has developed into a thriving community with strong user interactions and engagement, providing superior content and services to audio users across China. Our acquisition of Shenzhen Lanren was completed in March 2021. In April 2021, we integrated *Kuwo Changting* with *Lazy Audio* and re-imaged the brand *Lazy Audio* (formerly branded as *Lanren Changting* during the relevant periods).

Listing on the Hong Kong Stock Exchange

In September 2022, we completed the secondary listing, by way of introduction, of our Class A ordinary shares on the Main Board of the Hong Kong Stock Exchange. On September 21, 2022, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange in board lots of 100 Class A ordinary shares under the stock code "1698," and the stock short name is "TME-SW." Since no offering and sale of any additional Class A ordinary shares was made, we did not receive any proceeds from the secondary listing by way of introduction. The Class A ordinary shares listed on the Main Board of the Hong Kong Stock Exchange are fully fungible with the ADSs listed on the NYSE.

Proposed Acquisition of Ximalaya

In June 2025, we announced our proposed acquisition of Ximalaya Inc. ("Ximalaya") pursuant to a Merger Agreement dated June 10, 2025. Ximalaya is one of the leading online audio platforms in China. Upon closing, Ximalaya will become our wholly owned subsidiary. The closing is subject to regulatory approvals and other customary conditions. At closing, Ximalaya's existing equity interests, including ESOP (Employee Stock Ownership Plan) interests, will be cancelled in exchange for the right to receive, without interests and subject to certain conditions and adjustments, a combination of (1) cash of US$1.26 billion, (2) our Class A ordinary shares representing up to 5.1986% of our total outstanding ordinary shares as of a specified date prior to closing, and (3)

additional Class A ordinary shares of up to 0.37% of such total share count to be issued to the founder shareholders in tranches, subject to the Merger Agreement. Ximalaya will also undertake certain business restructuring in connection with the transaction.

Corporate Information

Our corporate headquarters is located at Unit 3, Building D, Kexing Science Park, Kejizhongsan Avenue, Hi-Tech Park, Nanshan District, Shenzhen, 518057, the People's Republic of China. Our telephone number at this address is +86-755-8601-3388. Our registered office in the Cayman Islands is located at the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

We are subject to the periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. Such information can also be found on the Company's investor relations website at https://ir.tencentmusic.com.

4.B. Business Overview

Who We Are

Music is a universal passion. Regardless of who we are, where we come from, we all have our favorite songs, albums or artists. Music connects us on a deeply personal level and brings people together through engaging, social, and enjoyable experiences. We are pioneering the way people enjoy online music, and over the years has grown into an integrated platform which offers a wide range of music-centric services, including social entertainment services, concerts and artist merchandise.

Our mission is to create endless possibilities with music and technology. Through technology-empowered product innovation, we remain committed to offering users more diverse and engaging music experiences and providing greater support to musicians and partners in the journey of music creation, production, and distribution.



We offer an all-in-one online entertainment experience for people to discover, listen, sing, watch, perform and socialize around music. To bring a more diversified experience to our users, we have expanded our platform to include long-form audio services and extended our offerings offline through live performance, artist merchandise and other forms of music consumption. By centering our ecosystem around content and high-quality IP, we create a seamless online-and-offline experiences that are visual, immersive, interactive, socially engaging and fun.

Just as we value our users, we also respect those who create content. This is why we champion copyright protection and work relentlessly to support our content partners with broad audience outreach and valuable resources and technology. Through years of

efforts, we help promote a more sustainable music entertainment industry in China. Our scale, technology, commitment to copyright protection, and ability to promote original works have made us a preferred partner for musicians and content owners.

We are the largest online music entertainment platform in China in terms of MAU as of December 31, 2025.

What We Offer

The TME platform is an all-in-one music and audio entertainment destination that allows users to seamlessly engage with a broad range of music and audio content in many ways, including discovering, listening, singing, watching, performing and socializing. We adopt a dual engine content-and-platform strategy to constantly enrich content offerings on our platform, while empowering content creation and distribution and delivering a compelling user experience. Through our vibrant community, technologies, and visual and interactive features, we endeavor to enhance our user experience, engagement and retention.

- **Online music services**, primarily our ***QQ Music***, ***Kugou Music*** and ***Kuwo Music***, enable users to discover, enjoy and share music in personalized ways. We provide a broad range of features for music discovery, including smart recommendations, music ranking charts, playlists, official music accounts and digital releases. We also offer comprehensive long-form audio content including audiobooks, podcasts and talk shows, as well as music-oriented video content including music videos, live performances and short videos. In addition, we offer a diversified range of music-related services, enabling users to purchase digital albums, physical albums, and other artist-related merchandise through our platform.
- **Social entertainment services** allow our users to sing, watch and socialize on our platform. We deliver online karaoke services primarily through ***WeSing***, which enables users to sing along from our vast library of karaoke songs and share their performances either in audio or video formats with friends. We also deliver music-centric live streaming services primarily through the "Live Streaming" tab on ***QQ Music***, ***Kugou Music***, ***Kuwo Music***, ***WeSing***, ***Kugou Live*** and ***Kuwo Live***, providing an interactive online stage for performers and users to showcase their talent and engage with a diverse audience base. We also provide membership and advertising services within our social entertainment services.

Our Platform — A Unique Online Music Entertainment Experience

We have four major apps — *QQ Music*, *Kugou Music*, *Kuwo Music* and *WeSing* — through which we provide online music and social entertainment services to address the diverse music entertainment needs of a massive audience in China. We also offer *Lazy Audio*, our dedicated long-form audio app as an effective complement to our flagship music-centric mobile apps. These apps are highly complementary to each other as they focus on different content categories and target diversified groups of audience. Over the years, we have purposely built them to serve the broad user demographics across China with content curation and recommendation that suits their differentiated tastes and preferences.

We adopt a holistic approach in operating our online music services and social entertainment services in terms of content sharing, user engagement, technology development and support, and monetization. Both online music services and social entertainment services are integral parts of the unique and highly interactive online music entertainment experience we offer. Specifically, from a content library perspective, *QQ Music, Kugou Music* and *Kuwo Music* are substantially integrated as they share access to our unified extensive content library.

Besides our major apps, we also offer a range of services and initiatives designed to engage both users and content creators through diversified music formats and mediums. These efforts contribute to our broader music entertainment ecosystem, distinguishing us from our peers. For example, we offer *Tencent Musician Platform*, an online service for selected aspiring musicians to showcase their talent, passion and original works for the broadest possible audience, as well as *TME Live*. See "— Our Content — Our Content Strategies — Cultivating Aspiring Artists" for more information about *Tencent Musician Platform*. We also enhance users' music discovery journey by incorporating AI tools, such as the AI music companion, AI-generated lyrics card function, and AI-powered seamless multi-mode song transition feature, to offer a more personalized and engaging experience. These services and initiatives also support our growing network of content creators, including established and emerging artists, by improving production efficiency and expanding opportunities. By enabling users to listen, sing, watch and share music in innovative ways and in a variety of use cases, they greatly complement our major music apps and form an essential part of the all-in-one music and audio entertainment ecosystem that offers a one-stop experience to all users.

Online Music Services

We deliver our online music services primarily through *QQ Music*, *Kugou Music* and *Kuwo Music*, each of which has attracted a large and avid user base. We purposely built these apps to serve the different user demographics across China with music that suits their differentiated tastes and preferences. Through *QQ Music*, we offer a comprehensive music library and a broad range of music-oriented video content, with a focus on popular artists and leading hits for younger music lovers in metropolises in China. *Kugou*

Music offers a broad set of entertainment features, with a mass market focus and strong user penetration in broader geographies. *Kuwo Music* specializes in in-car music services, aiming to harness the potential of the growing smart vehicle sector. While maintaining complementary focuses of content curation and recommendation, *QQ Music*, *Kugou Music* and *Kuwo Music* are substantially integrated in terms of our comprehensive content library. We also operate *JOOX*, a popular music app available in Hong Kong, Thailand, Malaysia, and other markets across Southeast Asia. It offers songs in Thai, Malay, Cantonese, and other languages, focusing on providing young users across different countries with fresh, trendy, and rich music content. With its vast music library and user-friendly features, *JOOX* has become the go-to app for overseas music lovers. We also operate lightweight sub-brands such as *Bodian Music* and *Kugou Concept* to cater to casual listeners.

Users may use basic features on these apps, including streaming, without logging in. To purchase subscription packages and enjoy additional features, such as creating personal playlists, users need to log into *QQ Music, Kugou Music* and *Kuwo Music*, which requires a *Weixin* or *QQ* account, or a mobile phone number. We have built a multi-tiered membership, including ads membership, standard membership, and SVIP membership. Benefiting from deepened collaborations with music labels, artists and the rollout of new, high-valued benefits, the number of SVIP subscribers exceeded 20 million as of December 31, 2025. See "— How we generate revenue— Online music services — Music subscription" for more information about music subscriptions

We make users' music journey simple and fun through discovery and personalization. These efforts, combined with our ability to provide quality online content and experiences, have continued to drive user engagement and users' willingness to pay for our online music services. In the fourth quarter of 2025, the number of paying users for our online music services has reached 127.4 million.

- ***Listening experience and beyond***.
  - *Advanced music player*. We offer various functions to enhance user experience, such as sound quality optimization, shuffle play, day/night modes and music caching. We have also developed a variety of audio settings that fit different songs, use cases, moods and output devices. Our cloud-based services enable users to synchronize their playlists on different devices. A wide selection of proprietary sound effects is at users' option, catering to their diverse music tastes and preferences. For instance, we offer premium audio quality and various sound effect options to our SVIP members. We continuously upgrade our self-developed audio quality series, including the *QQMUSIC AUDIO* series and the *Kugou Viper* series, to deliver clearer and more immersive sound experiences. Moreover, we have introduced multiple sound effects, such as Viper External Amplification Enhancement Sound Effect which intelligently optimizes sound depth and clarity when using external speakers.
  - *AI-enabled experience.* Through AI technologies, we continuously enhance users' listening experience. Our AI-powered audio effect analyzes the audio to match songs with the most suitable audio settings, ensuring an optimal audio streaming performance. In addition, our AI voice extraction feature allows users to separate original vocals and instrumental tracks with a single click, so that users can sing alongside their favorite artists or enjoy instrumental-only mode for karaoke sessions. Furthermore, our AI audition and AI performer features allow users to customize their listening experience by selecting different timbres and instrument arrangements for a song also with a single click, enabling AI-generated variations in musical performance and allowing users to create personalized audio effects during playback.
  - *Personal homepage*. Users have their own customized homepages where they can manage their playlists and access recently downloaded and/or streamed music content. It also provides various functions, such as following artists, purchasing subscription packages, tracking activity data and changing app themes.

- ***Music discovery***.
  - *Search*. Users can discover music content through our powerful search engine. They can search music content across playlists, music charts, artists and genres. Our award-winning song recognition tool allows users to discover a randomly heard track of music without having to know a single key word. On *QQ Music*, we also introduced an AI assistant powered by the self-developed MuseV virtual human video model, supporting text-to-voice chat and fuzzy searches to help users discover desired songs and explore music trivia. Moreover, we integrated DeepSeek into the AI assistants, comment sections, recommendation pages, and other user touchpoints, allowing users to effortlessly access interesting music information, receive song comments in diverse styles, and enjoy a more personalized music experience.
  - *Smart recommendations*. With our algorithms that intelligently detect users' evolving music tastes, we then recommend music to users as part of their search as well as through daily songs, new songs, music radios and users' favorite songs based on what they listen to. Utilizing deep learning and data analytics, we have increased the percentage of streams coming from these recommendations. With our growing content library, we are deepening

our understanding of music and user preferences. By developing a dedicated recommendation middle platform and refining our tagging system, we continually enhance our music recommendation capabilities and improve users' music discovery experience. For instance, our self-developed multimodal large model can deeply analyze and identify audio features, facilitating more precise recommendations of high-quality content, helping users discover their favorite songs more easily and driving overall engagement.

- *Music charts*. As part of our dedication to promoting healthy and sustainable industry development, we strive to establish inclusive and professional music charts that accurately assess and reflect China's music industry. To achieve this, we have created the *TME Chart*, which is supported by our data-driven *TME UNI Chart* and our expert review-based *TME Wave Chart*. Together, they form a robust music rating infrastructure that aligns with our mission.
- *Curated playlists*. We offer curated playlists covering a wide variety of genres, themes, languages and moods. We are also adapting to the preferences of younger music users by adding genres such as urban, electronic dance music ("EDM"), animation, comic and gaming, as well as Chinese Ancient Style. Our extensive playlist offerings include curated playlists created by our music editorial team, machine-generated playlists, and user-generated playlists. We also encourage users to create their own playlists to share, thereby further amplifying their exposure within our online music community. Our interactive playlists can be jointly built and edited by multiple users, allowing users to break through the barriers of time and place while dynamically integrating listening with social interaction.
- *Official music accounts*. Users can subscribe to their favorite official music accounts operated by both established and aspiring artists, columnists and other music industry key opinion leaders. Through their official music accounts, owners can upload and share songs, videos, literature, photos and other music-oriented content.

- ***Social experience***.
  - *Facilitate interactions among friends*. Our platform delivers a superior and unique social music experience. Users can share their songs or playlists via *Weixin* or *QQ* and other major social platforms. Furthermore, we have upgraded the synchronized listening feature in *QQ Music* to encourage interactions among friends. While listening to a song, users can interact with others listening to the same song by posting and exchanging comments. They can also create their own lyrics posters and share them with friends.
  - *Promote interactions and connections between users and artists*. In the second quarter of 2025, we launched *bubble* on *QQ Music*, in partnership with DearU. It is an interactive community that allows users to engage directly with artists to foster deeper, more personal connections. Through *bubble*, which features not only artists from multiple K-pop labels, including SM, JYP, and CUBE, but also musicians from domestic labels, including Hu Xia, NexT1DE, and R.E.D, we continue to promote interactions and deepen connections between users and artists. We also implemented product enhancements, such as AI-powered in-app translation and speech-to-text capabilities, which contributed to improved user experience and user retention. In the fourth quarter of 2025, we launched *Weverse DM* on *QQ Music*, in partnership with HYBE, broadening the range of artists available and enabling fans to connect. In addition, we introduced new interactive badges associated with artists' key milestones to enhance community participation.
  - *Help users connect with those sharing common interests*. We are dedicated to helping people connect with others with a shared passion for music. From enjoying the latest singles and albums from one's favorite artists to interacting directly with well-known musicians, we foster connections not just among friends and family, but also within broader music community. For example, in the fourth quarter of 2025, we organized song-guessing campaigns featuring renowned Korean music groups NCT WISH and Super Junior, where top-ranking participants were eligible to receive rewards such as autographed posters and limited-edition badges. In addition, we launched a series of commemorative activities celebrating the 25th anniversary of Jay Chou's debut, highlighting key milestones in his career and encouraging users to share curated content with friends to revisit his music together. These initiatives help users stay connected with their music-loving friends and share their musical discoveries. Ultimately, these connections provide us with valuable insights, enhancing our music discovery and recommendation capabilities.

Our Long-form Audio Offerings

We provide extensive, diverse long-form audio content offerings covering a broad range of selected genres and segments such as audiobooks, podcasts, cross talks and talk shows. In an effort to expand and diversify our long-form audio content, we have enriched our podcast ecosystem and bolstered our joint content operations with popular IPs. We have been expanding our long-form audio content by including more audiobooks based on novel IPs and self-produced children's literature. In addition, we have enhanced our Text-to-Sound (TTS) technology to facilitate and supplement podcast content production.

Social Entertainment Services

As users are increasingly looking for a variety of entertainment that goes beyond listening to music on our platform, we offer users simple and entertaining ways to sing, watch and socialize, whether it is with a friend, a group of friends, or other users on our platform. Our music-centric social entertainment services include online karaoke social community and live streaming of music performances and events.

Online Karaoke Social Community

Karaoke is a popular way of enjoying music in China, whether at a weekend party, a family event or a simple social gathering. This is what inspired us to introduce our online karaoke social community to make it easier for users to sing and have fun with friends. Our online karaoke social community is a platform for users who want a simple stage to share their love of music and singing, or a springboard to launch their careers as the stars of tomorrow.

We deliver online karaoke services primarily through *WeSing*, China's leading online karaoke social community, as well as the "Sing" function on *Kugou Music*. We currently offer millions of karaoke songs covering a broad range of genres, and we continue to review and update our karaoke song library to keep it fresh, current and popular. Over these years, we have continued to establish *WeSing* as a social entertainment platform with singing at its core. Our focus is to engage users by demonstrating the power of singing in socializing, celebrating and supporting our community in a meaningful way, and creating tools that deliver a more personalized and enjoyable singing experience. We currently require users to register with and access services and functions on *WeSing* using their phone numbers or *Weixin* or *QQ* accounts, as *WeSing* is primarily used by users to socialize with their friends on *Weixin* or *QQ* through music. Such linkage between *WeSing* and *Weixin* or *QQ* has in turn also enriched Tencent's content ecosystem by providing *Weixin* or *QQ* users with convenient access to our content. As an integral part of our international expansion strategy, we have brought our quality online karaoke services to international users.

Users can sing along from our vast library of karaoke songs and share their performances, either in audio or video formats, with users connected on *Weixin* or *QQ*. Karaoke songs recorded by users significantly augment our user-generated music content library of *Wesing*.

WeSing has functions and features designed to drive user engagement, social interaction and entertainment, including:

- ***Singing features***. Users can record their karaoke songs in audio and video formats. They can not only sing alone, but also sing duets with celebrities or other users and then make a complete song to share with their friends. Users also receive a system-generated assessment of their performance which helps them continue improving their singing. In addition, users may edit recordings of karaoke songs with a large selection of special audio and visual effects, or record songs at offline mini-KTV booths and share their performances online. To make the singing functions more accessible to mass users and improve recording performance and online singing experience, we have continuously upgraded the audio and video recording tools, including multi-genre remix, auto-tune and quick sing, making it simpler and fun for users to create and publish recordings. *WeSing* also pioneered the industry's voice synthesis technology, allowing music rookies to create a virtual singer based on their own voice.

- ***Virtual karaoke rooms***. Users can create virtual karaoke rooms and invite their friends or others to join an online karaoke party anytime and anywhere. In a singing room, users can sing and interact with each other by voice and text chatting, sending virtual gifts and holding sing-offs for most likes and gifts. In addition*, WeSing's* multi-person singing rooms, available in both video and audio formats, have consistently enhanced real-time interaction scenarios on the platform. Our *Friend Karaoke Room* also enables families and friends to sing, chat, play and socialize, bringing the offline karaoke experience online for our users to enjoy real-time social interactions. *WeSing*'s online karaoke rooms also offer a broader suite of online singing experience, including different party sizes ranging from solo and duet to small and large groups.
- ***Online singing groups***. Users can discover and join a larger online singing group of people sharing common music interests. Online singing groups provide users with a great way to create online music communities, meet new like-minded friends, improve their singing performances and have fun socializing online. Furthermore, we host live chorus events featuring renowned artists, offering users a unique opportunity to interact directly with their musical idols. We also introduced an online service model featuring on-demand vocal accompaniment. This effectively mobilizes karaoke stars on the platform with potential commercialization opportunities to reward their singing talent.
- ***Live performance***. Users can stream their singing performance through interactive live streaming sessions where users can interact with others by chatting and giving virtual gifts.
- ***Value-added services***. While users may access our basic karaoke functions free of charge, they can also purchase virtual gifts to send to their favorite singers and subscribe for memberships that come with value-added functions, such as higher soundtrack resolution, additional app themes and access to singing tutorial programs. We also introduced AIGC-empowered gifting feature to allow users to send customized virtual gifts.
- ***Multi-media content enrichment.*** We use full-screen videos for our user interface design on the recommendation page to make content browsing more immersive and engaging. We also enhanced the recommendation algorithms for greater content exposure and interaction experience. In turn, such technology improvements have incentivized users to publish more content, generating a virtuous cycle for users to create, publish and share content on the platform.
- ***Content creation***. We have continued to popularize the music creation process within *WeSing*, encouraging more users to become content creators. We also provide users with a virtual stage background and avatar for video recording, as well as the option to create a personalized short video by simply recording their voices with a semi-finished video supplied by *WeSing*.

Live Streaming of Music Performances

Live music performances provide real-time interactions compared to recorded content. They can be exciting, exhilarating and engaging. This motivated us to provide a venue for performers to express themselves, share their creative work and for audiences to enjoy a completely different, interactive music entertainment experience.

We offer live streaming of music performances primarily through the "Live Streaming" tab on *QQ Music*, *Kugou Music*, *Kuwo Music*, *WeSing*, *Kugou Live* and *Kuwo Live*. Having these multiple live streaming platforms built in our core music apps allows us to organically attract the massive online music user bases of each of our music apps to our live streaming offerings and seamlessly serve their diversified social entertainment needs for visual and interactive content. Professional artists and other performers alike can stream their singing and other performance to a vast online audience, fostering a vibrant online social music entertainment community.

We offer users the option to register with and access our live streaming services using their *Weixin, QQ* accounts, and their mobile phone numbers.

Our live streaming platforms cultivate an engaging and interactive environment for both the live streaming performers and the audience to create, discover, socialize and have fun together, mainly featuring the following:

- ***Music-centric live streaming content***. Our live streaming content features a broad range of performance categories such as singing, instrument playing and DJ performances by both professional artists and other performers. Most of our live streaming users also use our online music or online karaoke services. Our data analytics technology enables us to provide recommendations of relevant live streaming content based on what our users are listening to or singing on our platform.
- ***Music events and talent shows***. To further diversify our live streaming content offerings, we offer virtual concerts performed by professional artists as well as music events and fan meetings on our live streaming platforms to allow our users to support and interact with their favorite artists through various ways.

- ***Social functions***. Our social features make everyone a part of the show. Performers and users interact in various formats, such as voice and text chatting, video chatting, rating a performer's performance and sending virtual gifts. We also innovated AIGC-empowered virtual gifts to facilitate a more trend-setting interaction between users and performers. At any time during a live streaming session, users may choose to follow a performer they adore to receive notifications of future performances.
- ***Cultivation of music talents***. We believe that our live streaming business, combined with our expertise in artist incubation, provides ample space and support for our musicians to grow. Drawing on our expertise in supporting up-and-coming talent, we are opening new doors for independent musicians to shine as live streaming stars.

We encourage our live streaming performers to sing and engage in other music performance on our platform. Live streaming performers on our platform include professional artists and aspiring performers, as well as ordinary people who want to share their music. We seek to establish and maintain stable, mutually beneficial relationships with live streaming performers. As part of our content strategies, we support promising live streamers by providing training and promotional assistance to enhance their exposure, engage more effectively with audiences, and elevate their industry profiles.

Our Content — A Comprehensive Content Ecosystem

We are dedicated to building a comprehensive content ecosystem to address evolving user needs. Our differentiated content library covers our users' favorite content across both genres and formats. As of December 31, 2025, we have a comprehensive content library with over 300 million music and audio tracks. Beyond streaming, we always remain at the forefront in music consumption. By developing close partnerships with artists and music labels, we offer our users various popular contents along the entire music value chain, including digital and physical albums, online and offline concerts, and artist-related merchandise.

Diverse Content Library

We offer a diverse range of professional as well as user-generated recorded and live content across various formats. Our content generally spans five different types:

- ***Songs***.
  - Features songs performed by both established and aspiring artists in China and around the world.
  - Underpinned by a comprehensive original content production system that utilizes our technology capabilities and deep understanding of music as well as internal and external resources to systematically create, evaluate and promote music.
  - Represents a variety of themes such as latest top hits, internet hits, time favorites and movie soundtracks.
  - Covers a broad range of music genres, including pop, rock, indie, hip hop, R&B, classical, jazz and electronic music in various languages including Mandarin, Cantonese, English, Korean and Japanese.
  - Categorized by listening habits, settings and moods, such as workout, travel, study and work, relaxation and many more.
  - Adapts to the preferences of younger music users by covering a wide range of genres such as urban, EDM, animation, comic and gaming, as well as Chinese Ancient Style.
- ***Live streaming of music performances***. Professional artists along with aspiring and other performers stream music and other performances in real time to our online audiences. These live streams allow users to experience and enjoy live music performances and interact with the performers in a variety of ways. Additionally, we offer live streaming of more professionally organized online and offline concerts and music events for more established artists.
- ***Recorded video and audio***. Various recorded music-oriented video content, such as full-length music videos, short videos, both professionally- and user-generated, behind-the-scenes footage, artist interviews, music-focused variety shows and music awards shows, as well as audiobooks, podcasts and talk shows covering a diverse set of topics on children, education, history and humanity, among other things.
- ***Karaoke songs***. Millions of online karaoke songs and the related user comments, which further expand the breadth of our music content offerings, enhancing our user experience and engagement.
- ***Reviews and articles***. We supplement our music content offerings through an enormous library of reviews and articles about music and artists. We place links to the featured music in the articles to provide users with even more choices of content.

Our Content Strategies

Partnering with Music Labels and Leading Industry Players

Currently, we primarily license top hits and premium content from major domestic and international music labels for a broad audience base. All the tracks that we license from music labels are generally available to users across our online music apps and, to the extent permitted by the terms of our licensing agreements with the licensors, our social entertainment and IoT products, except under certain circumstances where the artists or rights owners require us to publish their content under specific subscription packages or in a specific format. See "— Content Sourcing Arrangements."

Over the years, we have developed long-term relationships with a broad range of music labels, including major domestic and international labels across various music genres, enabling us to better serve the diverse musical preferences of our audience. For example, we renewed contracts with Sony Music Entertainment, Warner Music Group, and Bin-music in 2025 to enhance our timeless and classic music offerings. We also extended cooperations with Emperor Entertainment Group and Rock Records, further elevating our music library with immersive Dolby Atmos sound. In terms of other music genres, we expanded our catalog with a broader selection of popular Chinese rap by partnering with Dream Music Group, which drawn growing engagement and positive feedback from our users. We are also seeing increasing popularity for Korean, English, and Japanese tracks. In this regard, we renewed contracts with top South Korean labels Starship Entertainment and YG Entertainment, maintaining our leadership in Korean content, and extended partnership with Japan's top ACG label KADOKAWA Corporation, added thousands of tracks including popular anime theme songs, further expanding genre coverage for music lovers.

We also deepened our collaborations with music labels and artists to enrich our SVIP offerings. For example, our new multi-year contracts with Sony Music Entertainment introduced the 360 Reality Audio sound privilege for SVIP members, fostering a more immersive listening experience. SVIP users also had the opportunities to secure tickets for K-pop icon *G-DRAGON* and *BLACKPINK*'s concert tours in advance on our platform, sparking significant buzz among music fans. Another recent highlight was the appointment of *Ryan Ding*, *Ju Jingyi*, and *Karry Wang* as QQ Music SVIP brand ambassadors, and *Liu Yuning* as Kugou Music's first-ever brand ambassador, and JC-T as our multi-platform SVIP family brand ambassador, paired with limited-edition physical and virtual gifts, boosted SVIP subscriptions.

In addition, we have collaborated with leading music charts, magazines and social media platforms worldwide to increase the exposure of Chinese artists and songs both domestically and internationally. In 2025, we further deepened our strategic collaboration with Billboard. Every play by users on TME's platforms, including *QQ Music*, *Kugou Music* and *Kuwo Music*, contributes to their favorite songs' performance on the global charts such as Billboard Global 200, promoting Chinese music to the world and bringing Chinese pop to the global stage. In December 2025, we signed business cooperation agreements with Kakao Entertainment, LINE MUSIC, and others to jointly launch the "K-pop Artist Chart." The new chart, to be introduced on Melon, will reflect objectively user activity and platform data from participating music services and is scheduled to officially launch in the first half of 2026.

Enhance In-House Original Content Development Capabilities

We continue to invest in original content production to meet user demands for diverse forms of music entertainment. We have established a comprehensive set of original content production capabilities that utilize both internal and external resources, our advanced technology and deep understanding of music to create compelling, diverse music offerings. Furthermore, we have also offered various promotional tools to help artists effectively reach their target audiences and climb the popularity charts. For example, in 2025, we partnered with CCTV News to produce To Time for Zhou Shen, which ranked No. 1 on the Kugou Mainland Chart and No. 4 on the QQ Music Mainland Chart. Our Mid-Autumn-themed hit Year After Year, performed by Xiao Zhan, charted in 17 countries and regions and generated over 100 million social media views in a single day.

We have also been working closely with industry participants, artists and other partners to create and produce more differentiated content and to co-produce chart-topping songs across gaming, film, literature and comic categories. For instance, we developed the theme song for the acclaimed film *THE LYCHEE ROAD* with Chen Chusheng, which topped multiple music charts, and garnered extensive praise from national media. Our capability to craft hit OSTs also continues to strengthen. In the fourth quarter, we produced a bespoke 14-track OST suite for Tencent Video's hit drama *Shine on Me*, which topped multiple music charts during the drama's broadcast.

Furthermore, we are leveraging our one-stop AI music production platform to support the music creation process. With features such as track refinement and AI-generated vocal demos, we help creators to accelerate production and enable them to produce hits that resonate across diverse listener preferences, significantly enriching our content offerings. Our commitment to original content development has translated into high-quality self-produced and co-produced content that resonates with music enthusiasts.

Cultivating Aspiring Artists

We are not just a platform for established artists but also one for discovering and cultivating rising music talents. We provide opportunities for newer generations of aspiring artists to fulfill their ambitions to sing and perform by supporting them in areas such as content curation, marketing, promotion, monetization and career training. We are proud to have promoted the singing careers of many new music stars who started their careers on our platform. We also work closely together with music labels to identify and cultivate aspiring artists on our platform.

Tencent Musician Platform is our online service for selected aspiring musicians to showcase their talent, passion and original works for the broadest possible audience. By leveraging the platform, we are dedicated to nurturing indie artists by equipping them with a broad range of resources. This includes everything from song production, global promotion, artist development, incentive programs, performance opportunities, copyright guidance, to career training, enabling them to maximize their potential, engage with fans, and monetize their creations. By the end of 2025, we have facilitated over 1,500 offline performance opportunities for nearly 1,000 artists and groups in total from *Tencent Musician Platform*, featuring our proprietary IPs *CITY LIVE* and *BUFF LIVE* with great success.

Cultivating original works and enriching the indie musician ecosystem through our *Tencent Musician Platform* also leads to our content differentiation. We have successfully supported original songs across various genres, created by indie artists. Some of these songs have achieved significant reach and recognition, resonating with diverse audiences and contributing to the thriving music ecosystem on our platform. For example, after we promoted Xiang Sisi's single Why Not Wait for the Wind on short-video platforms, it quickly went viral—sparking a wave of user-generated content on social media and surpassing 20 million streams on our platform.

Fostering User Content Creation

To further extend the breadth of our content offerings, we allow users to upload content in the forms of karaoke songs, live streaming performance, short-and long-form videos and other formats of music-oriented content. This user-generated music content further engages users and enhances their experience, both as content creators and as audience.

We use our data analytics technologies to recommend content generated by karaoke singers and live streaming performers to help increase their exposure.

Furthermore, we added additional video and long-form audio formats to our content offerings and continued to launch social media initiatives and additional lite versions of our apps to attract a broader group of users. We also developed innovative ways for users to enjoy personalized content by consistently improving our music content tagging process and recommendation capabilities, as well as analyzing our platform's data repository to better fulfill users' music tastes and preferences. We believe that all of these initiatives as strategic, long-term investments, will improve our user experience, attract more users to contribute to more user-generated content on our platform, driving a virtuous cycle for sustained growth and monetization.

Explore Innovative Content Forms

We constantly innovate brand new forms of content that our users love. As interest in live events surges, we are also expanding our footprint in offline performances. We use *TME Live* to create new music scenarios, allowing us to capitalize on rising opportunities from live music performance through multi-faceted formats. In 2025, we successfully staged several large-scale international concerts and events, extending our reach beyond borders to tap into international market opportunities. Notably, we expanded our proprietary concert IP portfolio with the launch of the TMElive International Music Awards (TIMA), celebrating international artists' achievements and enhancing our industry influence. The inaugural TIMA showcased 22 acclaimed artists and groups from China and a number of Asian countries — including acts by BILLKIN, PP KRIT, aespa and SMTR25, garnering over 20,000 attendees over two days. Meanwhile, our annual flagship Tencent Music Entertainment Awards (TMEA) 2025 attracted 35 artists and groups, drawing over 10,000 attendees and achieving remarkable online engagement. Besides our proprietary flagship IPs, we also successfully hosted leading Korean artist G-DRAGON's first major tour since 2017, G-DRAGON 2025 WORLD TOUR [Übermensch], across eight cities and attracting over 260,000 attendees, achieving robust ticket sales, demonstrating our strength in delivering world-class entertainment experiences. We also successfully hosted concerts for many high-profile artists, such as Will Pan and Jane Zhang.

These remarkable events have garnered us brand recognition both at home and abroad, laying a solid foundation for us to continue growing at scale. As we further build out our performance pipeline, we are confident that there will be more exciting opportunities to deliver large-scale and immersive live music experiences for our users.

In addition to offline experiences, we also expanded our artist-related merchandise offerings to spark new waves of music consumption and deepen fan engagement. By collaborating with artists, we offered customized artist-related merchandise and collectibles alongside physical and digital releases, thereby enhancing the overall fan experience and supporting diversified monetization of music IPs. For example, we collaborated with Ed Sheeran to produce a KIT album for his new release Play, marking

our first partnership with a top-tier Western artist in this hybrid music format. We also offered collectibles alongside physical releases to boost engagement and sales, from Esther Yu's deluxe album Spicy Honey to tour-inspired items like Lay Zhang's "GRANDLINE·BOUNDLESS" Tour Special Commemorative Gift Box and LUHAN's SEASON4 ASIA TOUR Commemorative Album. Other highlights included the 10-day head-start presale of *Beyond Utopia* by *Teens in Times,* which rose to No. 1 on the 2025 physical album bestseller chart. We also collaborated with *G-DRAGON* to presell official light sticks and other products in mainland China. For fans who purchased his digital albums, we offered the privilege to buy China-limited special edition merchandise which achieved an impressive sales performance.

Content Sourcing Arrangements

Content is the foundation of our platform. We license from, and pay royalties to, the following major rights holders to obtain the vast majority of the music content offered on our platform.

- ***Music labels and music copyright owners***
  - We have strong partnerships with a wide range of music labels and other copyright owners. We license musical recording rights and/or music publishing rights underlying music content mainly on terms ranging from one to three years from domestic and international music labels.
  - We pay music labels for licensed music content based on licensing fee and revenue-sharing incentive royalties. Under such fee arrangements, the amounts of licensing fees and incentive royalties depend on multiple factors including the type of content, the popularity of the performers, as well as our relationships with the licensors. Payments under the licenses are generally made in installments throughout the duration of the licenses.
  - Our licensing agreements with music labels and music copyright owners are on a non-exclusive basis.
  - The licensing agreements will specify whether we have the right to sublicense the content we source from music labels and copyright owners.
  - Our licensing agreements with music labels and copyright owners generally expire upon the end of the term, unless otherwise terminated earlier pursuant to the relevant provisions in certain circumstances, such as a material breach of contract.

- ***Individual artists***
  - We enter into licensing agreements and, in some cases, commissioned content creation agreements with individual artists or their agencies to bring a broader and more diverse range of content offerings on our platform. See "— Our Content Strategies — Cultivating Aspiring Artists" for more information about *Tencent Musician Platform*, an online service designed to nurture aspiring individual artists.
  - We typically pay individual artists performance-based licensing fees. We may also make prepayments and/or pay fixed content fees to certain individual artists, depending on various factors including their historical performance and popularity among users.
  - The licensing agreements between us and individual artists are either on a no more than three years' exclusive basis, or on a non-exclusive basis.
  - Subject to the contract terms with specific individual artists, we may sublicense the relevant individual artists' content to other parties.
  - The agreements between individual artists and us generally expire upon the end of the term, which is typically three years, unless otherwise terminated earlier pursuant to the relevant provisions in certain circumstances, such as a material breach of contract.

- ***Live streaming performers and their agencies***
  - User-generated content from live streaming performers (and their talent agencies, if applicable) is covered by revenue-sharing arrangements, under which they are entitled to a percentage of the revenue generated from sales of virtual gifts attributable to their performance on our live streaming platforms. Payment to live streaming performers (and their talent agencies, if applicable) is typically settled periodically. We generally seek to maintain the revenue sharing ratio at a level that we believe is comparable to those of our peers in the industry.
  - Our agreements with live streaming performers (and their talent agencies, if applicable) will specify certain qualitative and quantitative requirements that they must meet in order to be entitled to their share of the revenue.

- Live streaming performers (and their talent agencies, if applicable) own the intellectual property rights of the live streaming content they create, and we are permitted to use such content on our platforms pursuant to our agreements. In addition, users uploading user-generated content on our platform typically agree to grant us the associated copyright of such content. For additional details concerning our copyright protection with respect to user-generated content, see "— Intellectual Property — Copyrights" and "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — We allow user-generated content to be uploaded on our platform. If users have not obtained all necessary copyright licenses in connection with such uploaded content, we may be subject to potential disputes and liabilities."
- Our agreements with live streaming performers or their agencies are either on an exclusive or non-exclusive basis.
- Our agreements with live streaming performers (and their talent agencies, if applicable) generally expire upon the end of the term, which usually ranges from one to three years, unless otherwise terminated earlier pursuant to the relevant provisions in certain events, such as a material breach of contract.

- ***MCSC***. We entered into two agreements with MCSC in April and November 2025, respectively, with the agreement in November serving as a further supplement and clarification to the agreement in April. These agreements are intended to secure the copyright with respect to musical compositions and lyrics underlying our music content that are not already covered by our existing licensing agreements with music labels and music copyright owners. Under these agreements, we are granted the right to distribute through the internet the musical compositions and lyrics managed by the MCSC. In return, we pay MCSC a license fee that equals to a specified advance payment plus a percentage of revenues generated from the licensed music content (net of certain costs). The MCSC has also agreed that, in the event of any copyright dispute or claims involving music content covered by this agreement, including those that occurred since the expiry of our previous framework agreement with MCSC, they will be responsible for negotiating with, or compensating, the third-party right owners.

Collaborations with Tencent Ecosystem

We are committed to capitalizing on the synergies with Tencent and continuously enriching our collaborations with the broader Tencent ecosystem to deliver novel music entertainment experience and content. In 2025, we strategically utilized our extensive resource advantage in games, TV, film IPs and artists to elevate production, promotion and success of our self-produced content.

We have integrated *Tencent Yuanbao*, a versatile AI assistant capable of deep thinking, into our platforms. The *Yuanbao* app supports in-app playback of our music content, thereby expanding the reach of our content offerings to a broader audience. At the same time, *Yuanbao* has also been embedded into *QQ Music*, enabling users to interact with *Yuanbao* directly within comment sections for questions and discussions. This integration enhances user participation and activity and provides us with additional insights into user preferences and demand, thereby improving content distribution efficiency. In addition, *Yuanbao* has been integrated into *QQ Music* as an intelligent assistant across the music content consumption lifecycle, enabling users to complete cross-functional, multi-step tasks through simple voice commands. For example, based on user preferences, the *Yuanbao* AI assistant can facilitate music discovery and provide direct access to digital album purchases and artist-related merchandise, supporting more efficient content monetization and conversion.

We continued to expand our collaboration with *Weixin* to explore new avenues to distribute music content, aiming to bring a superior music experience to massive *Weixin* users. We added a music listening function on *Weixin*, giving *Weixin* users access to our vast and growing content library. This initiative broadens our audience reach while also increasing exposure to talented musicians. We are also working with *Weixin Video Accounts* to co-build an independent musician ecosystem that supports and promotes these aspiring musicians' career growth. We also offer a song recognition feature in *Weixin Video Accounts* that can automatically identify the background music of videos from *Weixin Video Accounts*, direct users to *QQ Music* to listen, and allow users to set such music as their *Weixin* ringtone or use in their own videos. In addition, we deepened our collaboration with *Weixin* Channels to jointly promote and distribute music contents. Leveraging this partnership, the song "Chan Fu" achieved a peak daily play count of over 6 million, effectively amplifying the promotion and discovery of hit songs across the Tencent ecosystem.

We continue to partner with Tencent Games, Tencent Video and other constituents of the Tencent ecosystem in our content creation and offerings. For example, we partnered with Tencent Games to co-produce the Honor of Kings 10th-anniversary theme song, Atlas of Tomorrow, performed by JJ Lin. The success of the song garnered over 600 million social media mentions within two weeks of its release, standing out as one of the year's most impactful game soundtracks. Another example is that we invited popular artists Liu Yuning and Zhou Shen to perform the original soundtracks for Tencent Video's blockbuster TV series "THE LYCHEE ROAD", further strengthening the integration between music and video platforms.

How We Generate Revenues

We generate revenues primarily from (i) online music services and (ii) social entertainment services and others.

Online Music Services

Our revenues generated from online music services were RMB17,325 million, RMB21,742 million and RMB26,726 million (US$3,822 million), accounting for 62.4%, 76.6% and 81.2% of our revenues in 2023, 2024 and 2025, respectively.

Music Subscription

We offer users subscription packages across music platforms, including *QQ Music*, *Kugou Music* and *Kuwo Music,* to access our content. Subscription packages are available at different prices to provide users with different combinations of features and privileges. We have built a multi-tiered membership, including ads membership, standard membership, and SVIP membership. Users subscribing to ads membership may enjoy certain benefits of the standard subscription package by watching certain number of advertisement videos per day while paying a lower monthly fee. Users subscribing for our standard subscription package are offered a fixed number of downloads per month of our music content offerings and access to certain pay-for-streaming content. In addition to the basic benefits included in the standard subscription package, users subscribing for our SVIP packages are offered various additional features and privileges, such as personalized app themes and avatar designs, Starlight cards, DTS sound effects, higher sound quality including *QQMUSIC AUDIO* series or *Kugou Viper Series*, as well as the Vocal Switch feature that allows users to easily switch between vocal-only playback and pure instrumental accompaniment and dedicated artist-fan interaction events. We expect to introduce additional benefits and more subscription packages in the future, providing users with more exclusive privileges and features, which will help to improve user engagement, increase conversion to paying users, and enhance user retention on our platform.

Advertising Services

We offer various advertising services to advertisers across our platforms, and continuously optimize our advertising service portfolio. Our advertising offerings mainly include full-screen display ads that automatically appear when a user opens our mobile apps, industry standard banner ads of various sizes and placements on the interfaces of our platform. Additionally, we offer an ad-supported mode that enables users to consume different types of advertisements in exchange for various benefits. This includes accessing select music content that for free, which would typically require payment, as well as receiving rewards by engaging with advertisements. In addition, we provide sponsorship advertisement for various types of brand advertisers, to provide them with a broad and diverse target audience.

Other music services

We offer users subscription packages to access our long-form audio content. Paying users on our platform are granted unlimited access to certain popular and carefully curated audio content during the subscription period. We also offer our paying users a variety of other privileges and benefits, including priority access to certain audio content and discounts on audiobooks.

We also offer IP-related and other services including offline performances, artist management services, sales of digital albums, sales of customized artist-related merchandise, and content licensing, to complement our subscription offerings. These services enable us to unlock greater value from music IPs by addressing a larger market with richer content experiences.

Social Entertainment Services and Others

Our revenues generated from social entertainment services and others were RMB10,427 million, RMB6,659 million and RMB6,176 million (US$883 million), accounting for 37.6%, 23.4% and 18.8% of our revenues in 2023, 2024 and 2025, respectively.

Users are attracted to our online karaoke and live streaming platforms for both video and audio primarily by engaging music performances from our online karaoke singers and live streaming performers. We generate revenues from online karaoke and live streaming services primarily from sales and consumption of virtual gifts, including consumable, time-based and durable virtual items. Consumable virtual items are mainly used as gifts sent to online karaoke singers and live streaming performers by the audiences as a way for them to show support and appreciation for the performance. During the live streams, special visual items, such as diamond rings or cars, will be displayed on the screen when these gifts are sent to the singers or performers. Users may also send virtual gifts to online karaoke performers if he or she likes the recordings uploaded by the performers. We also offer users the option to purchase virtual items which provide them with certain privileges or recognized status over a period of time, such as badges displayed for a certain period of time on the users' profile pages. While purchasing and using these virtual gifts is not a prerequisite for using the features in our products, it provides a way for users to participate in online karaoke and live streaming, which drives user engagement and loyalty.

In addition to virtual gift sales, we also generate revenue from online karaoke and live streaming services through sales of premium memberships and other monetization models. For online karaoke, users can subscribe for memberships to include higher soundtrack resolution and access to video clips of vocal tutorials. Revenues generated on our platform are shared with our karaoke singers and live streaming performers or their agents, typically based on a percentage of the revenue generated from the sales of virtual gifts attributable to their performance. Furthermore, similar to the advertisements displayed on our online music apps, we offer various advertising services across our social entertainment platform.

Branding, Marketing and Sales

The focus of our marketing efforts is to further strengthen our brands, including *QQ Music*, *Kugou Music*, *Kuwo Music*, *WeSing*, and *Lazy Audio*, and to expand our music entertainment ecosystem to connect more users, artists and content providers. Our marketing expenditures are primarily allocated to content promotion and user acquisition initiatives. We aim to deliver best-in-class music entertainment content and services in order to generate strong word-of-mouth referrals and enhance our brand recognition.

We primarily rely on word-of-mouth referrals and benefit from our strong brands to attract users to our platform. We also engage in diverse marketing activities both online and offline to enhance brand awareness. Specifically, our marketing campaigns increase platform traffic through search engine marketing and social media. Moreover, we host or participate in various forms of music-related events and activities to further boost our brand recognition, such as cooperation with established artists, singing competitions, TV and internet music talent shows, music festivals, campus campaigns, artist tours and fan events, to enhance our brand recognition. We also continue to deepen our presence into schools and college campuses through online and offline activities such as on-campus competitions and graduation ceremonies.

We continue to implement new technologies, introduce new features and tools, as well as improve user experience in order to encourage users to access our platform more frequently and for longer periods of time, and ultimately to increase our monetization efficiency on our platform. We also use direct marketing tools deployed through our platform interfaces to convert our users into paying users.

Content Monitoring

We are committed to complying with the applicable laws and regulations regarding the provision of content through the internet. We have established procedures to monitor and remove inappropriate or illegal content from our platform. Our content monitoring team reviews text, images, and videos to ensure compliance, with systems in place to periodically filter and screen our platform. We have developed an effective copyright infringement monitoring system that detects potential copyright infringement by other platforms or our users. We have also adopted various public reporting channels to identify and remove illegal or improper content. Our legal team may also take further actions to hold the content creators accountable for any illegal or inappropriate content.

We focus on the monitoring and screening of user-generated content. We require live streaming performers and users to register on a real-name basis to upload content to our platform and require them to agree not to distribute content in violation of any third-party rights or any applicable laws or regulations. We require users and live streaming performers to comply with our terms of service which strictly prohibit inappropriate content across our platform. Our terms of service set forth in detail prohibited content and actions including, but not limited to, provocative or inflammatory language, full or partial nudity, sexually suggestive language and body movements, abusive language or actions towards other users, acts and threats of violence, and information facilitating or promoting illegal transactions or activities. We also monitor live performance delivered on our platform using a combination of human and machine screening in order to identify and remove any illegal or inappropriate content in accordance with applicable laws and regulations, as well as any content that violates the intellectual property rights of other parties. Users can also report any violations of our terms of service or other inappropriate behavior using the "report" function within our mobile apps. As live performances are user-generated content, in order to avail ourselves of the copyright infringement safe harbor, we are required under the PRC copyright laws and regulations to implement "notice and take-down" policies on such content, which mitigates the likelihood of being held liable for copyright infringement as a result of distributing infringing content on our platform. See "— Intellectual Property — Copyright."

Due to the massive amount of content displayed on our platform, we may not always be able to promptly identify content that is illegal, improper or may otherwise be found objectionable by the regulatory authorities. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — The content available on our platform may be found objectionable by the regulatory authorities, which may subject us to penalties and other regulatory or administrative actions."

Technology and Data Capabilities

Technology

We focus on continuously improving our technology to deliver superior user experience and enhance our operational efficiency. Over the years, we have been innovating and improving our technologies to help users discover and enjoy content and help artists find their target audience and realize greater value.

We have a large dataset, and we devote substantial resources to analyzing data in order to obtain useful insights into our users' music entertainment and social behaviors. We believe our technology will allow us to better understand and respond to user preferences, deliver a superior user experience, and further differentiate our services from our competitors.

- ***Search and discovery engines***. We provide users with a quality and fun music entertainment experience by using our powerful music search and discovery engines underpinned by strong data analytics capabilities. These engines not only help users easily discover and enjoy music content but also assist artists in reaching their target audience and maximizing their value. At TME platforms, we not only allow users to search for their desired music content in our massive library with high accuracy and relevancy, but also use advanced proprietary technologies to curate and distribute music content catering to their specific tastes and interests.

  We have developed three core technologies that further enhance content discovery and user engagement. First, our song recognition technology, powered by advanced audio fingerprinting, has demonstrated exceptional robustness in noisy environments, accurately identifying songs despite interference from speech or intense background noise. This enables users to discover a randomly heard track of music without having to know a single keyword to start a search. Second, we have continuously refined next-generation recognition technology for cover and humming samples. These upgrades have led to breakthrough improvements in both accuracy and recall rates, offering users a more precise and seamless music recognition experience. Third, in recommendation scenarios, we have incorporated the Qinwu music audio representation model to promote high-quality content to users more precisely.

  These technological advancements, combined with smart recommendations for music of similar genres, types and artists, offer users a superior and enjoyable music discovery experience, effectively improving user loyalty. We have been continuously improving our efficiency in content curation and accuracy of search and discovery engines, which we believe has resulted in a substantial increase in average daily streams and user engagements.

- ***User-experience enhancements***. We offer a wide selection of better sound quality and variety of sound effects to enhance our users' listening experience. Our award-winning proprietary audio setting, *Kugou Viper 3D*, as well as *QQMUSIC AUDIO* and *WeSing Super Voice* audio settings, not only bring superior sound quality and a best-in-class listening experience to users, but also foster a large, growing online community for them to share user feedback about our sound effects. In 2025, we launched multiple co-branded DTS sound effects and continued to optimize our audio quality offerings through the introduction of Viper Ultra Sound 2.0 and Viper HiFi sound quality, demonstrating our investment in the enhancement of audio quality and sound effect technologies. In addition, QQ Music has introduced TME CONNECT, a wireless high-fidelity audio transmission technology that leverages the high bandwidth of Wi-Fi to overcome bitrate limitations associated with Bluetooth transmission. This technology enables, for the first time in China, master-quality, lossless wireless audio transmission on an online music streaming platform, supporting high-quality authentic audio experience. These enhancements were made with the goal of optimizing sound clarity and expressiveness and continue to set a new standard for high-quality music streaming. In addition, we provide various special visual effects and camera filters to users recording videos on our platform. *Kugou Music* also pioneered VIPER HiFi sound quality and One-Click Audio Enhancement 2.0. By delivering superior audio fidelity and louder speaker volumes, we let users easily transform their smartphones into portable speakers. Furthermore, we have introduced the Automix intelligent song transition feature and the upgraded One-Tap DJ 2.0, adding four distinctive styles including Vietnamese percussion, pairing with a dedicated player to create an immersive listening experience. We also launched a dedicated audio effect for AirPods, enabling users to enjoy the advanced audio performance of the newer models without upgrading devices. In addition, we have developed microphone-free karaoke technology and applied it in multiple vehicle models, enabling users to sing karaoke freely inside the car without the need to hold a microphone. We also launched audio visualization features to enhance immersive audiovisual experiences, including a music cockpit that dynamically adjusts playback

based on vehicle data and integrates with in-cabin hardware, as well as lyric effects and intelligent lighting to further elevate music enjoyment.

We are also using AI technology to continuously enhance users' listening experience. Our AI-powered audio effect analyzes the audio to match songs with the most suitable audio settings to create an optimal audio streaming performance. Additionally, our AI voice extraction feature allows users to separate original vocals and instrumental tracks with a single click so that they can sing alongside their favorite artists or enjoy instrumental-only mode for karaoke sessions. We also upgraded voice extraction technologies with the industry-first AI Chorus function. Users can now plug in a live concert sing-along experience anytime and anywhere, without the usual fuss. In addition, we introduced AI-powered multi-channel audio effects based on multi-track processing and voice tracking, delivering 5.1 surround sound through spatial mixing. The solution supports TV and in-vehicle platforms and allows users to customize track positioning and preset modes.

- ***Innovative use cases of cutting-edge technologies***. As we expand use cases resulted in broader audience reach, we remain focused on harnessing AI to empower music creation and elevate user experiences. Our voice synthesis technology, such as *Lingyin Engine*, combines AI capabilities with user-generated content, which allows users to perform songs in multiple languages using AI and create tracks with distinctive vocal tones. Additionally, our AI technology enables users to sing duets with their favorite celebrities. Our voice synthesis technology can also interpret songs using warm Mandarin and Cantonese voices, helping users better understand the music while providing a sense of companionship. Furthermore, in collaboration with Tencent *Yuanbao*, we introduced an all-in-one AI agent within *QQ Music* and *Kugou Music* that supports a wide range of intelligent functions, including enabling AI-powered song search, analyzing users' saved music libraries, generating personalized playlists, recommending songs and providing music-related knowledge assistance. Powered by *Yuanbao*, *QQ Music*'s AI Agent has evolved into a system-level hub, allowing users to handle complex, multi-step tasks using natural-language commands. For example, beyond music discovery, the AI agent provides direct access to digital albums and merchandise purchase, creating a seamless "intent-to-action" experience that drives conversion. We also launched Lengjing, a one-stop AI-powered music video creation platform that supports multiple visual styles and is designed to enhance music library MV coverage and artist promotion. By optimizing content recognition and improving rhythm alignment and beat synchronization, Lengjing significantly enhanced the visual impact of AI-generated music videos. We leverage our *muse* multimodal AI technology framework to support two primary applications. The first application integrates an AI-powered digital avatar within the music player to enable real-time conversational interaction, song interpretation, and interactive dance features, enhancing user engagement during music playback. The second application, implemented through a landscape-mode player, utilizes AI-driven animated lyrics, large-format album artwork display, and synchronized visual effects to deliver an immersive audiovisual experience, transforming compatible devices into a record-player-like interface and enhancing the overall music listening experience.

Data Security and Privacy

We believe data security is critical to our business operation. We have adopted and implemented comprehensive internal rules and policies to govern how we may use and share personal information, as well as a robust suite of protocols, technologies and systems in place to ensure that such information will not be accessed or disclosed improperly. Specifically, we have established privacy policies across our platforms that provide guidance on the type of personal information we collect, how we use, share and protect users' personal information, and users' privacy rights under applicable laws. In particular, we only collect personal information to the extent necessary to enable us to provide our services in compliance with applicable laws and regulations. All users must acknowledge the terms and conditions of the user agreement, including our privacy policies, before using our products and services.

From an internal policy perspective, we have established a comprehensive suite of platform-wide policies and procedures to guide our data security and privacy protection practices:

- ***Data collection***. We collect user data only to the extent necessary for our product functions and services upon receipt of the consent from our users. For example, we collect certain basic information, such as *QQ* or *Weixin* account number or phone number, for user account registration and verification purposes. To enable precise content curation and distribution to offer superb music discovery experience, we may access and analyze users' playlists and listening history on our platforms. In the event that users purchase any paid music and audio content, or music-related merchandise, users need to provide certain personal information, such as name and address, to facilitate the transactions. We notify users of the types, potential uses, duration of data preservation and users' rights, among other things, with respect to the data we collect from them.
- ***Data usage***. We fully disclose the potential uses of personal information and data that we collect from users in our privacy policies. In the event that we need to use the personal information and data for purposes other than as disclosed in the privacy policies, we will notify the users and seek their explicit consent before we proceed.

- ***Data protection***. We limit access to our servers that store our user and internal data on a "need-to-know" basis. We also adopt an advanced data encryption system designed to ensure the secured storage and transmission of data, and prevent any unauthorized member of the public or third parties from accessing or using our data in any unauthorized manner. Furthermore, we implement comprehensive data masking of user data for the purpose of fending off potential hacking or security attacks. In addition, we have adopted an incident response plan, which provides a well-defined, organized approach for handling any potential threat to servers and data, as well as taking appropriate actions when the data breach concerns personal information. We provide group-wide regular trainings to our employees that focus on cybersecurity awareness topics critical to our business operations, including the best practices to protect data from loss, modification, leakage or theft.
- ***Data storage and retention***. We require that personal information and data we collect in China be stored and preserved within China. While we only preserve user data to enable our product functions and services, users have the option to delete their personal information generated when using our products and services, such as listening history and playlists. Upon termination of our products or services, we will destruct or anonymize user data that we collect within a reasonable period in compliance with applicable laws and regulations.
- ***Data transmission***. Subject to certain exceptions specified in our privacy policies, transmission of any personal information and data that we collect with our users without their explicit consent is prohibited. For certain services that are jointly provided by our business partners, including Tencent and its associates, and us, we may share the relevant personal information and data with such business partners to the extent necessary to enable our services and improve user experience. We take extensive precautionary measures to ensure the integrity and security of data in transit to our business partners. These measures may include (i) requiring our business partners to handle the personal information and data we transmit in accordance with our standards, requirements and protocols, including providing the same level of protection; (ii) requiring our business partners to deliver written confidentiality undertakings before any data is transmitted; (iii) obtaining internal approval from the personnel in charge of data security; (iv) requiring our business partners to return or delete the personal information and data that we transmitted after the termination of services; and (v) preserving the review log for future inspection.

Intellectual Property

Copyrights

We are committed to copyright protection and we strive to continue playing a leadership role in improving China's music and audio copyright environment.

We take various measures to ensure content offered on our platform does not infringe upon copyrights of third parties. Once it is licensed, we closely monitor copyrighted content on our platform for compliance with the scope of the licenses and therefore to attempt to detect and remediate infringement of third-party copyrights on our platform in a timely manner. We also seek additional contractual protection from the agreements between us and the content creators or licensors. For example, we typically require the licensors to represent in the licensing agreement that they have the legitimate right to license the content and require them to indemnify for losses arising from any claims of infringement or violation of laws and regulations. With respect to user-generated content, we also rely on the safe harbor provision for online storage service providers under PRC copyright laws and regulations, and we have adopted measures intended to minimize the likelihood that we may be held liable for copyright infringement as a result of distributing user-generated content on our platform. Such measures include (i) requiring users to acknowledge and agree that they will not upload or perform content which may infringe intellectual property rights; (ii) restricting users on our blacklists from uploading or distributing content; (iii) using best reasonable efforts to seek licenses from the relevant copyright owners once they are identified and verified and adopting contractual protections for works licensed from labels and other copyright owners; and (iv) implementing "notice and take-down" policies to be eligible for the safe harbor exemption for user-generated content. According to the PRC Legal counsel, to the extent that these measures, especially the "notice and take-down" procedures, are fully and properly implemented in compliance with all applicable laws and regulations and provided that we do not actively participate in infringing activities, our failure to obtain complete copyright licenses for user-generated content would not, in itself, constitute a violation of current PRC copyright law.

We also actively enforce our rights against third-party platforms that infringe upon our content rights, using a combination of human and machine monitoring to detect unauthorized use of copyrighted content on other platforms. More specifically:

- ***Monitoring***. Powered by our advanced audio and video fingerprinting technology and massive data base, we are able to continuously screen and identify infringing content displayed on third-party platforms in China.
- ***Enforcement of our rights***. When our system identifies an infringing use of our content on a third-party platform, our system automatically generates an alert email to our legal and copyright protection personnel, which promptly serves a take-down notice to the infringing platforms requesting that the infringing content be removed. Following the take-down

notice, our legal and copyright protection personnel will review the relevant evidence and initiate the removal procedures to ensure timely removal of infringing content, and they may also file complaints with the National Copyright Administration or initiate legal proceedings.

- ***Follow-up***. Once a take-down notice is served or a legal proceeding initiated, our copyright system starts to track the relevant platforms to check if the infringing content has been timely removed.

Other Intellectual Property

In addition to copyrights of our content, other intellectual property is also critical to our business. We rely on a combination of patent, copyright, trademark and trade secret laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect the Group's intellectual property rights. As of December 31, 2025, the Group had applied for 5,530 patents, among which 3,513 patents have been granted by the China National Intellectual Property Administration and overseas. One of the Group's patents has been recognized with the Nineteenth China Patent Award, one of the Group's patents has been recognized with the Twenty-second China Design Award, two of the Group's patents have been recognized with the twenty-third China Patent Awards, two of the Group's patents have been recognized with the twenty-fourth China Patent Awards, and one of the Group's patents has been recognized with the twenty-fifth China Patent Award, by the China National Intellectual Property Administration. In addition, one of the Group's patents was granted the Eighth Guangdong Patent Silver Award, one of the Group's patents was granted the Ninth Guangdong Patent Award, by the People's Government of Guangdong Province. Two of the Group's patents were awarded the Silver Prize and the Transformation and Application Prize, respectively, in the Seventh Guangdong-Hong Kong-Macao Greater Bay Area High-Value Intellectual Property Portfolio Competition, jointly organized by the intellectual property authorities of Guangdong, Hong Kong, and Macao. Three of the Group's patents also received the Shenzhen Science and Technology Patent Award from the Shenzhen Municipal People's Government in 2020, 2021 and 2023. As of December 31, 2025, the Group had applied for 6,544 trademarks, among which 4,570 had been registered with the Trademark Office of the China National Intellectual Property Administration and overseas. The Group had also registered 741 software copyrights with the Copyright Protection Center of the PRC. The Group's "酷狗" (*Kugou*) trademark has been recognized as a well-known trademark by the Beijing Higher People's Court. The Group's "酷我音乐" (*Kuwo Music*) trademark has been recognized as a well-known trademark by the Trademark Review and Adjudication Board of the State Administration for Industry and Commerce.

Despite the Group's efforts to protect itself from infringement or misappropriation of its intellectual property rights, unauthorized parties may attempt to copy or otherwise obtain and use the Group's intellectual property in violation of the Group's rights. If the Group fails to protect or defend its intellectual property rights against infringement or misappropriation on a timely basis, the Group's business could be harmed. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — Failure to protect our intellectual property could substantially harm our business, operating results and financial condition."

Permissions Required from the PRC Authorities for Our Operations

The Group conducts its business primarily through our subsidiaries and the VIEs in China. Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, except as disclosed in "Item 3. Key Information—3.D. Risk Factors—Risks Related to Our Business and Industry—China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation," our PRC subsidiaries and the VIEs have obtained the requisite licenses and permits from the PRC regulatory authorities that are material for the business operations of our subsidiaries and the VIEs in China, including, among others, the Value-Added Telecommunication Business Operating License, AVSP, ICO License, License for Production and Operation of Radio and TV Programs and Commercial Performance License. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, we may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future.

If any of our PRC subsidiaries or the VIEs is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the requisite licenses and permits, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. In addition, if any of our PRC subsidiaries or the VIEs had inadvertently concluded that such licenses, permits, registrations or filings were not required, or if applicable laws, regulations or interpretations change in a way that requires any of our PRC subsidiaries or the VIEs to obtain such licenses, permits, registrations or filings in the future, the relevant PRC subsidiaries or VIEs may be unable to obtain such necessary licenses, permits, registrations or filings in a timely manner, or at all, and such licenses, permits, registrations or filings may be rescinded even if obtained. Any such circumstance may subject the relevant PRC subsidiaries or VIEs to fines and other regulatory, civil or criminal liabilities, and the relevant PRC subsidiaries or VIEs may be ordered by the competent government authorities to suspend relevant operations, which will materially and adversely affect our business operations.

Furthermore, under current PRC laws, regulations and regulatory rules, we, our PRC subsidiaries and the VIEs may be required to obtain permissions from the CSRC, and may be required to go through cybersecurity review by the CAC, in connection with any future offering and listing in an overseas market. As of the date of this annual report, we have not been subject to any cybersecurity review made by the CAC. If we, our PRC subsidiaries and the VIEs fail to obtain the relevant approval or complete other review or filing procedures for any future offshore offering or listing, we, our PRC subsidiaries and the VIEs may face sanctions by the CSRC or other PRC regulatory authorities, which may include fines and penalties on our operations in China, limitations on our operating privileges in China, restrictions on or prohibition of the payments or remittance of dividends by our subsidiaries in China, restrictions on or delays to our future financing transactions offshore, or other actions that could have a material and adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of the ADSs and/or our Class A ordinary shares.

The PRC regulators have recently indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. For more detailed information, see "Item 3. Key Information — 3.D. Risk Factors — Risks Related to the Group's Corporate Structure — The approval, filing or other requirements of the China Securities Regulatory Commission or other PRC regulatory authorities may be required under PRC law in connection with any future issuance of securities overseas, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing."

Competition

We primarily compete with other online music and audio entertainment providers in China for users' time and attention. Additionally, we face broader competition from various online content offerings, including long- and short-form videos, karaoke services, live streaming, radio services, literature, and games provided by other online service providers. We compete based on several factors, such as the quality and diversity of content, product features, social interaction features, user experience quality, brand recognition, and reputation. Some of our competitors may have greater financial, marketing or technology resources than we do, which could enable them to respond more quickly to technological innovations or changes in user demands and preferences, license more attractive content, and devote greater resources towards the development, promotion and sale of products than we can. For a discussion of risks related to competition, see "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — We operate in a competitive industry. If we are unable to compete successfully, we may lose market share to our competitors."

Insurance

To address risks related to our operations, we maintain insurance coverage that we believe is appropriate for our business, including public liability insurance, key-man life insurance and workplace insurance. We consider our insurance to be sufficient for our business operations.

Environmental, Social and Governance

We implement the Environmental, Social and Governance ("ESG") principle by proactively managing identified risks and integrating sustainable value creation into our operations and product development. ESG is a core element of our growth philosophy and supports our ability to create long-term value for shareholders while embracing diversity and serving broader public interests. We strengthen ESG governance by considering ESG factors in strategic planning, conducting regular materiality assessments, developing and reviewing ESG policies, and monitoring ESG performance. Our Investor Relations Department is responsible for coordinating ESG-related information disclosure and reports to management and the Board of Directors as appropriate. An ESG working group comprising business leaders and representatives from various functional departments supports the implementation of ESG initiatives. Guided by this governance framework, we continue to integrate ESG considerations into our products, services, and community initiatives.

We are committed to addressing the diverse needs of different user groups throughout the product experience. We embed measures to minor protection, accessibility design standards, and user well-being initiatives across the product lifecycle—from design and development to content creation and platform governance—to ensure users can access music services safely and seamlessly. For example, QQ Music introduced a Hearing Protection Mode for children, leveraging AI and user insights to optimize audio output, creating a more comfortable listening experience while preserving the richness of music and audio content. Meanwhile, WeSing upgraded its large-font mode to better serve a broader range of users, with adoption exceeding 50%. Beyond these features, we continue to build a therapeutic music ecosystem that supports sleep improvement, mood regulation, and stress relief through curated content, partnerships with professional organizations, and the integration of platform features and audio technologies.

Beyond product and platform development, we aim to build a sustainable community with our employees, users, artists, and business partners, and strive for long-term environmental sustainability through various initiatives. In April 2025, we launched the

music care initiative for autism for the ninth consecutive year. The “The Shape of Music” music care initiative integrated the power of music, painting, and public welfare to call on the whole society to pay attention to autism and care for the autistic community. The initiative's charity promotional song, “Nemophilist,” is performed by Sir Deer. Furthermore, we teamed up with the Chen Yidan Foundation to establish Music Garden Space in 2018, aiming at providing a range of music education to children of ethnic minorities and from remote regions while also offering music training to local teachers in these regions. During the 2025 “Music Garden Space” summer camp themed “Natural Melodies, Children’s Voices from the Mountains and Fields”, we conducted a variety of music and art education activities from August 25th to 28th in Xinbeichuan, Sichuan. We brought together artist volunteers and employee volunteers to teach children in remote mountainous areas basic musical instruments classes, music appreciation and performance classes, alongside other classes, so that these children could get a more diversified and comprehensive music and art education.

As of the date of this annual report, we have published a standalone ESG report for three consecutive years. The report presents the Company’s ESG progress across corporate governance, product responsibility, employee matters, environmental management, and community engagement, providing an overview of our overall ESG performance. For more information, please refer to our 2025 ESG Report, released in 2026.

Licenses, Permits and Regulatory Approvals

The following table sets out a list of material licenses and permits held by the Group as of the date of this annual report:

License/Permit	Holder	Expiration Date
Value-Added Telecommunication Business Operation License (business type: online data processing and transaction processing business (business e-commerce only), excluding internet financial services categorized as online lending information intermediaries; information services (internet information services only), including culture and audio-video program, excluding information search and inquiry services and instant information interaction services)	Guangzhou Kugou	March 3, 2031
Value-Added Telecommunication Business Operation License (business type: domestic fixed network data transmission business (Beijing, Zhejiang and Guangdong); internet data center business (with server rooms located in Beijing, Ningbo and Guangzhou); domestic internet protocol virtual private network business (Beijing, Zhejiang and Guangdong); internet access services (Beijing, Zhejiang and Guangdong); information services, excluding internet information services (nationwide))	Guangzhou Kugou	June 21, 2028
ICO License	Guangzhou Kugou	May 28, 2028
License for Production and Operation of Radio and TV Programs	Guangzhou Kugou	October 21, 2026
Commercial Performance License	Guangzhou Kugou	September 30, 2026
Publication Business Permit	Guangzhou Kugou	April 30, 2030
AVSP	Guangzhou Kugou	20 February, 2028
Value-Added Telecommunication Business Operation License (business type: information services (internet information services only), excluding information search and inquiry services and instant information interaction services)	Beijing Kuwo	January 29, 2031
AVSP	Beijing Kuwo	January 29, 2028
ICO License	Beijing Kuwo	June 27, 2027
License for Production and Operation of Radio and TV Programs	Beijing Kuwo	September 8, 2027
Commercial Performance License	Beijing Kuwo	December 25, 2026
Publication Business Permit	Beijing Kuwo	January 20, 2031
ICO License	Tencent Music Shenzhen	July 16, 2027
Value-Added Telecommunication Business Operation License (business type: online data processing and transaction processing services (business e-commerce only), excluding internet financial	Tencent Music Shenzhen	July 25, 2030

License/Permit	Holder	Expiration Date
services categorized as online lending information intermediaries; information services (internet information services only), including culture, excluding information search and inquiry services and instant information interaction services)		
Commercial Performance License	Tencent Music Shenzhen	October 9, 2027
Publication Business Permit	Tencent Music Shenzhen	May 31, 2026
Value-Added Telecommunication Business Operation License (business type: information services (internet information services only), including culture and publishing, excluding information search and inquiry services, and instant information interaction services)	Shenzhen Lanren	September 17, 2029
ICO License	Shenzhen Lanren	September 5, 2026
License for Production and Operation of Radio and TV Programs	Shenzhen Lanren	August 26, 2027
Publication Business Permit	Shenzhen Lanren	May 31, 2026
Commercial Performance License	Shiyinlian	November 16, 2027

Regulations

The Group is subject to a variety of PRC laws, rules and regulations across a number of aspects of its business. The following is a summary of the principal PRC laws and regulations relating to the Group's business and operations within the territory of the PRC.

Regulations on Foreign Investment

The Foreign Investment Law of the PRC adopted by the National People's Congress on March 15, 2019 and its Implementing Regulation adopted by the State Council on December 26, 2019 became effective on January 1, 2020. Pursuant to the Foreign Investment Law of the PRC, China will grant national treatment to foreign invested entities, except for those foreign invested entities that operate in industries that fall within "restricted" or "prohibited" categories as prescribed in the "negative list" to be released or approved by the State Council.

The MOFCOM and the NDRC jointly promulgated the Special Administrative Measures for Entrance of Foreign Investment (Negative List) (2024 Version), or the Negative List, on September 6, 2024, which became effective on November 1, 2024. The Negative List stipulates that any PRC domestic enterprise engaging in prohibited industries under the Negative List shall obtain the consent of the relevant competent PRC authorities for overseas listing, and the foreign investors shall not participate in the operation and management of such enterprise, and the shareholding percentage of the foreign investors in such enterprise shall be subject to the relevant administrative provisions of the PRC domestic securities investment by foreign investors.

In December 2020, the NDRC and MOFCOM promulgated the Measures for the Security Review of Foreign Investment, which came into effect on January 18, 2021. Pursuant to such measures, the NDRC establishes a working mechanism office, or the Working Mechanism Office, in charge of the security review of foreign investment, which is led by the NDRC and the MOFCOM. Such measures also define foreign investment as direct or indirect investment by foreign investors in the PRC, including (i) investment in new onshore projects or establishment of wholly foreign owned onshore enterprises or joint ventures with other investors; (ii) acquiring equity or asset of onshore enterprises by merger and acquisition; and (iii) onshore investment by and through any other means. Foreign investment in certain key areas with national security concerns, such as important cultural products and services, important information technology and internet products and services, key technologies and others which results in the acquisition of de facto control of the invested companies, shall be filed with the Working Mechanism Office before such investment is carried out. What may constitute "onshore investment by and through any other means" or "de facto control" is not clearly defined under such measures, and could be broadly interpreted. It is likely that control through contractual arrangement be regarded as de facto control based on provisions applied to security review of foreign investment in such measures. Failure to make such filing may subject such foreign investor to rectification within a prescribed period, and the foreign investor will be negatively recorded in the relevant national credit information system, which would then subject such investor to joint punishment as provided by relevant rules. If such investor fails to or refuses to undertake such rectification, it would be ordered to dispose of the equity or asset and to take any other necessary measures so as to restore to the status before the implementation of the investment and to erase the impact to national security.

We are a Cayman Islands company and the Group's businesses by nature in China are mainly value-added telecommunication services and internet cultural services, which are restricted or prohibited for foreign investors by the Negative List. The Group conducts business operations that are restricted or prohibited for foreign investment through the VIEs.

Regulations on Value-Added Telecommunication Services and Internet Content Services

Licenses for Value-Added Telecommunications Services

The Telecommunications Regulations of the PRC, or the Telecom Regulations, promulgated on September 25, 2000 by the State Council and most recently amended on February 6, 2016, provide a regulatory framework for telecommunications services providers in the PRC. As required by the Telecom Regulations, a commercial telecommunications services provider in the PRC shall obtain an operating license from the MIIT, or its counterparts at provincial level prior to its commencement of operations.

The Telecom Regulations categorize all telecommunication businesses in the PRC as either basic or value-added. The Catalog of Telecommunications Business, or the Telecom Catalog, issued as an attachment to the Telecom Regulations and most recently updated on June 6, 2019, further categorizes value-added telecommunication services into two classes: class I value-added telecommunication services and class II value-added telecommunication services. Information services provided via cable networks, mobile networks, or internet fall within class II value-added telecommunications services.

Pursuant to the Measures on Telecommunications Business Operating Licenses, or the Telecom License Measures, promulgated by the MIIT on March 1, 2009 and last amended on July 3, 2017, any approved telecommunications services provider shall conduct its business in accordance with the specifications in its license for value-added telecommunications services, or VATS License. The Telecom License Measures further prescribes types of VATS Licenses required for operation of different value-added telecommunications services together with qualifications and procedures for obtaining such VATS Licenses.

Pursuant to the Administrative Measures on Internet Information Services, promulgated on September 25, 2000 and amended on January 8, 2011 and December 6, 2024 respectively, by the State Council, commercial internet information services providers, which means providers of information or services to internet users with charge, shall obtain a VATS License with the business scope of internet information services, namely the Internet Content Provider License or the ICP License, from competent regulatory authorities before providing any commercial internet content services within the PRC.

Based on the Notice regarding the Strengthening of Ongoing and Post Administration of Foreign Investment Telecommunication Enterprises issued by the MIIT in October 2020, the MIIT no longer issues Examination Letters for Foreign Investment in Telecommunication Business. Foreign-invested enterprises would need to submit relevant foreign investment materials to MIIT for the establishment or change of telecommunication operating permits.

On July 21, 2023, the MIIT issued the Notice on the Record-filing of Mobile Internet Apps. Such Notice requires that any APP sponsor that engages in Internet information services within the territory of the PRC shall go through the record-filing formalities in accordance with the Law of the People's Republic of China Against Telecommunications and Internet Frauds, the Administrative Measures on Internet Information Services and other regulations. Any app sponsor that fails to complete the record-filing formalities shall not engage in internet information services through apps.

The Group engages in business activities that are value-added telecommunications services as defined in the Telecom Regulations and the Telecom Catalog. To comply with the relevant laws and regulations, each of Tencent Music Shenzhen, Shenzhen Lanren, Guangzhou Kugou and Beijing Kuwo holds a valid ICP License. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation."

Restrictions on Foreign Direct Investment in Value-Added Telecommunications Services

Foreign direct investment in telecommunications companies in China is governed by the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision), which was promulgated on December 11, 2001 and amended on September 10, 2008 and February 6, 2016 by the State Council. The regulations require that foreign-invested value-added telecommunications enterprises in China to be established as Sino-foreign equity joint ventures and, with a few exceptions, the foreign investors may acquire up to 50% of the equity interests in such joint ventures. In addition, the major foreign investor, as defined therein, is required to demonstrate a good track record and experience in operating value-added telecommunications businesses. Moreover, foreign investors that meet these requirements must obtain approvals from the MIIT and the MOFCOM, or their authorized local counterparts, which retain considerable discretion in granting such approvals. On March 29, 2022, the Decision of the State Council on Revising and Repealing Certain Administrative Regulations, which took effect on May 1, 2022, was promulgated to amend certain provisions of regulations including the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision), foreign-invested value-added telecommunications enterprises are no longer required to adopt the Sino-foreign joint venture form, the requirement for major foreign investor to demonstrate a good track record and experience in operating value-added telecommunications businesses and the review by the MOFCOM was deleted. However, as no detailed guidance or implementation measure has been issued, uncertainty still remains as to how it should be interpreted and implemented.

On July 13, 2006, the Ministry of Information Industry (currently known as the MIIT), or the MII, released the Circular on Strengthening the Administration of Foreign Investment in the Operation of Value-added Telecommunications Business, or the MII Circular. The MII Circular prohibits domestic telecommunications enterprises from leasing, transferring or selling telecommunications business operation licenses to foreign investors in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of telecommunications business in China. Furthermore, under the MII Circular, the internet domain names and registered trademarks used by a value-added telecommunications services operator shall be legally owned by that operator (or its shareholders). If a license holder fails to comply with the requirements in the MII Circular and fails to cure such non-compliance within a time limit as required by the competent authority, the MII or its local counterparts have the discretion to take measures against such license holders, including revoking their VATS Licenses.

Regulations on Transmitting Audio-Video Programs through the Internet

On December 20, 2007, the MII and the State Administration of Radio, Film and Television, or the SARFT (currently known as the NRTA), jointly issued the Administrative Provisions on the Internet Audio-Video Program Service, or the Audio-Video Program Provisions, which came into effect on January 31, 2008 and was amended on August 28, 2015. The Audio-Video Program Provisions defines "internet audio-video program services" as producing, editing and integrating audio-video programs, supplying audio-video programs to the public via the internet, and providing audio-video programs uploading and transmission services to a third party. Entities providing internet audio-video programs services must obtain an Audio and Video Service Permission, or AVSP. Applicants for the AVSP shall be state-owned or state-controlled entities unless an AVSP has been obtained prior to the effectiveness of the Audio-Video Program Provisions in accordance with the then-in-effect laws and regulations. In addition, foreign-invested enterprises are not allowed to engage in the above-mentioned services. According to the Audio-Video Program Provisions and other relevant laws and regulations, audio-video programs provided by the entities supplying internet audio-video program services shall not contain any illegal content or other content prohibited by the laws and regulations, such as any content against the basic principles in the PRC Constitution, any content that jeopardizes the sovereignty of the country or national security, and any content that disturbs social order or undermine social stability. A full copy of any audio-video program that has already been broadcasted shall be retained for at least 60 days. Movies, television programs and other media content used as internet audio-video programs shall comply with applicable administrative regulations on programs transmitting through radio, movie and television channels. Entities providing services related to internet audio-video programs shall immediately remove the audio-video programs violating laws and regulations, keep the relevant records, report to the relevant authorities, and implement other regulatory requirements.

The Categories of the Internet Audio-Video Program Services, or the Audio-Video Program Categories, promulgated by the SARFT on March 17, 2010 and amended on March 10, 2017, classifies internet audio-video programs into four categories: (I) Category I internet audio-video program service, which is carried out with a form of radio station or television station; (II) Category II internet audio-video program service, including (a) re-broadcasting service of current political news audio-video programs; (b) hosting, interviewing, reporting, and commenting service of arts, entertainment, technology, finance and economics, sports, education, and other specialized audio-video programs; (c) producing (interviewing not included) and broadcasting service of arts, entertainment, technology, finance and economics, sports, education, and other specialized audio-video programs; (d) producing and broadcasting service of internet films/dramas; (e) aggregating and broadcasting service of films, television dramas and cartoons; (f) aggregating and broadcasting service of arts, entertainment, technology, finance and economics, sports, education and other specialized audio-video programs; and (g) live audio-video broadcasting service of cultural activities of common social organizations, sport events or other organization activities; (III) Category III internet audio-video program service, including (a) aggregating service of online audio-video content, and (b) re-broadcasting service of the audio-video programs uploaded by internet users; and (IV) Category IV internet audio-video program service, including (a) re-broadcasting of the radio or television program channels; (b) re-broadcasting of internet audio-video program channels; and (c) re-broadcasting of online live audio-video program.

On July 20, 2015, the State Administration of Press, Publication, Radio, Film and Television (the SAPPRFT, currently known as the NRTA) issued the Circular on Relevant Issues Concerning the Review of Additional Items for Mobile Internet Audio-Video Program Services, or the Mobile Audio-Video Program Circular. The Mobile Audio-Video Program Circular provides that the mobile internet audio-video program services shall be deemed a type of internet audio-video program services. Entities approved to provide mobile internet audio-video program services may use mobile WAP websites or mobile applications to provide audio-video program services, but the types of the programs operated by such entities shall be within the permitted scope as provided in their AVSPs and the said mobile applications shall be filed with the SAPPRFT. On November 18, 2019, the CAC, the Ministry of Culture and Tourism and the NRTA jointly issued the Administrative Provisions on Internet Audio-Video Information Services, or the Internet Audio-Video Information Services Provisions, which became effective on January 1, 2020. The Internet Audio-Video Information Services Provisions defines the "Internet audio-video information services" as providing services regarding audio and video information production, uploading and transmission to the public via internet platforms such as websites and applications. Entities providing internet audio-video information services must obtain relevant licenses subject to applicable PRC laws and regulations and are required to authenticate users' identities based on their organizational codes, PRC ID numbers, or mobile phone numbers etc.

As of the date of this annual report, each of Beijing Kuwo and Guangzhou Kugou hold a valid AVSP and Tencent Music Shenzhen and Shenzhen Lanren may be required to obtain an AVSP. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation."

Regulations on Online Live Streaming

On November 4, 2016, the CAC issued the Administrative Regulations on Online Live Streaming Services, or the Online Live Streaming Regulations, which came into effect on December 1, 2016. According to the Online Live Streaming Regulations, when providing internet news information services, both online live streaming service providers and online live streaming publishers must obtain the relevant licenses for providing internet news information service and may only carry out internet news information services within the scope of such licenses. All online live streaming service providers (whether or not providing internet news information) must take certain actions to operate their services, including establishing platforms for monitoring live streaming content.

According to the Measures for the Administration of Cyber Performance Business Operations, which was promulgated by the Ministry of Culture on December 2, 2016 and became effective on January 1, 2017, an online performance business entity engaging in online performance business operations shall apply to the cultural administrative department at the provincial level for an Internet Culture Operation License, and the business scope of such license shall include online performance. An online performance business entity shall indicate the license number of its Internet Culture Operation License in a conspicuous place of the homepage of its website.

On November 12, 2020, the NRTA promulgated the Circular on Strengthening the Administration of Live Streaming Web Shows and Live Streaming E-commerce, or the Circular 78, which sets forth registration requirements for platforms providing online show live streaming or ecommerce live streaming as well as requirements for certain live streaming businesses with respect to real-name registration, limits on users' spending on virtual gifting, restrictions on minors from virtual gifting, live streaming review personnel requirements and content tagging requirements, among other things. On February 9, 2021, the CAC, together with six other authorities, jointly issued the Guidance Opinions on the Strengthening the Regulation and Management Work of Live Streaming, or the Circular 3. Pursuant to Circular 3, internet streaming platforms are required to set up appropriate caps on the maximum purchase price for each piece of virtual gifts and maximum value of virtual gifts that the users give to the performers each time and live streaming performers must comply with laws and regulations when conducting live streaming activities, and are prohibited from engaging in activities that threaten national security, disrupt social order, infringe upon the legitimate rights and interests of others, or

spread obscene information, additionally, live streaming performers are not allowed to engage in illegal transactions within or across platforms, organize or incite users to commit online violence, or organize gambling or disguised gambling, whether online or offline.

On March 25, 2022, CAC, the State Taxation Administration and SAMR issued Opinions on Further Regulating the For-Profit Activities in Online Live Streaming to Promote a Healthy Development of the Industry, which provides that, among others, live streaming platforms shall report to tax authorities information including but not limited to live streaming publishers' identity, information of the live streaming account and the bank account which receives profits, types of revenue and profits earning information.

On May 7, 2022, CAC, together with three other authorities, jointly issued the Opinions on Regulating Live Streaming Rewards and Strengthening Minor Protections, or the Live Streaming Opinions, which iterates the requirements for live streaming platforms in respect of strengthening real-name registration, prohibiting minors from virtual gifting and restrictions on providing live streamer services to minors.

Regulations on Online Music

On November 20, 2006, the Ministry of Culture issued the Several Opinions on the Development and Administration of Online Music, or the Online Music Opinions, which became effective on the same date. The Online Music Opinions provide that, among other things, an internet music product provider must obtain an ICO License. On October 23, 2015, the Ministry of Culture promulgated the Circular on Further Strengthening and Improving the Content Administration of Online Music, effective as of January 1, 2016, which provides that internet music operating entities shall report to a nationwide administrative platform the details of its content self-monitoring activities on a quarterly basis.

In 2010 and 2011, the Ministry of Culture greatly intensified its regulations on online music products by issuing a series of circulars regarding online music industry, such as the Circular on Regulating the Market Order of Online Music Products and Renovating Illegal Conducts of Online Music Websites and the Circular on Investigating Illegal Online Music Websites in 2010. In addition, the Ministry of Culture issued the Circular on Clearing Illegal Online Music Products on January 7, 2011, which clarifies that entities engaging in any of the following conducts will be subject to relevant penalties or sanctions imposed by the Ministry of Culture: (i) providing online music products or relevant services without obtaining corresponding qualifications; (ii) importing online music products that have not been reviewed by the Ministry of Culture; or (iii) providing domestically developed online music products that have not been filed with the Ministry of Culture.

On July 8, 2015, the National Copyright Administration issued the Circular regarding Ceasing Transmitting Unauthorized Music Products by Online Music Service Providers, which requires that (i) all unauthorized music products on the platforms of online music services providers shall be removed prior to July 31, 2015, and (ii) the National Copyright Administration investigate and punish the online music services providers who continue to transmit unauthorized music products following July 31, 2015.

Regulations on Production and Operation of Radio and Television Programs

On July 19, 2004, the SARFT promulgated the Regulations on the Administration of Production and Operation of Radio and Television Programs, or the Radio and TV Programs Regulations, which came into effect on August 20, 2004 and was amended on August 28, 2015, October 29, 2020, and June 3, 2025, respectively. Pursuant to the Radio and TV Programs Regulations, entities engaging in the production of radio and television programs must obtain a License for Production and Operation of Radio and TV Programs from the SARFT or its counterparts at the provincial level. Holders of such licenses must conduct their business operations strictly in compliance within the approved scope as provided in the licenses.

Each of Shenzhen Lanren, Guangzhou Kugou and Beijing Kuwo holds a valid License for Production and Operation of Radio and TV Programs as required by the Radio and TV Programs Regulations.

Regulations on Publication

Publishing activities in China are mainly supervised and regulated by the National Press and Publication Administration (previously known as the SAPPRFT). On February 4, 2016, the SAPPRFT and the MIIT jointly promulgated the Regulations on the Administration of Online Publishing Services, or the Online Publishing Regulations, which came into effect on March 10, 2016. The Online Publishing Regulations define "online publications" as digital works that are edited, produced or processed to be published and provided to the public through the internet, including (a) original digital works, such as pictures, maps, games and comics; (b) digital works with content that is consistent with the type of content that, prior to being released online, typically was published in offline media such as books, newspapers, periodicals, audiovisual products and electronic publications; (c) digital works in the form of online databases compiled by selecting, arranging and compiling other types of digital works; and (d) other types of digital works identified by the SAPPRFT. In addition, foreign-invested enterprises are not allowed to engage in the distribution of the foregoing online

publications through the internet. Under the Online Publishing Regulations, internet operators distributing online publications via internet are required to obtain an Online Publishing Service Permit from the SAPPRFT.

On May 31, 2016, the SAPPRFT and the MOFCOM jointly promulgated the Provisions for the Administration of the Publication Market, or Provisions for Publication, which became effective on June 1, 2016. According to the Provisions for Publication, any entity or individual that intends to engage in wholesale or retail of publications shall obtain a publication business permit. The Administrative Regulations on Publishing (2024 Revised), which was promulgated by the State Council and became effective on December 6, 2024, specifies that entities and individually owned businesses engaging in retail of publications shall obtain a publication business permit.

Each of Guangzhou Kugou, Beijing Kuwo, Tencent Music Shenzhen and Shenzhen Lanren may be required to obtain the Online Publishing Service Permit. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation."

Regulations on Internet Culture Activities

Pursuant to the Interim Administrative Provisions on Internet Culture, or the Internet Culture Provisions, promulgated by the Ministry of Culture on May 10, 2003 and amended on December 15, 2017, internet culture activities include: (i) production, reproduction, import, distribution or broadcasting of internet culture products (such as online music, online game, online performance and cultural products by certain technical means and copied to the internet for spreading); (ii) distribution or publication of cultural products on internet; and (iii) exhibitions, competitions and other similar activities concerning internet culture products. The Internet Culture Provisions further classifies internet cultural activities into commercial internet cultural activities and non-commercial internet cultural activities. Entities engaging in commercial internet cultural activities must apply to the relevant authorities for an ICO License, while non-commercial cultural entities are only required to report to related culture administration authorities within 60 days of the establishment of such entity. If any entity engages in commercial internet culture activities without approval, the cultural administration authorities or other relevant government may order such entity to cease to operate internet culture activities as well as levy penalties including administrative warning and fines up to RMB30,000. In addition, foreign-invested enterprises are not allowed to engage in the above-mentioned services except online music services.

Currently, each of Guangzhou Kugou, Beijing Kuwo, Tencent Music Shenzhen and Shenzhen Lanren holds a valid ICO License. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation."

Regulations on Virtual Currency

On January 25, 2007, the Ministry of Public Security, the Ministry of Culture, the MII and the GAPP jointly issued the Circular Regarding regulation of Online Game Operating order and Ban on Gambling Through Online Gaming which has implications on the issuance and use of virtual currency. To curtail online games that involve online gambling while addressing concerns that virtual currency might be used for money laundering or illicit trade, the circular (a) prohibits online game operators from charging commissions in the form of virtual currency in connection with winning or losing of games; (b) requires online game operators to impose limits on use of virtual currency in guessing and betting games; (c) bans the conversion of virtual currency into real currency or property; and (d) prohibits services that enable game players to transfer virtual currency to other players.

In February 2007, fourteen PRC regulatory authorities jointly issued a circular to further strengthen the oversight of internet cafes and online games. In accordance with the circular, the PBOC has the authority to regulate virtual currency, including: (a) setting limits on the aggregate amount of virtual currency that can be issued by online game operators and the amount of virtual currency that can be purchased by an individual; (b) stipulating that virtual currency issued by online game operators can only be used for purchasing virtual products and services within the online games and not for purchasing tangible or physical products; (c) requiring that the price for redemption of virtual currency shall not exceed the respective original purchase price; and (d) banning the trading of virtual currency.

On June 4, 2009, the Ministry of Culture and the MOFCOM jointly issued the Circular on Strengthening the Administration of Online Game Virtual Currency, or the Online Game Virtual Currency Circular. The Online Game Virtual Currency Circular requires businesses that (a) issue online game virtual currency (in the form of prepaid cards or pre-payment or prepaid card points), or (b) offer online game virtual currency trading services, to apply for approval from the Ministry of Culture through its provincial branches. Businesses that issue virtual currency for online games are prohibited from offering services of trading virtual currency, or vice versa. Any company that fails to file the necessary application for approval of the Ministry of Culture will be subject to sanctions, including but not limited to mandatory corrective actions and fines.

Under the Online Game Virtual Currency Circular, online games virtual currency trading service provider refers to business that provides platform services related to trading virtual currency of online games among game users. The Online Game Virtual Currency Circular further requires an online game virtual currency trading service provider to comply with relevant e-commerce regulations issued by the MOFCOM. According to the Guiding Opinions on Online Trading (Interim) issued by the MOFCOM on March 6, 2007, online platform services are trading services provided to online buyers and sellers through a computer information system operated by the service provider. The Online Game Virtual Currency Circular regulates, among others, the amount of virtual currency a business can issue, the retention period of user records, the function of virtual currency and the return of unused virtual currency upon the termination of online services. Online game operators are prohibited from distributing virtual items or virtual currencies to players through random selection methods such as lotteries and gambling, and the player directly pays cash or virtual currency. Game operators are prohibited from issuing virtual currency to game players in any way other than legal tender purchases. Any business that provides online game virtual currency trading services is required to adopt technical measures to restrict the transfer of online game virtual currency among accounts of different game players. On May 14, 2019, the Ministry of Culture and Tourism announced that it would no longer assume the responsibility for overseeing online games industry. On December 22, 2023, the Measures for the Administration of Online Games (Draft for Comments), or the Draft Online Games Measures was promulgated by the National Press and Publication Administration for public comments until January 22, 2024. The Draft Online Games Measures provide for the establishment, management, and supervision of online game publishing and operating entities, as well as restrictions on overuse and high consumption of games, and protection of minors, aiming to improve the governance of online games. According to the Draft Online Games Measures, the national publishing authority will be responsible for the supervision and management of online game publishing and operating activities nationwide. As of the date of this annual report, there is no schedule as to when the Draft Online Games Measures will be enacted. There are uncertainties about when it will be enacted, its final details, and how it will be interpreted and implemented, and uncertainty also remains as to what authorities will finally be responsible for the governance of online games.

In November 2020, the NRTA issued the Circular on Strengthening the Administration of Live Streaming Web Shows and Live Streaming E-Commerce, which requires a live-performance streaming platform to adopt and practically implement the real-name registration system for the performers and the viewers who purchase virtual gifts for the performers by taking measures including real-name verification, face recognition and human review. Viewers who fail to pass the real-name registration shall not be allowed to purchase virtual gifts. Live-performance streaming platforms shall block any mechanism that allows minors to purchase any virtual gifts for the performers. A platform shall set limits on the maximum amount for purchasing virtual gifts for each time, each day and each month. In addition, the live-performance streaming platform shall not adopt operation strategies that encourage viewers to purchase virtual gifts irrationally.

We issue different virtual currencies and prepaid tokens to users on our platform for them to purchase various virtual gifts to be used in live streaming or online game platforms; however, we believe that our service does not constitute virtual currency trading services because we are not online game operator, our users may not transfer or trade virtual currency among themselves, and those virtual currencies and prepaid tokens issued by us have no monetary value outside the platform, and are solely used to access or enhance in-app features—without enabling any form of exchange, redemption, or value transfer between users or to third parties.

Regulations on Commercial Performances

The Administrative Regulations on Commercial Performances (2020 Revision) was promulgated by the State Council on August 11, 1997 and last amended with immediate effect on November 29, 2020. According to these regulations, to legally engage in commercial performances, a culture and arts performance group shall have full-time performers and equipment in line with its performing business, and file an application with the culture administrative department of the people's government at the county level for approval. To legally engage in commercial performances, a performance brokerage agency shall have three or more full-time performance brokers and funds for the relevant business, and file an application with the culture administrative department of the people's government of a province, autonomous region or municipality directly under central government. The culture administrative department shall make a decision within 20 days from the receipt of the application whether to approve the application, and upon approval, will issue a performance permit. Anyone or any entity engaging in commercial performance activities without approval may be imposed a penalty, in addition to being ordered to cease its actions. Such penalty may include confiscation of performance equipment and illegal proceeds, and a fine of 8 to 10 times of the illegal proceeds. Where there are no illegal proceeds or the illegal proceeds are less than RMB10,000, a fine of RMB50,000 to RMB100,000 will be imposed. In addition, the Measures for the Administration of Performance Brokers was promulgated by the Ministry of Culture and Tourism on December 13, 2021 and became effective on March 1, 2022, pursuant to which performance broker shall pass the performance broker exam and acquire a performance broker certificate before engaging in the performance brokerage activities. The Implementing Rules for Administrative Regulations on Commercial Performances, or the Rules for Commercial Performances, which was last amended with immediate effect on May 13, 2022, further stipulates that foreign-invested performance brokerage institution engaged in commercial performance activities shall submit applications in accordance with the Rules for Commercial Performances before conducting such activities. Currently, each of Guangzhou Kugou, Beijing Kuwo, Tencent Music Shenzhen and Shenzhen Lanren holds a valid Commercial Performance License.

To regulate brokerage activities in the field of radio, television and internet audio-video, the NRTA issued the Administration Measures for Brokerage Agencies in the Field of Radio and Television and Internet Audio-Video, or the Administration Measures for Brokerage Agencies, on May 20, 2022, which became effective on June 30, 2022. The Administration Measures for Brokerage Agencies stipulates that, among others, (i) a brokerage agency shall obtain the consent from minors' legal guardians before providing brokerage services to minors; and (ii) a brokerage agency shall strengthen the daily account maintenance of and supervision over any official fans group and fans club, and shall not appoint any minor to be the group leader or person in charge of such accounts.

On September 12, 2023, the Ministry of Culture and Tourism and the Ministry of Public Security jointly issued the Notice on Further Strengthening the Regulation and Management of Large-scale Commercial Performance Activities to Promote the Healthy and Orderly Development of the Performance Market, or the Commercial Performance Notice. Pursuant to the Commercial Performance Notice, among other things, large-scale performances and activities shall implement a system of real name ticketing and admission, with only one ticket for each identity document for each performance, and the identity information of the purchaser of the ticket and the person entering the performance shall be consistent. In addition, performance organizers and performance ticket sales platforms shall strengthen the protection of consumers' personal information, preventing unauthorized access and the leakage, tampering and loss of personal information.

Regulations on Online Advertising Services

On April 24, 2015, the Standing Committee of the National People's Congress enacted the revised Advertising Law of the PRC, or the Advertising Law, effective on September 1, 2015 which was further amended on October 26, 2018 and April 29, 2021. The Advertising Law increases the potential legal liability of advertising services providers and strengthens regulations of false advertising. The Advertising Law sets forth certain content requirements for advertisements including, among other things, prohibitions on false or misleading content, superlative wording, socially destabilizing content or content involving obscenities, superstition, violence, discrimination or infringement of the public interest.

On July 4, 2016, the State Administration for Industry and Commerce (currently known as the SAMR) issued the Interim Measures on the Administration of Online Advertising, or the SAIC Interim Measures, which came into effect on September 1, 2016. The Advertising Law and the SAIC Interim Measures require that online advertisements may not affect users' normal use of internet and internet pop-up advertisements must display a "close" sign prominently and ensure one-key closing of the pop-up windows. The SAIC Interim Measures provide that all online advertisements must be marked "advertisement" so that consumers can distinguish them from non-advertisement information. Moreover, the SAIC Interim Measures require that, among other things, sponsored search advertisements shall be prominently distinguished from normal research results, and it is forbidden to send advertisements or advertisement links by email without the recipient's permission or induce internet users to click on an advertisement in a deceptive manner.

On February 25, 2023, the Administrative Measures for Internet Advertising, or the Internet Advertising Measures, were published by the SAMR which became effective from May 1, 2023 and replace the SAIC Interim Measures. According to the Internet Advertising Measures, internet advertising operators and publishers shall establish and improve the management systems regarding acceptance, registration, review and filing of the internet advertising businesses according to the relevant regulations and shall examine, verify and register the identity information of advertisers such as their names, addresses and valid contact details, set up registration files and check and update them on a regular basis. Relevant files shall be kept for not less than three years from the date of termination of the advertisement release. Internet advertising operators and publishers are required to set up advertisement reviewers familiar with advertising laws and regulations or establish a special department responsible for the review of internet advertisements. Where internet advertising is published by means of algorithmic recommendation, the relevant rules and records of such algorithmic recommendation shall be included in the advertising filings. In addition, the advertisers and advertising publishers are required to set obvious buttons in the internet advertisements including the pop-up advertisements to ensure the closing of such advertisements by one click. The Internet Advertising Measures further clarifies that product sellers or service providers promoting products or services through online live streaming which constitutes commercial advertisements shall assume the responsibilities and obligations of an advertiser. The interpretation and implementation of the Internet Advertising Measures may continue to evolve, and uncertainties remain regarding their long-term impact on our business and results of operations.

On November 1, 2021, the MIIT promulgated the Notice of the Ministry of Industry and Information Technology on Launching the Action for Improvements to the Perception of Information and Communications Services, or the MIIT Notice. Under the MIIT Notice, internet enterprises shall set obvious and effective close buttons in the splash ads of their APPs. On September 9, 2022, the Administrative Provisions on Internet Pop-up Window Information Notification Services was issued by the CAC, MIIT and SAMR, effective from September 30, 2022, which requires that splash ads shall be subject to content compliance review and shall be identifiable, prominently marked as "advertisement," and users shall be notified expressly. Besides, splash ads shall be able to be closed with a single click.

Regulations on Internet Security

On December 28, 2000, the Standing Committee of the National People's Congress enacted the Decision on the Protection of Internet Security, as amended on August 27, 2009, which provides that the following activities, among others, conducted through the internet, will be subject to criminal liabilities if constituting a crime: (a) gaining improper entry into any of the computer information networks relating to state affairs, national defensive affairs, or cutting-edge science and technology; (b) spreading rumor, slander or other harmful information via the internet for the purpose of inciting subversion of the state political power; (c) stealing or divulging state secrets, intelligence or military secrets via internet; (d) spreading false or inappropriate commercial information; or (e) infringing on the intellectual property. The Ministry of Public Security issued the Administrative Measures on Security Protection for International Connections to Computer Information Networks on December 16, 1997 and amended it on January 8, 2011, which prohibits using internet to leak state secrets or to spread socially destabilizing content.

On December 13, 2005, the Ministry of Public Security issued the Provisions on the Technical Measures for the Protection of the Security of the Internet, which requires that internet services providers shall have the function of backing up the records for at least 60 days. In addition, internet services providers shall (a) set up technical measures to record and keep the information as registered by users; (b) record and keep the corresponding relation between the internet web addresses and intranet web addresses as applied by users; and (c) record and follow up the net operation and have the functions of security auditing.

On January 21, 2010, the MIIT promulgated the Administrative Measures for Communications Network Security Protection, which requires that all communication network operators including telecommunications services providers and internet domain name service providers divide their own communication networks into units. The unit category shall be classified in accordance with degree of damage to national security, economic operation, social order and public interest. In addition, the communication network operators must file the division and ratings of their communication network with MIIT or its local counterparts. If a communication network operator violates these measures, the MIIT or its local counterparts may order rectification or impose a fine up to RMB30,000 in case such violation is not duly rectified in accordance with the order of the competent authority.

On July 1, 2015, the Standing Committee of the National People's Congress issued the PRC National Security Law, which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, security and cyber security development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of China. On April 13, 2020, twelve PRC regulatory authorities including the CAC issued the Measures for Cybersecurity Review, with effect from June 1, 2020, which provide detailed cybersecurity review procedures for the purchase of network products and services by operators of "critical information infrastructure." According to the Measures for Cybersecurity Review, operators of "critical information infrastructure" are operators identified by the regulatory department in charge of the protection of critical information infrastructure, and "network products and services" primarily are core network equipment, high-performance computers and servers, mass storage equipment, large databases and applications, network security equipment, cloud computing services, and other network products and services that may have an important impact on the security of critical information infrastructure.

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the PRC, or the Cybersecurity Law, which came into effect on June 1, 2017 and was amended on October 28, 2025. Pursuant to the Cybersecurity Law, network operators shall follow their cybersecurity obligations according to the requirements of the classified protection system for cybersecurity, including: (a) formulating internal security management systems and operating instructions, determining the persons responsible for cybersecurity, and implementing the responsibility for cybersecurity protection; (b) taking technological measures to prevent computer viruses, network attacks, network intrusions and other actions endangering cybersecurity; (c) taking technological measures to monitor and record the network operation status and cybersecurity incidents; (d) taking measures such as data classification, and back-up and encryption of important data; and (e) other obligations stipulated by laws and administrative regulations.

In addition, the PRC Data Security Law was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and took effect on September 1, 2021. The PRC Data Security Law establishes a tiered system for data protection in terms of their importance. Data categorized as "important data," which will be determined by regulatory authorities in the form of catalogs, are required to be treated with higher level of protection. Specifically, the PRC Data Security Law provides that operators processing "important data" are required to appoint a "data security officer" and a "management department" to take charge of data security. In addition, such operator is required to evaluate the risk of its data activities periodically and file assessment reports with relevant regulatory authorities.

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

Regulations on the Security Protection of Critical Information Infrastructure, or the CII Protection Regulations, became effective on September 1, 2021. According to the CII Protection Regulations, critical information infrastructure, or the CII, refers to any important network facilities or information systems of the important industry or field such as public communication and information service, energy, transportation, water conservancy, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in the case of damage, function loss or data leakage. Regulators supervising specific industries are required to formulate detailed guidance to recognize the CII in the respective sectors, and a critical information infrastructure operator, or a CIIO, must take the responsibility to protect the CII's security by performing certain prescribed obligations. For example, CIIOs are required to conduct network security test and risk assessment, report the assessment results to relevant regulatory authorities, and timely rectify the issues identified at least once a year. In addition, relevant administration departments of each critical industry and sector shall be responsible to formulate eligibility criteria and determine the CIIO in the respective industry or sector. The operators shall be informed about the final determination as to whether they are categorized as CIIOs.

On September 24, 2024, the State Council published the Regulation on Network Data Security Administration, or the Regulation on Network Data, which took effect on January 1, 2025. The Regulation on Network Data provides that data processing operators engaging in data processing activities that affect or may affect national security must be subject to network data security review. Network data processing activities refer to the collection, retention, use, processing, transmission, provision, disclosure, deletion, and other activities of network data. However, the Regulation on Network Data provides no further explanation or interpretation as to how to determine what "may affect national security," and there remain uncertainties as to whether we would be subject to the cybersecurity review.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other PRC regulatory authorities jointly issued the Cybersecurity Review Measures which became effective on February 15, 2022 and replaced the Measures for Cybersecurity Review promulgated on April 13, 2020. Pursuant to the Cybersecurity Review Measures, critical information infrastructure operators that procure internet products and services, and network platform operators engaging in data processing activities, must be subject to the cybersecurity review if their activities affect or may affect national security. The Cybersecurity Review Measures further stipulate that network platform operators holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before listing in a foreign country. The relevant regulatory authorities may initiate the cybersecurity review against the relevant operators if the authorities believe that the network products or services or data processing activities of such operators affect or may affect national security.

Regulations on Privacy Protection

On December 29, 2011, the MIIT promulgated the Several Provisions on Regulation of Order of Internet Information Service Market, which prohibit internet information service providers from collecting personal information of any user without prior consent. Internet information service providers shall explicitly inform the users of the means of collecting and processing personal information, the scope of content, and purposes. In addition, internet information service providers shall properly keep the personal information of users. If the preserved personal information of users is divulged or may possibly be divulged, internet information service providers shall immediately take remedial measures and report any actual or potential material leak to the telecommunications regulatory authority.

On December 28, 2012, the Decision on Strengthening Network Information Protection promulgated by the Standing Committee of the National People's Congress emphasizes the need to protect electronic information that contains individual identification information and other private data. The decision requires internet service providers to establish and publish policies regarding the collection and use of electronic personal information and to take necessary measures to ensure the security of the information and to prevent leakage, damage or loss.

In July 2013, the MIIT promulgated the Regulations on Protection of Personal Information of Telecommunications and Internet Users, or the Regulations on Network Information Protection, effective on September 1, 2013, to enhance and enforce legal protection over user information security and privacy on the internet. The Regulations on Network Information Protection require internet operators to take various measures to ensure the privacy and confidentiality of users' information.

Pursuant to the Ninth Amendment to the Criminal Law of the PRC issued by the Standing Committee of the National People's Congress on August 29, 2015, effective on November 1, 2015, any internet service provider that fails to fulfill the obligations related to internet information security as required by applicable laws and refuses to take corrective measures will be subject to criminal liability for (i) any large-scale dissemination of illegal information; (ii) any severe effect due to the leakage of users' personal information; (iii) any serious loss of evidence of criminal activities; or (iv) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

On November 7, 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the PRC, or the Cybersecurity Law, which came into effect on June 1, 2017 and was amended on October 28, 2025. Pursuant to the Cybersecurity Law, network operators shall follow the principles of legitimacy to collect and use personal information and disclose their rules of data collection and use, clearly express the purposes, means and scope of collecting and using the information, and obtain the consent of the persons whose data is gathered.

Pursuant to the Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens, issued on April 23, 2013, and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens, which was issued on May 8, 2017 and took effect on June 1, 2017, the following activities may constitute the crime of infringing upon a citizen's personal information: (i) providing a citizen's personal information to specified persons or releasing a citizen's personal information online or through other methods in violation of relevant national provisions; (ii) providing legitimately collected information relating to a citizen to others without such citizen's consent (unless the information is processed, not traceable to a specific person and not recoverable); (iii) collecting a citizen's personal information in violation of applicable rules and regulations when performing a duty or providing services; or (iv) collecting a citizen's personal information by purchasing, accepting or exchanging such information in violation of applicable rules and regulations.

On January 23, 2019, the Office of the Central Cyberspace Affairs Commission and other three authorities jointly issued the Circular on the Special Campaign of Correcting Unlawful Collection and Usage of Personal Information via Apps. Pursuant to this circular, (i) app operators are prohibited from collecting any personal information irrelevant to the services provided by such operator; (ii) information collection and usage policy should be presented in a simple and clear way, and such policy should be consented by the users voluntarily; and (iii) authorization from users should not be obtained by coercing users with default or bundling clauses or making consent a condition of a service. App operators violating such rules may be ordered by authorities to rectify within a given period of time and those that refuse to rectify may be disclosed to the public. Provided that the circumstances are serious, the relevant business may be suspended, the business operation may be terminated for rectification or the relevant business permits or licenses may be revoked in accordance with the law. Such regulatory requirements were emphasized by the Notice on the Special Rectification of Apps Infringing upon User's Personal Rights and Interests, which was issued by MIIT on October 31, 2019. On November 28, 2019, the CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the Methods of Identifying Illegal Acts of Apps to Collect and Use Personal Information which further illustrates certain common illegal practices of apps operators in terms of personal information protection, including "failure to publicize rules for collecting and using personal information," "failure to expressly state the purpose, manner and scope of collecting and using personal information," "collection and use of personal information without consent of users of such App," "collecting personal information irrelevant to the services provided by such app in violation of the principle of necessity," "provision of personal information to others without users' consent," "failure to provide the function of deleting or correcting personal information as required by laws" and "failure to publish information such as methods for complaints and reporting."

Furthermore, the Provisions on the Cyber Protection of Children's Personal Information issued by the CAC came into effect on October 1, 2019, which require, among others, that network operators who collect, store, use, transfer and disclose personal information of children under the age of 14 establish special rules and user agreements for the protection of children's personal information, inform the children's guardians in a noticeable and clear manner and shall obtain the consent of the children's guardians.

On May 28, 2020, the National People's Congress adopted the PRC Civil Code, which came into effect on January 1, 2021. Pursuant to the PRC Civil Code, the personal information of a natural person shall be protected by the law. Any organization or individual shall legally obtain such personal information of others and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Personal Information Protection Law of the PRC, or the Personal Information Protection Law, which took effect on November 1, 2021. As the first systematic and comprehensive law specifically for the protection of personal information in the PRC, the Personal Information Protection Law provides, among others, that (i) an individual's consent shall be obtained to use sensitive personal information, (ii) personal information operators using sensitive personal information shall notify individuals of the necessity of such use and impact on the individual's rights, and (iii) where it is necessary for personal information to be provided by a personal information handler to a recipient outside the territory of the PRC due to any business need or any other need, a security assessment organized by the national cyberspace authority shall be passed.

On February 6, 2023, the MIIT issued the Notice on Further Improving the Service Capability of Mobile Internet Apps, or the Mobile Internet Apps Notice. The Mobile Internet Apps Notice requires further enhancement of the service capability of mobile internet apps and reiterates the need to protect the legitimate rights and interests of the users and create a healthy service ecology. Specifically, the Mobile Internet Apps Notice emphasizes, among other things, the regulation of installation and unloading activities,

the optimization of service experience, strengthening personal information protection, responding to users' demands and the implementation of responsibilities of the developer and operator of mobile apps.

On February 12, 2025, the CAC promulgated the Administrative Measures for the Compliance Audit of Personal Information Protection, which came into effective on May 1, 2025, provides that any personal information handler handling the personal information of more than 10 million people shall carry out the personal information protection compliance audits at least once every two years. In addition, for a personal information handler who falls under any of the following circumstances, the CAC and other authorities performing responsibilities of personal information protection may require the personal information handler to entrust a specialized agency with the compliance audit of its personal information handling activities: (1) Where its personal information handling activities involve relatively large risks such as serious impact on personal rights and interests or serious lack of security measures; (2) Where its personal information handling activities may infringe upon the rights and interests of many people; or (3) Where a personal information security incident occurs, resulting in the divulgence, tampering with, loss or damage of the personal information of more than one million people or the sensitive personal information of more than 100,000 people.

On October 16, 2023, the State Council promulgated the Regulation on Protection of Minors in Cyberspace, which came into effect on January 1, 2024. The Regulation on Protection of Minors in Cyberspace provides that personal information handlers shall strictly abide by the provisions of the CAC and relevant authorities on the scope of necessary personal information for cyber products and services, and shall not compel minors or their guardians to consent to non-necessary personal information processing, nor shall they refuse minors to use their basic functional services because the minors or their guardians do not agree to handle non-necessary personal information of minors or withdraw their consent and a personal information handler shall conduct by itself or entrust a specialized agency to conduct audit of its compliance with laws and administrative regulations in the processing of the personal information of minors every year, and report the audit information to the CAC and other authorities in a timely manner. On December 29, 2025, the CAC issued the Announcement on the Submission of Compliance Audit Results for the Protection of Personal Information of Minors, provides that personal information handlers that process the personal information of minors shall, by the end of January each year, submit the compliance audit results for the protection of personal information of minors for the previous year.

Regulations on Infringement upon Intellectual Property Rights via Internet

The PRC Civil Code, which was adopted by the National People's Congress on May 28, 2020 and became effective on January 1, 2021, provides that (i) an online service provider should be held liable for its own tortious acts in providing online services; (ii) where an internet user engages in tortious conduct through internet services, the obligee shall have the right to notify the internet service provider that it should take necessary action such as by deleting content, screening, breaking links, etc. After receiving the notice, the network service provider shall promptly forward the notice to the relevant network user and take necessary measures in light of the preliminary evidence of infringement and the type of service; if the internet service provider fails to take necessary action after being notified, it shall be jointly and severally liable with the internet user with regard to the additional injury or damage suffered and (iii) where an internet service provider knows or should have known that an internet user is infringing upon other people's civil rights and interests through its internet service but fails to take necessary action, it shall be jointly and severally liable with the internet user.

Regulations on Algorithm and AI

On September 17, 2021, the CAC and eight other authorities jointly promulgated the Notice on Promulgation of the Guiding Opinions on Strengthening the Comprehensive Governance of Algorithm-Related Internet Information Services , which provides that, among others, enterprises shall establish an algorithmic security responsibility system and a technology ethics vetting system, improve the algorithmic security management organization, strengthen risk prevention and control as well as potential danger investigation and governance and improve the capacity to respond to algorithmic security emergencies. Enterprises shall also strengthen their sense of responsibility and assume the main responsibility for the results arising from the application of algorithms.

On December 31, 2021, the CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the Administration Provisions on Algorithmic Recommendation of Internet Information Services, or the Administration Provisions on Algorithmic Recommendation, which became effective on March 1, 2022. The Administration Provisions on Algorithmic Recommendation stipulates that algorithmic recommendation service providers shall (i) fulfill their responsibilities for algorithm security, (ii) establish and improve management systems for algorithm mechanism examination, ethical vetting in technology, user registration, information release vetting, protection of data security and personal information, anti-telecommunications and internet fraud, security assessment and monitoring, emergency response to security incidents, etc., and (iii) formulate and disclose relevant rules for algorithm recommendation services and be equipped with professional staff and technical support appropriate to the scale of the algorithm recommendation service. The provider of algorithmic recommendation services shall not use the services to (i) engage in any illegal activity which may endanger national security and social public interest, disturb economic and social order, or infringe others' legitimate rights and interest, or (ii) disseminate any information prohibited by laws or regulations.

On November 25, 2022, the CAC, the MIIT and the Ministry of Public Security jointly issued the Administrative Provisions on the Deep Synthesis of Internet Information Services, or the Deep Synthesis Provisions, which became effective on January 10, 2023. According to the Deep Synthesis Provisions, no organization or individual may use deep synthesis services to produce, reproduce, release or disseminate information prohibited by laws and administrative regulations, or to engage in activities that endanger national security and interests, damage the national image, infringe upon social public interests, disrupt the economic and social order or undermine the legitimate rights and interests of others. Specifically, the providers of deep synthesis services shall, among other things, establish and maintain the management systems for algorithmic mechanism review, data security and personal information protection. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — China's internet, music entertainment and long-form audio industries are extensively regulated. Our failure to obtain and maintain requisite licenses or permits or to respond to any changes in policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation."

On July 10, 2023, seven governmental authorities including the CAC published the Provisional Measures on AI-Generated Content Services, or the AIGC Measures, which imposes compliance requirements for providers of generative AI services. The AIGC Measures provide, among other things, that any provider of generative AI services shall assume its responsibility as a producer of network information content in accordance with the law and fulfill its obligation of network information security. Besides, providers of generative AI services with attribute of public opinions or capable of social mobilization shall conduct security assessment and complete the formalities for algorithm filing, change or deregistration in accordance with the relevant regulations. Non-compliance with the AIGC Measures may subject the providers of generative-AI services to penalties, including warning, public denouncement, rectification orders and suspension of the provision of relevant services.

On September 24, 2024, the State Council issued the Regulations on Network Data Security Administration, which require network data processors offering generative artificial intelligence services to enhance the security management of training data and its processing activities, and to implement effective measures to prevent and address network data security risks.

On October 28, 2025, the Standing Committee of the National People's Congress decided to amend the PRC Cybersecurity Law, which took effect on January 1, 2026. According to the amendment of PRC Cybersecurity Law, the State shall support basic theoretical research on AI and the research and development of key technologies such as algorithms, advance the construction of infrastructure such as training data resources and computing power, improve ethical norms for AI, strengthen risk monitoring and assessment and safety supervision, and promote the application and healthy development of AI.

Regulations on Intellectual Property Rights

Copyright

China has enacted various laws and regulations relating to the protection of copyright. China is also a signatory to some major international conventions on protection of copyright and became a member of the Berne Convention for the Protection of Literary and Artistic Works, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

The Copyright Law of the PRC, adopted in 1990 and revised in 2001, 2010 and 2020 respectively, or the Copyright Law, and its implementing regulations adopted in 2002 and amended in 2011 and 2013, provide that Chinese citizens, legal persons, or other organizations will, whether published or not, enjoy copyright in their works, which include music works. Copyright will generally be conferred upon the authors, or in case of works made for hire, upon the employer of the author. Copyright holders enjoy personal and economic rights. The personal rights of a copyright holder include rights to publish works, the right to be named as the author of works, the right to amend the works and the right to keep the works intact; while economic rights of a copyright holder include, but are not limited to, reproduction rights, distribution rights, performance rights, information network dissemination rights, etc. In addition, the rights of performers with respect to their performance, rights of publishers with respect to their design of publications, rights of producers with respect to their video or audio productions, and rights of broadcasting or TV stations with respect to their broadcasting or TV programs are classified as copyright-related interest and protected by the Copyright Law. For a piece of music works, it may involve the copyright of lyricist and of composers, which are collectively referred to as "music publishing rights" elsewhere in this annual report, and the copyright-related interests of recording producers and of performers, which can be collectively referred to as "musical recording rights" elsewhere in this annual report.

The copyright holders may license others to exercise or assign all or part of their economic rights attached to their works. The license can be made on an exclusive or non-exclusive basis. With a few exceptions, an exclusive license or an assignment of copyright should be evidenced in a written contract.

Pursuant to the Copyright Law and its implementing regulations, copyright infringers are subject to various civil liabilities, such as stopping infringing activities, issuing apologies to the copyright owners and compensating the copyright owners for damages resulting from such infringement. The damages should be calculated based on the actual loss suffered by the copyrights owner or the illegal income made by the infringer.

The Provisional Measures on Voluntary Registration of Works, promulgated by the National Copyright Administration on December 31, 1994 and effective on January 1, 1995, provides for a voluntary registration system as administered by the National Copyright Administration and its local counterparts.

The Computer Software Copyright Registration Measures, or the Software Copyright Measures, promulgated by the National Copyright Administration on February 20, 2002, regulates registrations of software copyright, exclusive licensing contracts for software copyright and assignment agreements. The National Copyright Administration administers software copyright registration, and the Copyright Protection Center of China is designated as the software registration authority. The Copyright Protection Center of China shall grant registration certificates to the Computer Software Copyright applicants which meet the requirements of both the Software Copyright Measures and the Computer Software Protection Regulations, promulgated by the State Council on June 4, 1991 and last amended on January 30, 2013.

The Measures for Administrative Protection of Copyright Related to Internet, which were jointly promulgated by the National Copyright Administration and the MII on April 29, 2005 and became effective on May 30, 2005, provide that upon receipt of an infringement notice from a legitimate copyright holder, an internet content service provider must take remedial actions immediately by removing or disabling access to the infringing content. If an internet content service provider knowingly transmits infringing content or fails to take remedial actions after receipt of a notice of infringement that harms public interest, the internet content service provider could be subject to administrative penalties, including an order to cease infringing activities, confiscation by the authorities of all income derived from the infringement activities, or payment of fines.

On May 18, 2006, the State Council promulgated the Regulations on the Protection of the Right to Network Dissemination of Information, as amended on January 30, 2013. Under these regulations, an owner of the network dissemination rights with respect to written works or audio or video recordings who believes that information storage, search or link services provided by an internet service provider infringe his or her rights may require that the internet service provider delete, or disconnect the links to, such works or recordings. The internet service provider who provides information storage space to recipients of its services to facilitate the provision by such recipient of works, performances and audio-video content to the public shall not be held liable for losses caused by any alleged infringement, provided that such internet service provider has deleted relevant works, performances and audio-video content after receiving a notice from the purported right holder, and the satisfaction of certain other conditions, including that (i) such internet service provider has specifically indicated that such information storage space is provided for the recipients of its services and the name, contact person information and network address of the network service provider have been made public; (ii) the works, performances and audio-video content provided by the recipients are not altered; (iii) the internet service provider is not aware and has no reason to be aware that the works, performances and audio-video content provided by recipients of its services are infringing; and (iv) the internet service provider does not derive economic benefits directly from the works, performances and audio-video content provided by the recipients of its services. Additionally, according to the Provisions of the Supreme People's Court on Several Issues Concerning the Application of Law to Trial of Civil Dispute Cases of Infringement upon Information Network Transmission Rights promulgated by the Supreme People's Court on December 17, 2012 and amended on December 29, 2020, in cases where the plaintiff in an infringement claim has raised preliminary evidence to prove that an internet service provider has provided works, performances or audio and video products, if such network service provider can prove that it has provided no more than network services and had no fault, the act of such network service provider will not be considered infringement.

On April 23, 2025, the Supreme People's Court and the Supreme People's Procuratorate promulgated the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving IPR Infringement, which took effect on April 26, 2025, providing further clarification on the elements and sentencing standards of crimes related to copyrights.

National Copyright Administration

The Copyright Law provides that holders of copyright or copyright-related rights may authorize a collective copyright management organization to exercise their copyright or copyright-related rights. Upon authorization, the collective copyright administration organization is entitled to exercise the copyright or copyright-related rights in its own name for the holders of copyright or copyright-related rights, and participate as a party in court or arbitration proceedings concerning the copyright or copyright-related rights. On December 7, 2013, the State Council promulgated the amended Regulations on Collective Administration of Copyright, or the Collective Administration Regulations. The Collective Administration Regulations clarified that the collective copyright management organization is allowed to (i) enter into license agreement with users of copyright or copyright-related rights, (ii) charge royalty from users, (iii) pay royalty to holders of copyright or copyright-related rights, and (iv) participate in court or arbitration proceedings concerning the copyright or copyright-related rights. Pursuant to the Collective Administration Regulations, performance

rights, filming rights, broadcasting rights, rental rights, information network dissemination rights, reproduction rights and other rights stipulated by the Copyright Law which are hard to be exercised effectively by the right holders may be collectively administrated by a collective copyright administration organization. Foreigners and stateless persons may, through an overseas collective copyright management organization having a mutual representation contract with the collective copyright management organization in China, authorize the collective copyright management organization in China to manage copyright or copyright-related rights in China. The aforesaid mutual representation contract means a contract under which the collective copyright management organization in China and its overseas peers authorize each other to conduct collective copyright administration within their respective home countries or regions. In 1992, the National Copyright Administration and Chinese Musicians Association jointly established the Music Copyright Society of China.

The Collective Administration Regulations also prescribes that unauthorized establishments of collective administrations or branches and unauthorized collective copyrights administration activities shall be banned by the copyrights administration department or the civil administration department of the State Council in accordance with their respective scope of functions and relevant illegal gains shall be confiscated, meanwhile if the case constitutes a crime, criminal responsibility shall be investigated according to the law.

Trademark

According to the Trademark Law of the PRC, adopted in 1982 and last amended in 2019, as well as the Implementation Regulation of the Trademark Law of the PRC adopted by the State Council in 2002 and subsequently amended in 2014, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements shall be filed with the Trademark Office for record. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but are not limited to: using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, selling goods that violate the exclusive right to use a registered trademark, etc. Pursuant to the Trademark Law of the PRC, in the event of any of the foregoing acts, the infringing party will be ordered to stop the infringement immediately and may be fined; the counterfeit goods will be confiscated. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

On April 23, 2025, the Supreme People's Court and the Supreme People's Procuratorate promulgated the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving IPR Infringement, which took effect on April 26, 2025, providing further clarification on the elements and sentencing standards of crimes related to trademarks.

Patent

In China, the Patent Administrative Department of the State Council is responsible for administering patents, uniformly receiving, examining and approving patent applications. In 1984, the Standing Committee of the National People's Congress adopted the Patent Law of the PRC, which was subsequently amended in 1992, 2000, 2008 and 2020, respectively. In addition, the State Council promulgated the Implementing Rules of the Patent Law in 2001, as amended in 2002, 2010 and 2023 respectively, pursuant to which a patentable invention and utility model must meet three conditions: novelty, inventiveness and practical applicability, and designs must be obviously different from current designs or combinations thereof. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds or substances obtained by means of nuclear transformation. A patent is valid for a term of twenty years with respect to an invention, a term of ten years with respect to a utility model and a term of fifteen years with respect to a design, starting from the application date. Except under certain circumstances specifically provided by law, any third party user must obtain consent or a proper license from the patent owner to use the patent, or else the use will constitute an infringement of the rights of the patent holder.

On April 23, 2025, the Supreme People's Court and the Supreme People's Procuratorate promulgated the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving IPR Infringement, which took effect on April 26, 2025, providing further clarification on the elements and sentencing standards of crimes related to patents.

Domain Names

In China, the administration of PRC internet domain names is mainly regulated by the MIIT, under supervision of the China Internet Network Information Center, or CNNIC. On August 24, 2017, the MIIT promulgated the Measures on Administration of Internet Domain Names, which became effective as of November 1, 2017 and replaced the Measures on Administration of Domain Names for the Chinese Internet issued by the MIIT on November 5, 2004, which adopt a "first to file" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicize PRC's domain name

system. On June 18, 2019, the CNNIC issued a circular to authorize a domain name dispute resolution institution acknowledged by the CNNIC to decide relevant disputes. On January 1, 2018, the Circular of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Providing Internet-based Information Services issued by the MIIT became effective, which stipulates that an internet access service provider shall, pursuant to requirements stated in the Anti-Terrorism Law of the PRC and the Cybersecurity Law of the PRC, verify the identities of internet-based information service providers, and the internet access service providers shall not provide access services for those who fail to provide their real identity information.

Regulations on Taxation

Enterprise Income Tax

On March 16, 2007, the National People's Congress promulgated the PRC Enterprise Income Tax Law which was amended on February 24, 2017 and December 29, 2018; and on December 6, 2007, the State Council enacted the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was amended on April 23, 2019 and December 6, 2024, or collectively, the PRC EIT Law. Under the PRC EIT Law, both resident enterprises and non-resident enterprises are subject to tax in the PRC. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries or regions but whose actual management institutions are in the PRC. Non-resident enterprises are defined as enterprises that are organized under the laws of foreign countries or regions and whose actual management institutions are outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from the PRC. Under the PRC EIT Law and relevant implementing regulations, a uniform enterprise income tax rate of 25% is applied. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishments or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, enterprise income tax is set at the rate of 10% with respect to their income sourced from the PRC.

Pursuant to the PRC EIT Law, the EIT tax rate of a qualified high and new technology enterprise, or HNTE, is 15%. According to the Administrative Measures for the Recognition of HNTEs, effective on January 1, 2008 and amended on January 29, 2016, for each entity accredited as HNTE, its HNTE status is valid for three years if it meets the qualifications for HNTE on a continuing basis during such period. Beijing Kuwo, Yeelion Online and TME Tech Shenzhen have been recognized as HNTE by relevant government authorities and were therefore qualified for a preferential tax rate of 15% for the years ended December 31, 2023, 2024 and 2025. Guangzhou Fanxing Entertainment Information Technology Co., Ltd. ("Fanxing"), a subsidiary of the Group, was recognized as HNTE by relevant government authorities and was therefore qualified for a preferential tax rate of 15% for the years ended December 31, 2023. Guangzhou Shiyinlian Software Technology Co., Ltd. ("Shiyinlian") was recognized as HNTE by relevant government authorities for the first time in December 2022 and was therefore qualified for a preferential tax rate of 15% for the years ended December 31, 2022, 2023 and 2024. It was recognized for the second time as HNTE by relevant government authorities in December 2025 and will therefore qualify for a preferential tax rate of 15% for the years ended December 31, 2025, 2026 and 2027.

Pursuant to the PRC EIT Law, a qualified software enterprise, or SE, is entitled to an exemption from income tax for the first two years, commencing from the first profitable year, and a reduction of half tax rate for the next three years. Shiyinlian was qualified as an SE and was entitled to a reduced tax rate of 12.5% for the years ended December 31, 2021, 2022 and 2023.

Certain subsidiaries of the Group are entitled to other tax concession, mainly include the preferential tax rate of 15% applicable to some subsidiaries located in certain area of PRC upon fulfillment of certain requirements of the respective local government.

Furthermore, certain subsidiaries of the Group are subject to other preferential tax treatment for certain reduced tax rates ranging from 5% to 9%.

In December 2021, the Organization for Economic Co-operation and Development published Pillar Two model rules, enabling jurisdictions to enact domestic tax laws to implement a globally agreed common approach. These rules apply to multinational groups with annual revenue of EUR750 million or more in at least two of the four fiscal years preceding the tested fiscal year, potentially including Tencent, the Group's ultimate holding company. As a partially owned parent entity of Tencent, the Group may be subject to a top-up tax on profits in jurisdictions where the effective tax rate falls below a minimum of 15% according to the Pillar Two model rules. As of December 31, 2025, the Group mainly operates in Chinese Mainland and Hong Kong. Pillar Two legislation has been effective in Hong Kong since January 1, 2025 and the current tax exposure for the year ended December 31, 2025 is immaterial. While Pillar Two legislation is not yet enacted or substantively enacted in Chinese Mainland as at December 31, 2025, it is estimated that the Group's income tax would not be materially different had such legislation been in effect for the year ended December 31, 2025. The Group will continue assessing the Pillar Two tax exposure and the impacts on its consolidated financial statements accordingly. Regarding deferred income tax accounting, the Group has applied the exception to recognizing and disclosing deferred income tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Value-added Tax

The Provisional Regulations on Value-added Tax of the PRC were promulgated by the State Council on December 13, 1993 and came into effect on January 1, 1994 which were last amended on November 19, 2017. The Detailed Rules for the Implementation of Provisional Regulations on Value-added Tax of the PRC were promulgated by the Ministry of Finance on December 25, 1993 and subsequently amended on December 15, 2008 and October 28, 2011, or the Detailed Rules of VAT. On November 19, 2017, the State Council promulgated the Order on Abolishing the Provisional Regulations of the PRC on Business Tax and Amending the Provisional Regulations on Value-added Tax of the PRC, or Order 691. According to the Detailed Rules of VAT and Order 691, all enterprises and individuals engaged in the sale of goods, processing, repair and replacement services, sales of services, intangible assets, real property and the importation of goods within the territory of the PRC are the taxpayers of VAT. The VAT rates generally applicable are simplified as 17%, 11% and 6%, and the VAT rate applicable to small-scale taxpayers is 3%.

On April 4, 2018, the Ministry of Finance and the SAT jointly issued the Notice on Adjustment of VAT Rates, which came into effect on May 1, 2018. According to the above-mentioned notice, the taxable goods previously subject to VAT rates of 17% and 11% respectively become subject to lower VAT rates of 16% and 10% respectively. On March 20, 2019, the Ministry of Finance, the SAT and the General Administration of Customs issued the Announcement on Relevant Policies on Deepening the Reform of Value-added Tax, pursuant to which the taxable goods previously subject to VAT rates of 16% and 10% respectively become subject to lower VAT rates of 13% and 9% respectively, effective from April 1, 2019.

On December 25, 2024, the Standing Committee of the National People's Congress promulgated the VAT Law of the PRC, which became effective on January 1, 2026 and replaced the Provisional Regulations on Value-added Tax. The VAT Law provides that VAT rates generally applicable are simplified as 13%, 9% and 6%, and the VAT rate for simplified tax calculation method is 3%.

As of the date of this annual report, our PRC subsidiaries and the VIEs are generally subject to VAT rates of 1%, 3%, 6%, 9% or 13%.

Dividend Withholding Tax

The PRC EIT Law provides that since January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but whose relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes, or the Double Tax Avoidance Arrangement and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, or the SAT Circular 81, issued on February 20, 2009 by the SAT if the relevant PRC tax authorities determine, at their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Circular on Several Issues regarding the "Beneficial Owner" in Tax Treaties, which was issued on February 3, 2018 by the SAT, effective as of April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of its income in twelve months to residents in a third country or region, whether the business operated by the applicant constitutes actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and such factors will be analyzed according to the actual circumstances of the specific cases. This circular further provides that any applicant who intends to prove his or her status as the "beneficial owner" shall submit the relevant documents to the relevant tax bureau according to the Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment Treaty Benefits.

Tax on Indirect Transfers

On February 3, 2015, the SAT issued the Circular on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises, or SAT Circular 7, which was partially repealed in October and December 2017. Pursuant to SAT Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise by non-PRC resident enterprises, may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" for the transaction arrangement, features to be taken into consideration include, inter alia, whether the main value of the equity interest

of the relevant offshore enterprise derives directly or indirectly from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consist of direct or indirect investment in China or if its income is mainly derived from China; and whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure. According to SAT Circular 7, where the payor fails to withhold any or sufficient tax, the transferor shall declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. SAT Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired on a public stock exchange. On October 17, 2017, the SAT issued the Circular on Issues of Withholding of Income Tax of Non-resident Enterprises at Source, as amended on June 15, 2018, or SAT Circular 37, which further elaborates the relevant implemental rules regarding the calculation, reporting and payment obligations of the withholding tax by the non-resident enterprises. Nonetheless, there remain uncertainties as to the interpretation and application of SAT Circular 7. SAT Circular 7 may be determined by the tax authorities to be applicable to our offshore transactions or sale of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

Regulations on Foreign Exchange Registration of Offshore Investment by PRC Residents

General Rules

The core regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC, promulgated by the State Council in 1996 and most recently amended in August 2008, or the Foreign Exchange Regulations. Under the Foreign Exchange Regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. By contrast, the conversion of Renminbi into other currencies and remittance of the converted foreign currency outside the PRC to pay capital expenses such as the repayment of foreign currency-denominated loans, or if foreign currency is to be remitted into China under the capital account such as a capital increase or foreign currency loans to our PRC subsidiaries, prior approval from or registration with appropriate regulatory authorities is required.

Pursuant to the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, or SAFE Circular 59 promulgated by the SAFE on November 19, 2012, which became effective on December 17, 2012, and were further amended on May 4, 2015, October 10, 2018 and December 30, 2019, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of Renminbi proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign invested enterprise to its foreign shareholders no longer require the approval or verification of the SAFE.

In February 2015, the SAFE promulgated the Circular of Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment, or SAFE Circular 13, which became effective on June 1, 2015 and partially repealed on December 30, 2019. SAFE Circular 13 cancels the administrative approval requirements of foreign exchange registration of foreign direct investment and overseas direct investment, and simplifies the procedure of foreign exchange-related registration, and foreign exchange registrations of foreign direct investment and overseas direct investment will be handled by the qualified banks and their branches instead of the SAFE and its branches.

The Circular on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or SAFE Circular 19, which was issued by the SAFE on March 30, 2015 and effective from June 1, 2015 and was partially repealed on December 30, 2019, allows foreign-invested enterprises, within the scope of business, to settle their foreign exchange capital on a discretionary basis according to the actual needs of their business operation and provides the procedures for foreign-invested enterprises to use Renminbi converted from foreign currency-denominated capital for equity investment.

In January 2017, the SAFE promulgated the Circular on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification, or SAFE Circular 3, which stipulates several capital control measures with respect to the outbound remittance of profit from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original of tax filing records and audited financial statements; and (ii) domestic entities shall hold income to account for previous years' losses before remitting the profits. Further, according to SAFE Circular 3, domestic entities shall make detailed explanations of the sources and utilization arrangements of capital, and provide board resolutions, contracts and other proof when applying for completing the registration in connection with an outbound investment and outbound remittance of capitals.

On September 12, 2025, the SAFE promulgated the Notice on Matters Concerning the Deepening of Reform in the Administration of Foreign Exchange for Cross-border Investment and Financing, which took effect on the same date. The Notice further streamlines foreign exchange administration under the capital account by cancelling certain registration requirements for foreign direct investment and domestic reinvestment by foreign-invested enterprises, allowing preliminary expenses and domestic reinvestment funds to be remitted directly through banks without prior or change registration. It also permits foreign exchange profits derived from direct foreign investment to be reinvested in China and transferred directly into relevant capital accounts. In addition, the

Notice expands cross-border financing facilitation by increasing foreign debt quotas for eligible technology-oriented enterprises and simplifies related registration procedures, including the removal of the requirement to submit audited financial statements at the contract registration stage for enterprises participating in cross-border financing facilitation business.

Offshore Investment

The Circular of SAFE on Issues Concerning the Foreign Exchange Administration over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles, or SAFE Circular 37, which became effective on July 4, 2014, regulates foreign exchange matters in relation to the use of special purpose vehicles, or SPVs, by PRC residents or entities to seek offshore investment and financing or conduct round trip investment in China. Under Circular 37, an SPV refers to offshore enterprises directly established or indirectly controlled by PRC residents for the purpose of seeking offshore equity financing or making offshore investment, using legitimate domestic or offshore assets or interests, while "round trip investment" refers to the direct investment in China by PRC residents or entities through SPVs, namely, establishing foreign-invested enterprises to obtain the ownership, control rights and management rights. SAFE Circular 37 requires that, before making contribution into an SPV, PRC residents or entities are required to register with the local SAFE branch.

Pursuant to SAFE Circular 37 and SAFE Circular 13, PRC residents or entities can register with qualified banks instead of the SAFE or its local branch in connection with their establishment of an SPV.

An amendment to registration or subsequent filing with qualified banks by such PRC resident is also required if there is a material change with respect to the capital of the offshore company, such as any change of basic information (including change of individual shareholder of such PRC residents, change of name and operation term of the SPV), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions. Failure to comply with the registration procedures set forth in SAFE Circular 37, misrepresent on or failure to disclose the actual controllers of foreign-invested enterprise that is established through round-trip investment, may result in bans on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliates, and may also subject relevant PRC residents to penalties under the Foreign Exchange Administration Regulations of the PRC.

Employee Stock Incentive Plan

The SAFE issued the Circular on Issues Concerning the Administration of Foreign Exchange Used for Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies, or SAFE Circular 7 in 2012. Pursuant to SAFE Circular 7, employees, directors, supervisors and other senior officers who participate in any equity incentive plan of publicly-listed overseas companies and who are PRC citizens or non-PRC citizens residing in China for a consecutive period of no less than one year, subject to a few exceptions, are required to register with the SAFE or its local branches through a qualified domestic agent, which shall be either a domestic company participating in such equity incentive plan or another domestic institution designated by such domestic company that may handle the assets custody business, and complete other procedures with respect to the equity incentive plan. In addition, the PRC agent is required to amend SAFE registration with respect to the equity incentive plan if there is any material change to the equity incentive plan, the PRC agent or other material changes. The PRC agent must, on behalf of these individuals who have the right to exercise the employee share options, apply to the SAFE or its local branches for an annual quota for the payment of foreign currencies in connection with these individuals' exercising the employee share options. Such individuals' foreign exchange income received from the sale of stocks and dividends distributed by the overseas listed company and any other income shall be fully remitted into a collective foreign currency account in China opened and managed by the PRC subsidiaries of the overseas listed company or the PRC agent before distribution to such individuals.

The Group and the Group's executive officers and other employees who are PRC citizens or non-PRC citizens residing in China for a consecutive period of not less than one year and having been granted awards are subject to these regulations. Failure of our PRC option holders or restricted shareholders to complete their SAFE registrations may subject us and these employees to fines and other legal sanctions. As of the date of this annual report, the Group has completed the SAFE Circular 7 registration with respect to its 2024 Share Incentive Plan.

In addition, the SAT has issued certain notices concerning employee share options and restricted shares. Under these notices, employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries are required to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of employees who exercise their share options or purchase restricted shares. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes in accordance with relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC regulatory authorities.

Loans by Foreign Companies to their PRC Subsidiaries

Loans made by foreign investors as shareholders in foreign invested enterprises established in China are considered to be foreign debts and are mainly regulated by the Regulation of the People's Republic of China on Foreign Exchange Administration, the Interim Provisions on the Management of Foreign Debts, the Statistical Monitoring of Foreign Debts Tentative Provisions, and the Administrative Measures for Registration of Foreign Debts. Pursuant to these regulations and rules, a shareholder loan in the form of foreign debt made to a PRC entity does not require the prior approval of the SAFE, but such foreign debt must be registered with and recorded by the SAFE or its local branches within 15 business days after such foreign debt contract has been entered into. Under these regulations and rules, the balance of the foreign debts of a foreign invested enterprise shall not exceed the difference between the total investment and the registered capital of the foreign invested enterprise, or the Total Investment and Registered Capital Balance.

The Notice of the People's Bank of China on Matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing, or PBOC Notice No. 9, issued by the PBOC on January 12, 2017, provides that within a transition period of one year from January 12, 2017, the foreign invested enterprises may adopt the currently valid foreign debt management mechanism, or the Current Foreign Debt Mechanism, or the mechanism as provided in PBOC Notice No. 9, or the Notice No. 9 Foreign Debt Mechanism, at their own discretion. PBOC Notice No. 9 provides that enterprises may conduct independent cross-border financing in RMB or foreign currencies as required. According to the PBOC Notice No. 9, the outstanding cross-border financing of an enterprise (the outstanding balance drawn, here and below) shall be calculated using a risk-weighted approach, or the Risk-Weighted Approach, and shall not exceed the specified upper limit, namely: risk-weighted outstanding cross-border financing = the upper limit of risk-weighted outstanding cross-border financing. The upper limit of risk-weighted outstanding cross-border financing of an enterprise = its net assets × the leverage rate of cross-border financing × the macro-prudential adjustment parameter, among which the leverage rate of cross-border financing of an enterprise shall be 2 for enterprises, and the macro-prudential adjustment parameter shall be 1. The macro-prudential adjustment parameter was adjusted to 1.75 on January 13, 2025. Therefore, as of the date of this annual report, the upper limit of risk-weighted outstanding cross-border financing of a PRC enterprise is 350% of its net assets, or Net Asset Limits. Enterprises shall file with the SAFE in its capital item information system after entering into a cross-border financing agreement, but no later than three business days before making a withdrawal.

In addition to the foregoing, pursuant to the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment, or the SAFE Circular 28, which was promulgated by the SAFE on October 23, 2019 and came into effect on the same date our PRC subsidiaries established in the pilot regions, which refers to Guangdong-Hong Kong-Macao Greater Bay Area and Hainan province, are not required to register each of their foreign debts with the SAFE or its local branches but to complete foreign debts registration with the SAFE or its local branches in the amount of 200% of the net assets of the relevant PRC subsidiary. Upon such registrations, our relevant PRC subsidiaries will be allowed to procure foreign loan within the registered amount and complete the formalities for inward and outward remittance of funds, purchase and settlement of foreign currency directly with a bank, and are required to make declaration of international balance of payments pursuant to applicable regulations. On December 4, 2023, the SAFE promulgated the Circular on Further Deepening the Reform to Facilitate Cross-border Trade and Investment, pursuant to which the pilot policies for facilitating cross-border financing are extended nationwide, qualified high and new technology enterprises, specialized and sophisticated enterprises that produce new and unique products and core technologies and technology-based small and medium-sized enterprises within 14 provinces can independently borrow foreign debts within the limit of the equivalent of US$10 million, such qualified enterprises within other provinces can borrow foreign debts within the limit of the equivalent of US$5 million. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation.

Based on the foregoing, if we provide funding to our wholly foreign owned subsidiaries through shareholder loans, the balance of such loans shall not exceed the Total Investment and Registered Capital Balance and we will need to register such loans with the SAFE or its local branches in the event that the Current Foreign Debt Mechanism applies, or the balance of such loans shall be subject to the Risk-Weighted Approach and the Net Asset Limits and we will need to file the loans with the SAFE in its information system in the event that the Notice No. 9 Foreign Debt Mechanism applies. Under the PBOC Notice No. 9, after a transition period of one year from January 11, 2017, the PBOC and the SAFE will determine the cross-border financing administration mechanism for the foreign-invested enterprises after evaluating the overall implementation of PBOC Notice No. 9. As of the date hereof, neither the PBOC nor the SAFE has promulgated and made public any further rules, regulations, notices or circulars as to which mechanism will be adopted by the PBOC and the SAFE in the future, and what statutory limits will be imposed on us when providing loans to our PRC subsidiaries. Despite neither the Foreign Investment Law nor its Implementing Regulation prescribes whether the certain concept "total investment amount" with respect to foreign-invested enterprises will still be applicable, no PRC laws and regulations have been officially promulgated to abolish the Current Foreign Debt Mechanism.

Foreign Debts

On January 5, 2023, the NDRC promulgated the Administrative Measures for Examination and Registration of Medium and Long-term Foreign Debts of Enterprises, or the Foreign Debts Measures, which became effective on February 10, 2023. For the purpose of the Foreign Debts Measures, medium and long-term foreign debts refer to debt instruments with a maturity of more than

one year, denominated in Renminbi or a foreign currency, issued overseas by PRC enterprises and overseas enterprises or branches controlled by them, with the principal repaid and interest accrued as agreed. Enterprises shall, prior to the borrowing of foreign debts, complete the formalities of examination and registration and obtain the certificate of examination and registration. Those that have not completed examination and registration formalities are not allowed to borrow foreign debts. Pursuant to the Foreign Debts Measures, the requirement of the examination and registration formalities also apply to the indirect borrowing of medium and long-term foreign debts by domestic enterprises. The Foreign Debts Measures also provides that an enterprise whose principal business activities are conducted within the territory of China, issues bonds or borrows commercial loans overseas, in the name of an enterprise registered overseas, based on the equity, assets, earnings or other similar rights and interests of the domestic enterprise, shall be deemed as indirect borrowing of foreign debts overseas by domestic enterprises.

Regulations on Employment and Social Welfare

Employment

The Labor Law of the PRC which was promulgated by the Standing Committee of the National People's Congress on July 5, 1994, effective since January 1, 1995, and were further amended on August 27, 2009 and December 29, 2018, the Labor Contract Law of the PRC which was promulgated by the Standing Committee of the National People's Congress on June 29, 2007 and amended on December 28, 2012, and the Implementing Regulations of the Labor Contract Law of the PRC which was promulgated by the State Council on September 18, 2008, are the principal regulations that govern employment and labor matters in the PRC. Under the above regulations, labor relationships between employers and employees must be executed in written form, and wages shall not be lower than local standards on minimum wages and shall be paid to employees timely. In addition, employers must establish a system for labor safety and sanitation, strictly abide by state standards and provide relevant training to its employees. Employers are also prohibited from forcing employees to work above certain time limit and employers shall pay employees for overtime work in accordance with national regulations.

Social Insurance and Housing Fund

According to the Social Insurance Law of the PRC promulgated by the Standing Committee of National People's Congress of the PRC on October 28, 2010, effective since July 1, 2011 and amended on December 29, 2018, together with other relevant laws and regulations, the PRC establishes a social insurance system including basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance and maternity insurance. Any employer shall register with the local social insurance agency within 30 days after its establishment and shall register for the employee with the local social insurance agency within 30 days after the date of hiring. An employer shall declare and make social insurance contributions in full and on time. The occupational injury insurance and maternity insurance shall only be paid by employers while the contributions of basic pension insurance, medical insurance and unemployment insurance shall be paid by both employers and employees.

According to the Regulation on the Administration of Housing Fund promulgated by the State Council on April 3, 1999 and amended in 2002 and 2019 respectively, employers are required to register at the designated administrative centers, open bank accounts for depositing employees' housing fund and make housing fund contributions for employees in the PRC. Employer who fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline.

Regulations on Anti-Monopoly

The Anti-Monopoly Law of the PRC promulgated by the Standing Committee of the National People's Congress, or the Anti-Monopoly Law, which became effective on August 1, 2008. On June 24, 2022, the Decision of the Standing Committee of the National People's Congress to Amend the Anti-Monopoly Law of the People's Republic of China, or the Decision to Amend the Anti-Monopoly Law, was adopted and became effective on August 1, 2022. The amended Anti-Monopoly Law prohibits undertakings from monopolistic conducts such as:

- Entering into monopolistic agreements, which means agreements or concerted practices to eliminate or restrict competition. For example, agreements for fixing or altering prices of goods, limiting the output or sales volume of goods, fixing the price of goods for resale to third parties, among others, unless such agreements satisfy the specific exemptions prescribed therein, such as improving technologies or increasing the efficiency and competitiveness of small and medium-sized undertakings. Sanctions against such violations include an order to cease the relevant activities, and confiscation of illegal gains and fines (from 1% to 10% of sales revenue in the preceding year, or a fine up to RMB3,000,000 if the intended monopolistic agreement has not been performed);
- Abuse of dominant market position. For example, selling goods at unfairly high prices or purchasing goods at unfairly low prices, selling goods at prices below cost or refusing to trade with a trading party without any justifiable cause. Specifically, an undertaking with a dominant market position shall not use data, algorithms, technology and platform rules

to engage in acts of abusing its dominant market position. Sanctions for such violations include an order to cease the relevant activities, confiscation of the illegal gains and fines (from 1% to 10% of sales revenue in the preceding year); and

- Concentration of undertakings which has or may have an effect of eliminating or restricting competition. The anti-monopoly agency (i.e., the SAMR) shall be notified in advance of any concentration of undertaking if certain filing thresholds (i.e., during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB 800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year) are triggered, and no concentration shall be implemented until the anti-monopoly enforcement agency clears the anti-monopoly filing.

In March 2018, the SAMR was formed as a new regulatory agency to take over, among other things, the anti-monopoly enforcement functions from the relevant departments under the MOFCOM, the NDRC and the SAIC, respectively. Since its inception, the SAMR has continued to strengthen its anti-monopoly enforcement. The SAMR issued the Notice on Anti-monopoly Enforcement Authorization on December 28, 2018, which grants authorizations to the SAMR's province-level branches for anti-monopoly enforcement within their respective jurisdictions, and issued the Anti-monopoly Compliance Guideline for Operators on September 11, 2020, which applies to operators under the Anti-Monopoly Law for establishing an anti-monopoly compliance management system and preventing anti-monopoly compliance risks. On November 18, 2021, the National Anti-monopoly Bureau was officially established to formulate anti-monopoly institutional measures and guidelines, implement anti-monopoly law enforcement, undertake the guidance for enterprises' anti-monopoly action responding abroad and so on. According to the Anti-monopoly Guidelines of the Anti-monopoly Commission under the State Council in the Field of Intellectual Property Rights, which was promulgated and became effective on January 4, 2019, or the Anti-monopoly IP Rights Guidelines, the Anti-Monopoly Law is applicable when the operator abuses intellectual property rights and conducts acts that exclude or restrict competition. Pursuant to the Anti-monopoly IP Rights Guidelines, analysis of whether the operator has abused intellectual property rights to exclude or restrict competition shall follow the following basic principles: (i) the same regulatory standards for other forms of property rights shall be adopted and the relevant provisions of the Anti-monopoly Law of the PRC shall be followed; (ii) the characteristics of intellectual property rights shall be taken into account; (iii) the operator shall not be presumed to have a dominant market position in the relevant market because of its ownership of intellectual property rights; and (iv) the positive impact of relevant behaviors on efficiency and innovation shall be considered on a case-by-case basis.

On February 7, 2021, the Anti-Monopoly Bureau of the State Council officially promulgated the Guidelines to Anti-Monopoly in the Field of Internet Platforms, or the Anti-Monopoly Guidelines for Internet Platforms. The Anti-Monopoly Guidelines for Internet Platforms mainly covers five aspects, including general provisions, monopoly agreements, abusing market dominance, concentration of undertakings, and abusing of administrative powers eliminating or restricting competition. The Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of internet platforms so as to protect market competition and safeguard interests of users and undertakings participating in the internet platform economy, including without limitation:

(i) prohibiting platforms from reaching monopoly agreements. A monopoly agreement in the field of platform economy refers to any agreement, decision or other concerted conduct by undertakings to exclude or restrict competition. "Other concerted conduct" refers to the conduct whereby undertakings do not explicitly enter into an agreement or decision, but are actually coordinated through data, algorithms, platform rules or other means, except for price following and other parallel conduct conducted by the relevant undertakings based on their independent expression of intent;

(ii) prohibiting the concentration of undertakings that has or may have the effect of eliminating or restricting competition; and

(iii) prohibiting platforms with dominant position from abusing their market dominance. The activities which may constitute the abuse of market dominance include, without limitation, sales of commodities at an unfairly high price or purchases of commodities at an unfairly low price, sales of commodities at a price lower than cost without justified reasons, refusing to enter into transactions with transaction counterparties without justified reasons, limit transactions with transaction counterparties without justified reasons, tie-in sales or attaching unreasonable transaction terms without justified reasons, and differential treatment to the transaction counterparties with identical transaction conditions without justified reasons.

In addition, the Anti-Monopoly Guidelines for Internet Platforms also reinforces anti-monopoly merger review for internet platform related transactions to safeguard market competition.

On March 10, 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings, the Provisions on the Prohibition of Monopoly Agreements, the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition, all of which took effect from April 15, 2023. Subsequently, the Provisions on the Prohibition of Monopoly Agreements were amended and promulgated on December 9, 2025, and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition were amended and promulgated on December 18, 2025, both of which

became effective on February 1, 2026. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimized the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. Specifically, the Review Measures of Concentration of Undertakings have clarified the factors to be considered for the recognition of "control" and "implementation of concentration" under the review mechanism of concentration of undertakings, and elaborate the implementation rules regarding the suspension of review. According to the Review Measures of Concentration of Undertakings, where a concentration of undertakings does not meet the threshold for declaration, but there is evidence that the concentration of undertakings has or may have the effect of excluding or limiting competition, the SAMR may order the operators to file the concentration of undertakings. On April 25, 2024, the SAMR promulgated the Anti-monopoly Compliance Guideline for Undertakings, also known as the Anti-monopoly Guideline. The Anti-Monopoly Guideline introduces a compliance incentive mechanism, allowing anti-monopoly enforcement agencies to consider the establishment and implementation of anti-monopoly compliance management systems by business operators when addressing monopolistic practices. On June 6, 2024, the State Council promulgated the Regulation on Fair Competition Review, which has strengthened the supervision of fair competition reviews by establishing a comprehensive oversight mechanism, including fair competition review, random inspections, complaint handling, supervision, and other related processes. The SAMR has also issued the Discretionary Benchmark for Administrative Penalty for Illegal Concentration of Undertakings (for Trial Implementation) on February 19, 2025, which became effective on the same date and stipulated that for any illegal concentration of undertakings that does not have the effect of excluding or restricting competition, the maximum fine shall not exceed 5 million yuan. If the amount calculated according to certain provision hereof exceeds 5 million yuan, the amount of the fine shall be determined as 5 million yuan. For any illegal concentration of undertakings that has or may have the effect of excluding or restricting competition, the maximum fine shall not exceed 10% of the sales revenue of the previous year. The SAMR further promulgated the Implementing Measures for the Regulation on Fair Competition Review on February 28, 2025, which came into effect on April 20, 2025. The Implementing Measures further clarify the applicable review standards and the specific circumstances subject to fair competition review, and set out the procedural requirements, including the applicable time limits for review and handling. On June 27, 2025, the State Council promulgated the revised Anti-Unfair Competition Law to expand regulation of digital markets, data use and platform conduct. The revised Anti-Unfair Competition Law prohibits the improper acquisition or use of data lawfully held by other operators through deceptive or technically circumventive means, even where such data does not constitute a trade secret, and restricts the use of data, algorithms or platform rules to disrupt competitors' online services. The scope of unfair competition is further extended to digital identifiers, misleading search practices, fabricated transactions and false reviews. It also strengthens enforcement by increasing penalties and liability for online unfair competition and obstructing investigations, increasing compliance risks for data-driven platform operators.

Since the above-mentioned laws and regulations are relatively new, uncertainty still remains as to their interpretation and implementation.

Regulations on M&A and Overseas Listings

In 2006, six PRC regulatory agencies, including the CSRC, jointly adopted the Regulations on Mergers of Domestic Enterprises by Foreign Investors, or the M&A Rules, amended in 2009. The M&A Rules purport, among other things, to require an offshore special purpose vehicle controlled by PRC companies or individuals and formed for overseas listing purposes through acquisitions of PRC domestic interest held by such PRC companies or individuals, to obtain the approval from the CSRC prior to publicly listing their securities on an overseas stock exchange. In 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by the offshore special purpose vehicle seeking CSRC approval of its overseas listing. If the CSRC or other PRC regulatory agencies subsequently determine that prior CSRC approval was required, we may face regulatory actions or other sanctions from the CSRC or other PRC regulatory agencies.

The M&A Rules also establish procedures and requirements that could make some acquisitions of PRC companies by foreign investors more time-consuming and complex, including requirements in some instances that the anti-monopoly law enforcement agency be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors issued by the MOFCOM in 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China."

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, and five supporting guidelines, together with five supporting guidelines, which took effect on March 31, 2023. Pursuant to the Trial Measures, PRC domestic companies that directly or indirectly seek to offer or list their securities overseas are required to fulfil the filing procedure with the CSRC and report relevant information to the

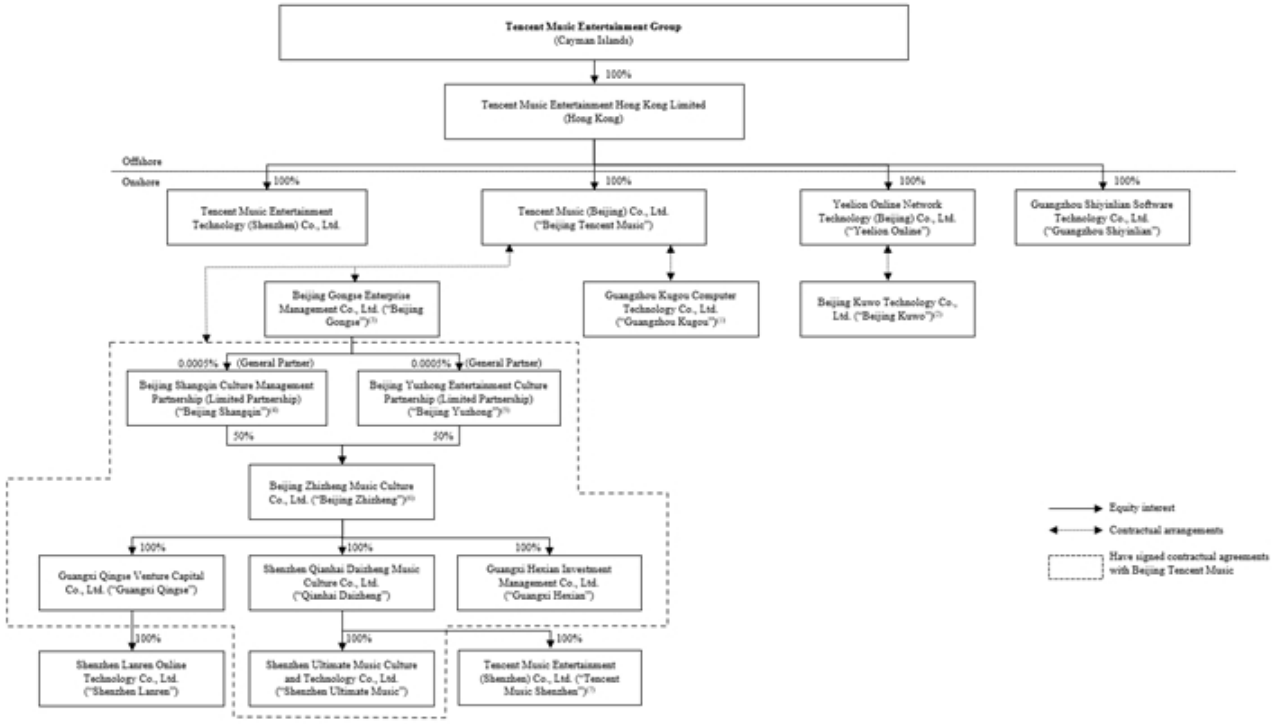
CSRC. Specifically, the overseas securities offering and listing of any issuer will be deemed as indirect overseas offering by PRC domestic companies if the following conditions are met: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by PRC domestic companies; and (ii) the main parts of the issuer's business activities are conducted in the Chinese mainland, or its main place(s) of business are located in the Chinese mainland, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in the Chinese mainland. Where a PRC domestic company fails to fulfill the filing procedure or conceals any material fact or falsifies any major content in its filing documents, such PRC domestic company may be subject to administrative penalties such as rectifications, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties such as warnings and fines.

In addition, pursuant to the Trial Measures, an overseas offering and listing of the securities of a PRC domestic company is prohibited under any of the following circumstances, if (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic company intending to make the securities offering and listing, or its controlling shareholder(s) and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic company intending to make the securities offering and listing is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no clear conclusion has yet been made thereof; or (v) there are material ownership disputes over equity interests held by the PRC domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On February 24, 2023, the CSRC, Ministry of Finance, National Administration of State Secrets Protection and National Archives Administration of China promulgated the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies, or the Archives Rules, which took effect on March 31, 2023. Pursuant to the Archives Rules, PRC domestic companies (which may refer to either a joint-stock company incorporated domestically that conducts direct overseas offering and listing, or a domestic operating entity that conducts indirect overseas offering and listing) that seek overseas offering and listing shall strictly abide by applicable laws and regulations of the PRC and the Archives Rules, enhance legal awareness of keeping state secrets and strengthening archives administration, institute a sound confidentiality and archives administration system, and take necessary measures to fulfill confidentiality and archives administration obligations. Such domestic companies shall not leak any state secret and working secret of government agencies, or harm national security and public interest. Furthermore, a PRC domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level. Moreover, a PRC domestic company that plans to, either directly or through its overseas listed entity, publicly disclose or provide to relevant individuals and entities including securities companies, securities service providers and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. A PRC domestic company that provides documents and materials to securities companies and securities service providers shall abide by applicable national regulations on confidentiality in handling such documents and materials, and provide at the same time to the securities companies and securities service providers a written statement on the company's implementation of the requirements according to the Archives Rules. Further, where a PRC domestic company, after fulfilling relevant procedures, provides to securities companies, securities service providers and other entities with any documents and materials that contain state secrets or working secrets of government agencies, or any other documents and materials that will be detrimental to national security or public interest if leaked, a non-disclosure agreement shall be signed between the provider and receiver of such information according to the Law of the PRC on Guarding State Secrets, other laws and regulations and the Archives Rules. The Archives Rules also stipulate that a PRC domestic company that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

4.C. Organizational Structure

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



Notes:

(1) Shareholders of Guangzhou Kugou and their respective shareholdings and relationship with our company are as follows: (i) Shenzhen Tencent Ruijian Investment Co., Ltd. (99.6096%), an entity controlled by Tencent; (ii) Qianhai Daizheng (0.3319%); and (iii) Shenzhen Litong Industry Investment Fund Co., Ltd. (0.0586%), an entity controlled by Tencent. Guangzhou Kugou operates *Kugou Music* and *Kugou Live*.

(2) Shareholders of Beijing Kuwo and their respective shareholdings and relationship with our company are as follows: (i) Linzhi Lichuang Information Technology Co., Ltd. (61.64%), an entity controlled by Tencent; and (ii) Qianhai Daizheng (38.36%). Beijing Kuwo operates *Kuwo Music* and *Kuwo Live*.

(3) Shareholders of Beijing Gongse and their respective shareholdings are Mr. Qihu Yang (20%), Mr. Dejun Gu (20%), Ms. Xing Chen (20%), Ms. Yueting Luo (20%) and Mr. Yunheng Liang (20%).

(4) Partners of Beijing Shangqin are Beijing Gongse (0.0005%) (the general partner), Mr. Qihu Yang (19.9999%), Mr. Dejun Gu (19.9999%), Ms. Xing Chen (19.9999%), Ms. Yueting Luo (19.9999%) and Mr. Yunheng Liang (19.9999%).

(5) Partners of Beijing Yuzhong are Beijing Gongse (0.0005%) (the general partner), Mr. Qihu Yang (19.9999%), Mr. Dejun Gu (19.9999%), Ms. Xing Chen (19.9999%), Ms. Yueting Luo (19.9999%) and Mr. Yunheng Liang (19.9999 %).

(6) Shareholders of Beijing Zhizheng are Beijing Shangqin (50%) and Beijing Yuzhong (50%).

(7) Tencent Music Shenzhen operates *QQ Music* and *WeSing*.

Contractual Arrangements with the VIEs and Their Respective Shareholders or Partners

Currently, substantially all of the Group's users and business operations are located in the PRC and we do not have plans for any significant overseas expansion in the foreseeable future, as our primary focus is the PRC online music and audio entertainment market, which we believe possesses tremendous growth potential and attractive monetization opportunities.

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in value-added telecommunication services, internet cultural services, internet audio-video program services and certain other businesses. The Special Administrative Measures for Entrance of Foreign Investment (Negative List) (2024 Version) provides that foreign investors are generally not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider other than providers of e-commerce, domestic multiparty communication, store-and-forward or call center service, and the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision) require that the major foreign investor in a value-added telecommunication service provider in China must have experience in providing value-added telecommunications services overseas and maintain a good track record. On March 29, 2022, the Decision of the State Council on Revising and Repealing Certain Administrative Regulations, which took effect on May 1, 2022, was promulgated to amend certain provisions of regulations including the Provisions on the Administration of Foreign-Invested Telecommunications Enterprises (2016 Revision). As a result, foreign-invested value-added telecommunications enterprises are no longer required to adopt the Sino-foreign joint venture form, and the requirement for major foreign investor to demonstrate a good track record and experience in operating value-added telecommunications businesses is deleted. On April 8, 2024, MIIT promulgated the Notice of the Ministry of Industry and Information Technology on the Pilot Program for Expanding the Opening up of Value-added Telecommunications Services to the Outside World, providing that in regions approved to carry out the pilot program, the restrictions on the foreign equity ratios for internet data centers (IDC), content delivery networks (CDN), internet service providers (ISP), online data processing and transaction processing, information releasing platforms and delivery services included in information services (excluding the operation of internet news information, online publishing, online audio and video, and internet culture), as well as information protection and processing services, will be removed. In addition, foreign investors are prohibited from investing in companies engaged in certain online and culture related businesses. See "— 4.B. Business Overview — Regulations — Regulations on Foreign Investment." We are a company incorporated in the Cayman Islands. Our PRC subsidiaries, including Beijing Tencent Music and Yeelion Online, among others, are considered foreign-invested enterprises. To comply with the foregoing PRC laws and regulations, the Group primarily conducts its business in China through the VIEs and their respective subsidiaries in the PRC, based on a series of contractual arrangements. As a result of these contractual arrangements, we are considered the primary beneficiary of the VIEs for accounting purposes and are able to consolidate their operating results in our consolidated financial statements under IFRS. These contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs. If the VIEs or their respective shareholders or partners fail to perform their respective obligations under the contractual arrangements, we could be limited in our ability to enforce the contractual arrangements and may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure will be effective under PRC law. For details of these and other risks associated with our VIE structure, see "Item 3. Key Information — 3.D. Risk Factors — Risks Related to the Group's Corporate Structure."

The following is a summary of the contractual arrangements by and among Yeelion Online, Beijing Kuwo and the shareholders of Beijing Kuwo. The contractual arrangements by and among us (through our wholly-owned PRC subsidiaries) and each of the VIEs as well as their respective shareholders or partners, are substantially similar to the corresponding contractual arrangements discussed below, unless otherwise indicated. In addition, the spouses of certain shareholders or partners of VIEs have also signed spousal consents, the key terms of which are summarized below.

In the opinion of Han Kun Law Offices, our PRC legal counsel:

- the ownership structures of the VIEs and our wholly-owned PRC subsidiaries as of the date of this annual report do not contravene any PRC laws or regulations currently in effect; and
- the contractual arrangements among our wholly-owned PRC subsidiaries, the VIEs and their respective shareholders or partners governed by PRC laws as of the date of this annual report are valid and binding upon each party to such arrangements and enforceable against each party thereto in accordance with their terms and applicable PRC laws and regulations currently in effect.

We have been further advised by our PRC legal counsel that, uncertainties remain as to the interpretation and application of current or future PRC laws and regulations, if the PRC regulators find that the agreements that establish the structure for operating our value-added telecommunication services, internet cultural services, internet audio-video program services and certain other businesses and related business do not comply with PRC regulatory restrictions on foreign investment in such businesses, we could be subject to severe penalties including being prohibited from continuing operations. For a description of the risks related to these contractual arrangements and the Group's corporate structure, please see "Item 3. Key Information — 3.D. Risk Factors — Risks Related to the Group's Corporate Structure."

Equity Interests Pledge Agreement

Pursuant to the equity interests pledge agreements dated December 5, 2022 by and among Yeelion Online, Beijing Kuwo and the shareholders of Beijing Kuwo, the shareholders of Beijing Kuwo pledged all of their equity interests in Beijing Kuwo to Yeelion Online, to guarantee Beijing Kuwo's and its shareholders' performance of their obligations under, where applicable, the exclusive

option agreement, exclusive technical service agreement and voting trust agreement. If Beijing Kuwo or any of its shareholders breach their contractual obligations under these agreements, Yeelion Online will be entitled to certain rights, including but not limited to the rights to auction or sell the pledged equity interests. Without the prior written consent of Yeelion Online, the shareholders of Beijing Kuwo shall not transfer the pledged equity interests, create or permit to be created any new pledge or any other security interest on the pledged equity interests.

The partners of Beijing Shangqin entered into a series of Share of Property Pledge Agreements with Beijing Tencent Music and Beijing Shangqin, pursuant to which the partners of Beijing Shangqin pledged all of their share of property held in Beijing Shangqin to Beijing Tencent Music. Similarly, the partners of Beijing Yuzhong entered into a series of Share of Property Pledge Agreements with Beijing Tencent Music and Beijing Yuzhong, pursuant to which the partners of Beijing Yuzhong pledged all of their share of property held in Beijing Yuzhong to Beijing Tencent Music.

Exclusive Option Agreement

Pursuant to the exclusive option agreement dated December 5, 2022 by and among Yeelion Online, Beijing Kuwo and the shareholders of Beijing Kuwo, the shareholders of Beijing Kuwo irrevocably granted Yeelion Online or its designated person, an exclusive option to purchase at its discretion, all or part of the equity interests held by the shareholders of Beijing Kuwo at the price agreed by the parties to the extent permitted by PRC law. Without the prior written consent of Yeelion Online, the shareholders of Beijing Kuwo shall not transfer or otherwise dispose of, or create any encumbrances or third party interests upon their equity interests in Beijing Kuwo. In addition, Beijing Kuwo irrevocably granted Yeelion Online or its designated party an exclusive option to purchase at its discretion, all or part of the assets held or entitled to be used by Beijing Kuwo, to the extent permitted under PRC law.

Exclusive Technical Service Agreement or Business Cooperation Agreement

Pursuant to the exclusive technical service agreement dated July 12, 2016 by and between Yeelion Online and Beijing Kuwo, Yeelion Online or its designated person has the sole and exclusive right to provide specified business support, technical service and consulting service to Beijing Kuwo. Beijing Kuwo agrees to accept such services and, without the prior written consent of Yeelion Online, may not accept the same or similar services provided by any third party during the term of the agreement. Beijing Kuwo agrees to pay to Yeelion Online specified service fees, which represents 90% of the annual net operating income of Beijing Kuwo together with other service fees charged for other ad hoc services provided.

Under the exclusive business cooperation agreement between Beijing Gongse, Beijing Shangqin, Beijing Yuzhong, Beijing Zhizheng, Guangxi Hexian (previously known as Xizang Qiming), Shenzhen Ultimate Music, Guangxi Qingse, or Qianhai Daizheng and our respective and our applicable subsidiary, there is no specific number or percentage of service fees that our subsidiary is entitled to charge for the services provided to each such VIE. Instead, the services fee can be agreed by Beijing Gongse, Beijing Shangqin, Beijing Yuzhong, Beijing Zhizheng, Guangxi Hexian (previously known as Xizang Qiming), Shenzhen Ultimate Music, Guangxi Qingse, or Qianhai Daizheng and our respective applicable subsidiary by taking into account the complexity of services provided, the time consumed and seniority of staff involved and other factors.

Loan Agreement

Pursuant to the loan agreement originally dated July 12, 2016 by and among Yeelion Online and certain other parties, and certain other related agreements subsequently entered into by and among Yeelion Online and other parties named therein, Yeelion Online provides loans to Qianhai Daizheng as the borrower solely for the purpose of acquiring equity interests of Beijing Kuwo. Yeelion Online has the sole discretion to determine the method of repayment, including requiring the borrower to transfer their equity interests in Beijing Kuwo to Yeelion Online or its designated person.

Voting Trust Agreement or Power of Attorney

Pursuant to the voting trust agreement dated December 5, 2022 by and among Yeelion Online, Beijing Kuwo and the shareholders of Beijing Kuwo, the shareholders of Beijing Kuwo each irrevocably granted Yeelion Online or any person designated by Yeelion Online as their attorney-in-fact to vote on their behalf on all matters of Beijing Kuwo by issuing a voting proxy.

Spousal Consents

The spouses of certain individual shareholders or partners of the VIEs have each signed a spousal consent letter. Under the spousal consent letter, the signing spouse unconditionally and irrevocably approved the execution by his or her spouse of the above-mentioned equity interests pledge agreement, exclusive option agreement and voting proxy, as applicable, and that his or her spouse may perform, amend or terminate such agreements without his or her consent. Moreover, the spouse confirmed he or she has no rights, and will not assert in the future any right, over the equity interests in the applicable VIEs held by his or her spouse. In addition, in the event that the spouse obtains any equity interest in the applicable VIEs held by his or her spouse for any reason, he or she agrees to be bound by and sign any legal documents substantially similar to the contractual arrangements entered into by his or her spouse, as may be amended from time to time.

4.D. Property, Plant and Equipment

Our principal executive offices are located in Shenzhen, China. We also have offices in Beijing, Guangzhou and some other cities in China with an aggregate of approximately 106 thousand square meters as of December 31, 2025. These facilities are currently accommodating our management headquarters, most of our product development, content acquisition and management, sales and marketing, as well as general and administrative activities. Our main IT infrastructure includes internet data centers (IDC) and content delivery networks (CDN).

We lease substantially all of the facilities that we currently occupy. We believe that the facilities that we currently lease are adequate to meet our needs for the foreseeable future.

In addition, as of the date of this annual report, we owned an aggregate of 16.5 thousand square meters of properties in Guangzhou and Shenzhen, China.

ITEM 4A. UNRESOLVED STAFF COMMENTS

None.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion together with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Item 3. Key Information—3.D. Risk Factors" and elsewhere in this annual report.

5.A. Operating Results

General Factors Affecting Our Results of Operations

Our business and results of operations are affected by several general factors affecting China's music and audio entertainment industry, which include the evolving regulatory environment, competition in China's music and audio entertainment industry, and general economic, political, demographic and business conditions in China and globally, among others. Unfavorable changes in any of these general conditions could negatively affect demand for our services and materially and adversely affect our results of operations.

Tencent Music Entertainment Group is a Cayman Islands holding company. It does not engage in operations itself but rather conducts its operations through its PRC subsidiaries, as well as the VIEs through certain contractual arrangements entered into with the VIEs. Though the Foreign Investment Law does not explicitly classify such contractual arrangements as a form of foreign investment, the definition of "foreign investment" under such law is relatively broad and contains a catch-all provision so that foreign investment includes "investments made by foreign investors in China through other means defined by other laws or administrative regulations or provisions promulgated by the State Council," without further elaboration on the meaning of "other means." Uncertainty remains on how these rules will be interpreted and implemented and whether the Group's corporate structure could be found to violate current foreign investment rules as we adopt the contractual arrangements with the VIEs to operate certain businesses in which foreign investors are prohibited from or restricted in investing. Furthermore, if future legislations mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face uncertainties as to whether we can complete such actions in a timely manner, or at all. If we fail to take appropriate and timely measures to comply with any of these or similar regulatory compliance requirements, the Group's current corporate structure, corporate governance and business operations, as well as the Group's ability to consolidate the VIEs' results in the Group's consolidated financial statements, could be materially and adversely affected. For more details, see "Item 3. Key Information—D. Risk Factors— Risks Related to the Group's Corporate Structure — Uncertainties remain as to the interpretation and implementation of the Foreign Investment Law of the PRC and how it may impact the viability of the Group's current corporate structure, corporate governance and business operations."

Specific Factors Affecting Our Results of Operations

Our ability to engage our large user base and further increase their engagement level

We generate revenues primarily through membership sales, advertising services, and virtual gifts, which are closely tied to both the size of our user base and the level of user engagement. Given our already large base of MAUs, our strategy has increasingly focused on enhancing user engagement.

Our ability to maintain and grow our paying user base and further increase engagement depends on a number of factors, including our ability to, among other things (i) expand and diversify our content offerings, (ii) offer innovative features and compelling user experience, (iii) encourage users to utilize multiple services across our platform, (iv) enhance user interaction and community features, and (v) strengthen our brand reputation.

We adopt a holistic approach to operating our online music services and social entertainment services to seamlessly integrate both services. We leverage our strong product features, content recommendations, and technological capabilities to create a cohesive experience for users. By integrating listening and other interactive functionalities within a unified platform, we encourage user migration across services and increase the depth and frequency of user interaction. Our recommendation algorithms and technology infrastructure also support seamless cross-service engagement, enabling users to discover complementary content and features. This integrated approach supports user retention, deepens our engagement with users, and continuously enhances user engagement across our services.

Our ability to strengthen monetization and drive quality growth

Our results of operations depend on our ability to deepen monetization from our massive user base, by sustaining growth of paying users, enhancing spending per paying user, and other diverse monetization approaches.

The table below sets forth certain operating metrics—MAUs, paying users, paying ratio, and monthly ARPPU—for our online music services for the periods indicated. These figures have not been adjusted to eliminate duplicate access of different products and services by the same user, if any, during any given period.

	For the Year Ended December 31,		
	2023	2024	2025
MAUs (in millions)	589	570	547
Paying users (in millions)	100.9	117.6	125.1
Paying ratio	17.1%	20.6%	22.9%
Monthly ARPPU[(1)] (RMB)	10.0	10.8	11.8

Notes:

(1) The revenues used to calculate the monthly ARPPU of online music services include revenues from subscriptions only. The revenues from subscriptions for the periods indicated were RMB12,096 million, RMB15,227 million and RMB17,660 million (US$2,525 million), respectively.

As music consumption habits in China continue to mature, users are now more open and willing to pay for copyrighted music and its associated services. With our deep commitment to user value, we have built a comprehensive, multi-tiered membership system that offers various options for users with different needs and preferences. See "Item 4. Information on the Company — 4.B. Business Overview — How We Generate Revenues — Online Music Services — Music subscription." We continue to shape music consumption trends through ongoing technological and product innovation, inspiring users to explore a broader range of music genres and discover artists. Driven by differentiated, expansive content privileges, the number of paying users for our online music services reached 127.4 million in the fourth quarter of 2025. In the foreseeable future, we intend to continue our focus on monetization of our online music services, such as music subscription, advertising services, and other new growth businesses.

At the same time, we are dedicated to serving our core users with social entertainment services, which are integral to our music entertainment ecosystem. By taking advantage of advanced technologies, such as large language models (LLMs), and fostering constant innovation, we aim to offer more interactive products and deliver engaging experiences for our users.

Our ability to continue to monetize our user base is affected by several factors, such as our ability to enhance user engagement, our ability to cultivate users' willingness to pay for online music services and social entertainment services, as well as our ability to integrate more monetization models into the overall user experience on our platform. Monetization of our user base is also affected by our ability to optimize our pricing strategy and to explore new monetization opportunities by leveraging our comprehensive content offerings, vast user base and strong relationships with music labels and other content providers. As we explore additional monetization opportunities, such as scaling up our revenue contribution from artist-related merchandise and offline performance, our cost of revenues may increase, especially during early ramp-up phase of launching new monetization initiatives, with limited impacts to gross profit margin potentially. Our ability to monetize may also be affected by macroeconomic factors affecting China's economy in general and its music and audio entertainment industry in particular. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — We face risks related to accidents, disasters and public health challenges in China and globally."

Our ability to continue to deliver diverse, attractive and relevant content offerings

We believe that users are attracted to our platform and choose to pay for our services for the diverse and attractive content we offer. Accordingly, we have focused our content strategies on offering a wide range of content catering to users' tastes and preferences, as well as improving our platform, including our curation and recommendation capabilities.

We currently have a comprehensive content library in China across a wide range of content formats, including songs, karaoke songs, live streaming of music performances, recorded video and audio content, as well as reviews and articles. Our continued success largely depends on our ability to stay abreast of users' evolving needs and preferences and dynamics in the entertainment industry. We seek to identify trendsetting and potentially popular content, which in turn allows us to provide more comprehensive offerings.

We intend to continue to invest in and enrich our content portfolio. We will continuously invest in original content production to meet user demands for diverse forms of music entertainment. We will also continue to provide our indie musicians with useful tools and collaborative opportunities to realize their full potential while differentiating our content offerings.

Our ability to enhance returns on our spending on content

Our ability to enhance returns on our spending on content depends on our ability to identify new content and effectively monetize our content while maintaining our commitment to copyright protection.

Our service costs mainly comprise: (i) royalties paid to music labels and other content partners and our in-house production costs for content used to support both our online music services and social entertainment services; and (ii) revenues shared with performers and/or their talent agencies and other content providers which are primarily associated with our social entertainment services. Service costs have historically accounted for the majority of our cost of revenues as we have made substantial investments in building and enriching our portfolio of licensed content and attracting performers to perform on our platform.

Our results of operations and our ability to sustain profitability may also be affected by our obligations to make payments for royalties to the licensors under our license agreements. See "Item 4. Information on the Company — 4.B. Business Overview — Our Content — Content Sourcing Arrangements" for more information about the pricing structure of our licensed content.

We are committed to protecting music copyright, and our leading role in China's music copyright protection efforts has made us a preferred partner for major domestic and international music labels and other content partners. This has helped us maintain long-term collaborative relationships with our content partners, which, in turn, enables us to source content on commercially reasonable terms, unlock greater value from music IPs, create new opportunities for artists and address a larger market.

We believe that our collaborative relationships with content partners and our diversified monetization models enable us to maintain and enhance returns on content spending without compromising our commitment to copyright protection.

Key Components of Results of Operations

Revenues

We derive our revenues from (i) online music services; and (ii) social entertainment services and others.

The following table sets forth a breakdown of our revenues, in absolute amounts and as percentages of total revenues, for the periods indicated.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in millions, except for percentages)						
Revenues							
Online music services	17,325	62.4	21,742	76.6	26,726	3,822	81.2
Social entertainment services and others	10,427	37.6	6,659	23.4	6,176	883	18.8
Total revenues	**27,752**	**100.0**	**28,401**	**100.0**	**32,902**	**4,705**	**100.0**

Online music services. We generate revenues from our online music services primarily from music subscriptions, namely sale of subscription packages with various privileges. We have built a multi-tiered membership, including ads membership, standard membership, and SVIP membership. In 2023, 2024 and 2025, revenue from music subscriptions was RMB12,096 million, RMB15,227 million and RMB17,660 million (US$2,525 million), respectively. As we continue to expand our online music services, we successfully diversify our revenue streams, and expanded our other non-subscription revenue. For instance, we also generate online music revenues from: (i) offering display and performance-based advertising solutions with pricing arrangements based on various factors, including the form and size of the advertisements, level of sponsorship and popularity of the content, (ii) offline performances and artist-management services; (iii) content licensing; (iv) sales of artist-related merchandise; (v) providing long-form audio-related services, including subscription packages to access our audio content; (vi) sales of digital albums. We expect our revenues from online music services to increase in both absolute amount and as a percentage of our total revenues in the foreseeable future.

Social entertainment services and others. We generate our social entertainment and other services revenues through live streaming, online karaoke and certain other services. We generate revenues from live streaming and online karaoke services primarily through sales of virtual gifts, with a portion of these revenues typically shared with the content creators, including live streaming performers and their agents, based on an agreed-upon percentage. We also generate a growing portion of the revenues from offering display and performance-based advertising solutions on our platform and selling premium memberships to our users. We expect that our revenue from social entertainment services and others will remain sizable in the foreseeable future. See also "Item 3. Key Information - 3.D. Risk Factors - Risks Related to Our Business and Industry - Our business operations may be adversely affected by

the heightened regulatory oversight and scrutiny on live streaming platforms and performers." We are striving to increase our competitive edge through ongoing product innovations and expanding into new areas of social entertainment such as interactive product offerings.

Our chief operating decision maker has determined that we have only one reportable segment.

Cost of revenues

The following table sets forth the components of our cost of revenues, in absolute amounts and as percentages of total cost of revenues, for the periods indicated.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in millions, except for percentages)						
Cost of revenues							
Service costs	14,176	78.9	11,974	73.1	11,349	1,623	61.8
Other cost of revenues	3,781	21.1	4,402	26.9	7,018	1,004	38.2
Total cost of revenues	**17,957**	**100.0**	**16,376**	**100.0**	**18,367**	**2,626**	**100.0**

Our cost of revenues primarily includes service costs, which mainly comprise (i) content costs, which primarily consist of royalties paid to music labels and other content partners and our in-house production costs. Such costs are used to support both our online music services and social entertainment services; (ii) fees paid to content creators pursuant to revenue sharing arrangements associated with our social entertainment services, including live streaming performers, their agencies and other users who perform on our platform; and (iii) content delivery costs relating primarily to server, cloud services and bandwidth costs paid to telecommunications carriers and other related service providers which are used to support both our online music services and social entertainment services.

Other cost of revenues mainly comprise (i) costs related to offline performances, which primarily consist of organization and production costs of offline events; (ii) advertising costs, which consist primarily of commissions paid to advertising agencies and other advertising costs; (iii) payment channel fees, which consist primarily of fees paid to online payment gateways; (iv) employee benefit expenses, which consist primarily of the salaries and other benefits paid to our employees supporting the operations of our platform; and (v) costs associated with sales of artist-related merchandise; and (vi) other costs.

We are committed to continually investing in high-quality content. Our content is critical to expanding our product offerings, attracting users and driving monetization for our online music and social entertainment services over time.

We expect that our cost of revenues will increase in absolute amount in the foreseeable future along with revenue growth. Specifically, we expect content costs to rise as we continuously broaden our copyrighted content offering and increase original content creation. Meanwhile, ongoing cost-control initiatives and cost efficiency management will help improve returns on our service costs in the foreseeable future.

Operating expenses

Our ongoing effort is to enhance the cost-effectiveness of our operating expenses. The following table sets forth a breakdown of our operating expenses, in absolute amounts and as percentages of total operating expenses, for the periods indicated.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in millions, except for percentages)						
Operating expenses							
Selling and marketing expenses	897	17.9	865	18.5	941	135	19.4
General and administrative expenses[(1)]	4,121	82.1	3,811	81.5	3,916	560	80.6
Total operating expenses	**5,018**	**100.0**	**4,676**	**100.0**	**4,857**	**695**	**100.0**

Note:

(1) Includes R&D expenses of RMB2,525 million, RMB2,280 million and RMB2,317 million (US$331 million) in 2023, 2024 and 2025, respectively.

Selling and marketing expenses. Our selling and marketing expenses consist primarily of (i) content promotion expenses and channel spending; and (ii) salaries and other benefits paid to our sales and marketing personnel. We will maintain ROI-focused approach and seek to continually enhance the cost-effectiveness of our selling and marketing expenses while incrementally increasing our investment in areas with sustained growth prospects.

General and administrative expenses. Our general and administrative expenses consist primarily of (i) R&D expenses, including salaries and other benefits paid to our R&D personnel; and (ii) salaries and other benefits paid to our general and administrative personnel; (iii) amortization of intangible assets resulting from acquisitions; and (iv) fees and expenses associated with the legal, accounting and other professional services. We will continue to improve our operational efficiencies while continuously investing in research and development to expand our competitive advantages in product and technology innovations.

Other gains, net

Our other gains, net primarily include gain on deemed disposal, dividends from investments and government grants and tax rebates. We had other gains, net, of RMB230 million, RMB165 million and RMB2,632 million (US$376 million) in 2023, 2024 and 2025, respectively.

Taxation

We had income tax expense of RMB825 million, RMB1,603 million and RMB1,924 million (US$275 million) in 2023, 2024 and 2025, respectively. We are subject to various rates of income tax under different jurisdictions. The following summarizes major factors affecting our applicable tax rates in the Cayman Islands, Hong Kong and the PRC.

Cayman Islands

We are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, we are not subject to tax on income or capital gains in the Cayman Islands. Additionally, upon payment of dividends by us to our shareholders, no Cayman Islands withholding tax will be imposed.

Hong Kong

Our subsidiaries in Hong Kong, including Tencent Music Entertainment Hong Kong Limited, our wholly-owned subsidiary, are subject to Hong Kong profits tax on their taxable income generated from the operations in Hong Kong at a uniform tax rate of 16.5%. Under the current tax laws of Hong Kong, our subsidiaries in Hong Kong are exempted from income tax on their foreign-derived income and there is no withholding tax in Hong Kong on remittance of dividends. Dividends from Tencent Music Entertainment Hong Kong Limited is not subject to Hong Kong profits tax.

PRC

Under the Corporate Income Tax ("CIT") Law in the PRC, foreign invested enterprises and domestic enterprises are subject to a unified CIT rate of 25%, except for available preferential tax treatments, including tax concession for enterprise approved as "High and New Technology Enterprise" ("HNTE") "Software Enterprise" ("SE") and "Key Software Enterprise" ("KSE"), and enterprise established in certain special economic development zones. Qualified HNTE is eligible for a preferential tax rate of 15%, qualified SE is entitled to an exemption from income tax for the first two years, commencing from the end of the first profitable year, and a reduction of half tax rate for the following three years and qualified KSE is eligible for a preferential tax rate of 10%.

Our PRC subsidiaries and the VIEs in China are companies incorporated under PRC law and, as such, are subject to PRC enterprise income tax on their taxable income in accordance with the relevant PRC income tax laws. Pursuant to the PRC CIT Law, which became effective on January 1, 2008, a uniform 25% enterprise income tax rate is generally applicable to both foreign-invested enterprises and domestic enterprises, except where a special preferential rate applies. The enterprise income tax is calculated based on the entity's global income as determined under PRC tax laws and accounting standards.

Beijing Kuwo, Yeelion Online and TME Tech Shenzhen have been recognized as HNTE by relevant government authorities and were therefore qualified for a preferential tax rate of 15% for the years ended December 31, 2023, 2024 and 2025. Guangzhou Fanxing Entertainment Information Technology Co., Ltd. ("Fanxing"), a subsidiary of the Group, was recognized as HNTE by relevant government authorities and was therefore qualified for a preferential tax rate of 15% for the years ended December 31, 2023. Guangzhou Shiyinlian Software Technology Co., Ltd. ("Shiyinlian") was recognized as HNTE by relevant government authorities for the first time in December 2022 and was therefore qualified for a preferential tax rate of 15% for the years ended December 31, 2022, 2023 and 2024. It was recognized for the second time as HNTE by relevant government authorities in December 2025 and will therefore qualify for a preferential tax rate of 15% for the years ended December 31, 2025, 2026 and 2027.

Certain subsidiaries of the Group are entitled to other tax concession, mainly include the preferential tax rate of 15% applicable to some subsidiaries located in certain area of PRC upon fulfillment of certain requirements of the respective local government.

Furthermore, certain subsidiaries of the Group are subject to other preferential tax treatment for certain reduced tax rates ranging from 5% to 9%.

As a Cayman Islands holding company, we may receive dividends from our PRC subsidiaries through Tencent Music Entertainment Hong Kong Limited. The PRC EIT Law and its implementing rules provide that dividend paid by a PRC entity to a non-resident enterprise for income tax purposes is subject to PRC withholding tax at a rate of 10%, subject to reduction by an applicable tax treaty with China. Pursuant to the Arrangement between the Chinese mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate in respect to the payment of dividends by a PRC enterprise to a Hong Kong enterprise may be reduced to 5% from a standard rate of 10% if the Hong Kong enterprise directly holds at least 25% of the PRC enterprise. Pursuant to the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to apply the reduced withholding tax rate: (i) it must be a company; (ii) it must directly own the required percentage of equity interests and voting rights in the PRC resident enterprise; and (iii) it must have directly owned such required percentage in the PRC resident enterprise throughout the 12 months prior to receiving the dividends.

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a "resident enterprise" under the PRC EIT Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — We or the VIEs may be subject to domestic and other tax obligations and we may be classified as a 'PRC resident enterprise' for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our non-PRC shareholders and ADS holders and have a material adverse effect on our results of operations and the value of your investment."

In December 2021, the Organization for Economic Co-operation and Development published Pillar Two model rules, enabling jurisdictions to enact domestic tax laws to implement a globally agreed common approach. These rules apply to multinational groups with annual revenue of EUR750 million or more in at least two of the four fiscal years preceding the tested fiscal year, potentially including Tencent, the Group's ultimate holding company. As a result, the Group may be subject to a top-up tax on profits in jurisdictions where the effective tax rate falls below a minimum of 15% according to the Pillar Two model rules. As of December 31, 2025, the Group mainly operates in Chinese Mainland and Hong Kong. Pillar Two legislation has been effective in Hong Kong since January 1, 2025 and the current tax exposure for the year ended December 31, 2025 is immaterial. While Pillar Two legislation is not yet enacted or substantively enacted in Chinese Mainland as at December 31, 2025, it is estimated that the Group's income tax would not be materially different had such legislation been in effect for the year ended December 31, 2025. The Group will continue assessing the Pillar Two tax exposure and the impacts on its consolidated financial statements accordingly. Regarding deferred income tax accounting, the Group has applied the exception to recognizing and disclosing deferred income tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Results of Operations

The following table summarizes our consolidated results of operations and as percentages of total revenues for the periods presented.

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in millions, except for percentages)						
Revenues							
Online music services	17,325	62.4	21,742	76.6	26,726	3,822	81.2
Social entertainment services and others	10,427	37.6	6,659	23.4	6,176	883	18.8
Total revenues	**27,752**	**100.0**	**28,401**	**100.0**	**32,902**	**4,705**	**100.0**
Cost of revenues[(1)]	**(17,957)**	**(64.7)**	**(16,376)**	**(57.7)**	**(18,367)**	**(2,626)**	**(55.8)**
Gross profit	**9,795**	**35.3**	**12,025**	**42.3**	**14,535**	**2,078**	**44.2**
Operating expenses							
Selling and marketing expenses[(1)]	(897)	(3.2)	(865)	(3.0)	(941)	(135)	(2.9)
General and administrative expenses[(1)]	(4,121)	(14.8)	(3,811)	(13.4)	(3,916)	(560)	(11.9)
Total operating expenses	**(5,018)**	**(18.1)**	**(4,676)**	**(16.5)**	**(4,857)**	**(695)**	**(14.8)**
Interest income	1,052	3.8	1,196	4.2	1,054	151	3.2
Other gains, net	230	0.8	165	0.6	2,632	376	8.0
Operating profit	**6,059**	**21.8**	**8,710**	**30.7**	**13,364**	**1,911**	**40.6**
Share of net profit of investments accounted for using equity method	127	0.5	96	0.3	42	6	0.1

	For the Year Ended December 31,						
	2023		2024		2025		
	RMB	%	RMB	%	RMB	US$	%
	(in millions, except for percentages)						
Finance cost[2]	(141)	(0.5)	(94)	(0.3)	(129)	(18)	(0.4)
Profit before income tax	**6,045**	**21.8**	**8,712**	**30.7**	**13,277**	**1,899**	**40.4**
Income tax expense	(825)	(3.0)	(1,603)	(5.6)	(1,924)	(275)	(5.8)
Profit for the year	**5,220**	**18.8**	**7,109**	**25.0**	**11,353**	**1,623**	**34.5**

Note:

(1) Share-based compensation expenses were allocated as follows:

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in millions)			
Cost of revenues	57	68	91	13
Selling and marketing expenses	36	30	33	5
General and administrative expenses	577	498	545	78
Total	**670**	**596**	**669**	**96**

(2) Finance cost mainly comprises interest on notes we issued and lease liabilities, and foreign exchange gains or losses, net.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Revenues

Our revenues increased by 15.8% from RMB28,401 million in 2024 to RMB32,902 million (US$4,705 million) in 2025.

Online music services

Our revenues generated from online music services increased by 22.9% from RMB21,742 million in 2024 to RMB26,726 million (US$3,822 million) in 2025, mainly driven by an increase in music subscription revenues of RMB2,433 million (US$348 million) in 2025, supplemented by growth in revenues from offline performances and artist-management services, and advertising services of RMB923 million (US$132 million). Increased revenues from artist-related merchandise also contributed to the growth in revenues from online music services.

Our revenues generated from music subscriptions increased by 16.0% from RMB15,227 million in 2024 to RMB17,660 million (US$2,525 million) in 2025. The rapid growth was mainly driven by our continuous expansion of membership privileges, such as early access to offline performances, artist-related merchandise, and a wide range of premium offerings. The year-over-year increase in revenues from advertising was primarily due to more diversified product portfolio and innovative ad formats, such as ad-supported mode.

Social entertainment services and others

Our revenues generated from social entertainment services and others decreased by 7.3% from RMB6,659 million in 2024 to RMB6,176 million (US$883 million) in 2025. The decrease in revenue was mainly due to adjustments made to certain live-streaming interactive functions and more stringent compliance procedures implemented.

Cost of revenues

Our cost of revenues increased by 12.2% from RMB16,376 million in 2024 to RMB18,367 million (US$2,626 million) in 2025, primarily attributable to increased costs related to offline performances, costs of artist-related merchandise, and advertising costs. Meanwhile, service costs decreased by 5.2% from RMB11,974 million in 2024 to RMB11,349 million (US$1,623 million) in 2025. The declined revenues from social entertainment services led to lower revenue sharing fees, which was the primary reason for the overall decrease in service costs, while our content costs of royalties increased year-over-year.

Gross profit

As a result of the foregoing, our gross profit increased by 20.9% from RMB12,025 million in 2024 to RMB14,535 million (US$2,078 million) in 2025. Our gross margin increased from 42.3% in 2024 to 44.2% in 2025. This increase in gross margin was

primarily due to increased revenues from music subscriptions and advertising services, along with a lower revenue sharing ratio for social entertainment services, partly offset by increased revenues from offline performances and artist-related merchandise.

Operating expenses

Our operating expenses increased by 3.9% from RMB4,676 million in 2024 to RMB4,857 million (US$695 million) in 2025.

Selling and marketing expenses

Our selling and marketing expenses increased by 8.8% from RMB865 million in 2024 to RMB941 million (US$135 million) in 2025. The increase was primarily due to higher content promotion expenses and channel spending.

General and administrative expenses

Our general and administrative expenses increased by 2.8% from RMB3,811 million in 2024 to RMB3,916 million (US$560 million) in 2025 primarily due to growth in employee-related expenses.

Interest income

Our interest income was RMB1,054 million (US$151 million) in 2025, as compared to RMB1,196 million in 2024.

Other gains, net

Our other gains, net, were RMB2,632 million (US$376 million) in 2025, as compared to RMB165 million in 2024. The increase was mainly attributable to the gain of RMB2,373 million (US$339 million) on deemed disposal of an associate.

Operating profits

As a result of the foregoing, our operating profit for the year increased by 53.4% to RMB13,364 million (US$1,911 million) in 2025 from RMB8,710 million in 2024. Operating margin increased to 40.6% in 2025 from 30.7% in 2024.

Finance cost

Our finance cost was RMB129 million (US$18 million) in 2025, as compared to RMB94 million in 2024. The increase was primarily due to the foreign exchange losses recognized in 2025 versus foreign exchange gains in 2024, which arose from the fluctuation of exchange rate.

Income tax expense

We had an income tax expense of RMB1,603 million and RMB1,924 million (US$275 million) million in 2024 and 2025, respectively. The increase of income tax expense was primarily due to the growth of profit before tax.

Profit for the year

As a result of the foregoing, our profit for the year increased from RMB7,109 million in 2024 to RMB11,353 million (US$1,623 million) in 2025.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

For a detailed description of the comparison of our operating results for the year ended December 31, 2024 to the year ended December 31, 2023, see “Item 5. Operating and Financial Review and Prospects — 5.A. Operating Results — Results of Operations — Year Ended December 31, 2024 Compared to Year Ended December 31, 2023” of our annual report on Form 20-F for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission on April 23, 2025.

Non-IFRS Financial Measure

We use adjusted profit for the year, which is a Non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted profit for the year helps identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in our profit for the year. We believe that adjusted profit for the year provides useful information about our results of operations, enhances the overall understanding of our past

performance and future prospects and allows for greater visibility with respect to key metrics used by our management in its financial and operational decision-making.

Adjusted profit for the year should not be considered in isolation or construed as an alternative to operating profit, profit for the year or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review adjusted profit for the year and the reconciliation to its most directly comparable IFRS measure. Adjusted profit for the year presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Adjusted profit for the year represents profit for the year excluding amortization of intangible and other assets arising from acquisitions, share-based compensation, gains/losses from investments, fair value change on puttable shares, and income tax effects. The table below sets forth a reconciliation of our profit for the year to adjusted profit for the years indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in millions, except for share and per share data)			
Profit for the year	**5,220**	**7,109**	**11,353**	**1,623**
Adjustments:				
Amortization of intangible and other assets arising from acquisitions[1]	445	440	386	55
Share-based compensation	736	681	680	97
(Gains)/losses from investments[2]	(7)	110	(2,285)	(327)
Income tax effects[3]	(171)	(204)	(210)	(30)
Adjusted profit for the year (Non-IFRS financial measure)	**6,223**	**8,136**	**9,924**	**1,419**
Attributable to:				
Non-IFRS equity holders of the Company	5,923	7,671	9,588	1,371
Non-controlling interests	300	465	336	48
IFRS Earnings per share for Class A and Class B ordinary shares				
Basic	1.58	2.15	3.60	0.52
Diluted	1.55	2.12	3.56	0.51
Earnings per share for Class A and Class B ordinary shares (Non-IFRS financial measure)				
Basic	1.90	2.49	3.13	0.45
Diluted	1.87	2.45	3.08	0.44
Shares used in earnings per Class A and Class B ordinary share computation				
Basic	3,121,653,686	3,084,230,029	3,067,255,442	3,067,255,442
Diluted	3,168,386,031	3,130,861,720	3,108,803,728	3,108,803,728
IFRS Earnings per ADS (2 Class A shares equal to 1 ADS)				
Basic	3.15	4.31	7.21	1.03
Diluted	3.11	4.24	7.11	1.02
Earnings per ADS (Non-IFRS financial measure)[4]				
Basic	3.79	4.97	6.25	0.89
Diluted	3.74	4.90	6.17	0.88
ADS used in earnings per ADS computation				
Basic	1,560,826,843	1,542,115,015	1,533,627,721	1,533,627,721
Diluted	1,584,193,016	1,565,430,860	1,554,401,864	1,554,401,864

Notes:

(1) Represents the amortization of identifiable assets, including intangible assets such as domain name, trademark, copyrights, supplier resources, corporate customer relationships and non-compete agreement etc., and fair value adjustment on music content (i.e., signed contracts obtained for the rights to access to the music content for which the amount was amortized over the contract period), resulting from business acquisitions or combination.
(2) Includes the net losses/gains on deemed disposals/disposals of investments, fair value changes arising from investments, impairment provision of investments and other expenses in relation to equity transactions of investments.
(3) Represents the income tax effects of Non-IFRS adjustments.
(4) Each ADS represents two of our Class A ordinary shares.

Recent Accounting Pronouncements

For detailed discussion on recent accounting pronouncements, see Note 2.2 to the consolidated financial statements of Tencent Music Entertainment Group included elsewhere in this annual report.

5.B. Liquidity and Capital Resources

Cash Flows and Working Capital

Our principal sources of liquidity have been cash generated from operating activities. As of December 31, 2025, we had RMB8,470 million (US$1,211 million) in cash and cash equivalents. Our cash and cash equivalents consist primarily of bank deposits and highly liquid investments, which have original maturities of three months or less when purchased. In addition, we had RMB 29,573 million (US$4,229 million) in term deposits as of December 31, 2025. We believe that our current cash, cash equivalents, term deposits and anticipated cash flow from operations will be sufficient to meet our anticipated cash needs, including our cash needs for working capital and capital expenditures, for at least the next 12 months.

On December 17, 2019, we announced a share repurchase program under which we may repurchase up to US$400 million of our Class A ordinary shares in the form of ADSs pursuant to relevant SEC rules during a twelve-month period commencing on December 15, 2019 (the "2019 Share Repurchase Program"). On March 28, 2021, we announced another share repurchase program under which we may repurchase up to US$1 billion of our Class A ordinary shares in the form of ADSs pursuant to the relevant SEC rules (the "2021 Share Repurchase Program"). On March 21, 2023, our board of directors authorized another share repurchase program under which we may repurchase up to US$500 million of our Class A ordinary shares in the form of ADSs during a two-year period commencing from March 2023 (the "2023 Share Repurchase Program"). On March 17, 2025, our board of directors authorized the 2025 Share Repurchase Program under which we may repurchase up to US$1 billion of our Class A ordinary shares, including in the form of ADSs, during a two-year period commencing on March 21, 2025 (the "2025 Share Repurchase Program"). As of March 31, 2026, we have repurchased ADSs from the open market for a total of approximately US$19 million under the 2019 Share Repurchase Program, approximately US$1 billion under the 2021 Share Repurchase Program, and US$500 million under the 2023 Share Repurchase Program. We may repurchase additional shares depending on market conditions.

On September 3, 2020, we issued an aggregate of US$300 million senior unsecured notes due in 2025 (the "2025 Notes"), with annual interest rate of 1.375%, and an aggregate of US$500 million senior unsecured notes due in 2030 (the "2030 Notes"), with annual interest rate of 2.000%. The net proceeds from the notes offering were used for general corporate purposes. The 2030 Notes remained outstanding as of the date of this annual report. We are not subject to any financial covenants or other significant restrictions under these notes. In 2025, we paid an aggregate of US$14 million in interest payments related to these notes.

In the first quarter of 2026, a wholly-owned subsidiary of the Group entered into loan facility agreements with several banks, pursuant to which RMB3.0 billion principal amount has been drawn down, with a term of 360 days to 5 years and interest payable quarterly or semi-annually, and the interest rate is based on the Loan Prime Rate published by the National Interbank Funding Center or at fixed rate. The net proceeds from the facility will be used for general corporate purposes.

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

As a holding company with no material operations of our own, we conduct our operations primarily through our PRC subsidiaries and the VIEs in China. We are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries in China through capital contributions or loans, subject to the approval of government authorities and limits on the amount of capital contributions and loans. In addition, our subsidiaries in China may provide Renminbi funding to the VIEs only through entrusted loans. See "Item. 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and regulatory control of currency conversion may delay or prevent us from using the proceeds of our financing activities to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business" and "Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds." The ability of our subsidiaries in China to make dividends or other cash payments to us is subject to various restrictions under PRC laws and regulations. See "Item. 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us and any tax we are required to pay could have a material and adverse effect on our ability to conduct our business" and "Item. 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China —

We or the VIEs may be subject to domestic and other tax obligations and we may be classified as a 'PRC resident enterprise' for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our non-PRC shareholders and ADS holders and have a material adverse effect on our results of operations and the value of your investment."

The following table presents our selected consolidated cash flow data for the periods indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in millions)			
Selected Consolidated Cash Flow Data:				
Net cash provided by operating activities	7,337	10,275	10,231	1,463
Net cash used in investing activities	(1,863)	(6,818)	(10,227)	(1,462)
Net cash used in financing activities	(1,538)	(3,830)	(4,649)	(665)
Net increase/(decrease) in cash and cash equivalents	3,936	(373)	(4,645)	(664)
Cash and cash equivalents at beginning of the year	9,555	13,567	13,164	1,882
Exchange differences on cash and cash equivalents	76	(30)	(49)	(7)
Cash and cash equivalents at end of the year	**13,567**	**13,164**	**8,470**	**1,211**

The paragraphs below set forth a detailed cash flow analysis for the year ended December 31, 2025. For a detailed cash flow analysis for the years ended December 31, 2024, see "5.B. Liquidity and Capital Resources" of our annual report on Form 20-F for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission on April 23, 2025.

Operating activities

Net cash provided by operating activities was RMB10,231 million (US$1,463 million) in 2025. The difference between our profit before income tax of RMB13,277 million (US$1,899 million) and the net cash provided by operating activities was mainly due to: (i) net gains in relation to equity investments of RMB2,381 million (US$340 million); (ii) the income tax paid of RMB1,821 million (US$260 million); (iii) the decrease in accounts payables of RMB783 million (US$112 million); and (iv) the increase in accounts receivables and other operating assets of RMB771 million (US$110 million); partially offset by (i) depreciation and amortization of RMB1,375 million (US$197 million); (ii) non-cash share-based compensation expense of RMB669 million (US$96 million); and (iii) the increase in other operating liabilities of RMB538 million (US$77 million).

Investing activities

Net cash used in investing activities was RMB10,227 million (US$1,462 million) in 2025, which was primarily attributable to (i) placement of term deposits with initial terms of over three months of RMB17,880 million (US$2,557 million); (ii) placement of short-term investments of RMB3,800 million (US$543 million); (iii) payments for acquisition of investments accounted for using equity method of RMB1,841 million (US$263 million); (iv) payments for acquisition of investments accounted for as financial assets at fair value through other comprehensive income of RMB1,244 million (US$178 million); (v) net cash payment for business combination of RMB1,056 million (US$151 million); and (vi) purchase of intangible assets of RMB883 million (US$126 million); partially offset by (i) receipt of RMB12,590 million (US$1,800 million) from maturity of term deposits with initial terms of over three months; and (ii) receipt from short-term investments of RMB3,851 million (US$551 million).

Financing activities

Net cash used in financing activities in 2025 was RMB4,649 million (US$665 million), which was mainly due to (i) repayment of notes payable of RMB2,131 million (US$305 million); (ii) payment for dividends to our shareholders of RMB1,981 million (US$283 million); and (iii) payment for repurchase of ordinary shares of RMB390 million (US$56 million).

Material Cash Requirements

Our material cash requirements as of December 31, 2025 and any subsequent interim period primarily include our capital expenditures, commitments, share repurchase, long-term debt obligation under our 2030 Notes, and dividend payments. 2030 Notes represents future maximum commitment relating to the principal amount and interests in connection with the issuance of US$500 million in aggregate principal amount of senior notes bearing an annual interest rate of 2.000%, which will mature on September 3, 2030.

We expect to meet our current and future material cash needs through our existing cash, cash equivalents, term deposits and cash generated from operating activities. We expect to continue making cash expenditures to support our operations and the growth of our business. We may also use earnings remitted by our PRC subsidiaries to fulfil our onshore and offshore capital needs.

Capital Expenditures

Our capital expenditures are incurred primarily in connection with purchases of property, plant and equipment, land use rights and intangible assets. Our capital expenditures were RMB1,164 million and RMB1,032 million and RMB1,188 million (US$170 million) in 2023, 2024 and 2025, respectively. We intend to fund our future capital expenditures with our existing cash, cash equivalents, term deposits and cash generated from operating activities. We will continue to make capital expenditures to meet the expected growth of our business.

Commitments

The following table sets forth our commitments as of December 31, 2025.

	Payment due by period									
	Total		Less than 1 year		1 – 3 years		3 – 5 years		More than 5 years	
	RMB	US$	RMB	US$	RMB	US$	RMB	US$	RMB	US$
	(in millions)									
Operating commitments[(1)]	121	17	118	17	3	0	-	-	-	-
Content royalties[(2)]	2,591	371	2,288	327	302	43	1	0	-	-
Capital commitments[(3)]	605	87	392	56	203	29	10	1	-	-
Investment commitments[(4)]	50	7	50	7	-	-	-	-	-	-

Notes:

(1) Represents our future minimum commitments under non-cancelable operating arrangements, which are mainly related to offline performance services and other services.
(2) Represents the minimum royalty payments associated with license agreements that were effective as of the end of the respective period. Contracts that are still in the negotiation and have not yet been signed are not included in this commitment.
(3) Represents the minimum payments associated with construction of buildings.
(4) Represents commitments to acquire the equity interests in certain entities.

Except for the commitments disclosed above, the Group has proposed to acquire Ximalaya Inc., which is one of the leading online audio platforms in China, pursuant to a Merger Agreement dated June 10, 2025. The consideration of the acquisition consisted of (i) cash of US$1.26 billion, (ii) the Class A ordinary shares of the Company representing up to 5.1986% of the Company's total outstanding ordinary shares as of a specified date prior to closing, and (iii) additional Class A ordinary shares of up to 0.37% of such total share count to be issued to the “founder shareholders” as defined in the Merger Agreement in tranches. The closing of the acquisition is subject to relevant regulatory approvals and certain other closing conditions.

Share Repurchase

Our share repurchase may be made from time to time through open market transactions at prevailing market prices, in privately negotiated transactions, in block trades and/or through other legally permissible means, depending on the market conditions. We repurchased ADSs from the open markets at an aggregate consideration of approximately US$175 million, US$261 million and US$64 million under our share repurchase programs in 2023, 2024 and 2025. On March 21, 2023, our board of directors authorized the 2023 Share Repurchase Program under which we may repurchase up to US$500 million of our Class A ordinary shares, including in the form of ADSs, during a two-year period commencing from March 2023. On March 17, 2025, our board of directors authorized the 2025 Share Repurchase Program under which we may repurchase up to US$1 billion of our Class A ordinary shares, including in the form of ADSs, during a two-year period commencing on March 21, 2025. We generally fund our share repurchase with our existing cash and may make additional share repurchase depending on the market conditions.

Off-Balance Sheet Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We currently do not maintain any derivative contracts that are indexed to our shares and classified as shareholder’s equity and are not reflected in our consolidated financial statements and the notes thereto. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us. We did not have any off-balance sheet arrangements as of December 31, 2025.

Holding Company Structure

Tencent Music Entertainment Group is a holding company with no material operations of its own. The Group conducts its operations primarily through our PRC subsidiaries and the VIEs. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries which, in turn, depends on the payment of the service fees and royalty payments to our PRC subsidiaries by the VIEs in the PRC pursuant to certain contractual arrangements. See "Item 4. Information on the Company — 4.C. Organizational Structure — Contractual Arrangements with the VIEs and Their Respective Shareholders or Partners." In 2023, 2024 and 2025, the amount of Service Charges paid to our PRC subsidiaries from the VIEs was RMB16,610 million, RMB18,820 million and RMB20,252 million (US$2,896 million), respectively. We expect that the amounts of such service fees and royalty payments will increase in the foreseeable future as our business continues to grow. If our subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us.

In addition, our subsidiaries in China are permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with the Accounting Standards for Business Enterprise as promulgated by the Ministry of Finance, or PRC GAAP. In accordance with PRC company laws, our PRC subsidiaries and the VIEs in China must make appropriations from their after-tax profit to non-distributable reserve funds including (i) statutory surplus fund and (ii) discretionary surplus fund. The appropriation to the statutory surplus fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the statutory surplus fund has reached 50% of the registered capital of our PRC subsidiaries and the VIEs. Appropriation to discretionary surplus fund is made at the discretion of our PRC subsidiaries and the VIEs.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding from the proceeds of our offshore fund-raising activities to our PRC subsidiaries only through loans or capital contributions, and to the VIEs only through loans, in each case subject to the satisfaction of the applicable government registration and approval requirements. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and regulatory control of currency conversion may delay or prevent us from using the proceeds of our financing activities to make loans to or make additional capital contributions to our PRC subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business." As a result, there is uncertainty with respect to our ability to provide prompt financial support to our PRC subsidiaries and the VIEs when needed. Notwithstanding the foregoing, our PRC subsidiaries may use their own retained earnings (rather than Renminbi converted from foreign currency denominated capital) to provide financial support to the VIEs either through entrustment loans from our PRC subsidiaries to the VIEs or direct loans to such VIEs' nominee shareholders, which would be contributed to the consolidated variable entity as capital injections. Such direct loans to the nominee shareholders would be eliminated in our consolidated financial statements against the VIE's share capital. In 2025, our wholly-owned PRC subsidiaries only generated a minimal portion of our total revenues because substantially all of our businesses are subject to foreign investment restrictions under PRC law and therefore can only be conducted through the VIEs. In contrast, most of our assets are held by our offshore incorporated entities and wholly-owned PRC subsidiaries, mostly in the forms of goodwill and cash that do not generate revenues.

For more information about the financial contribution of the VIEs to the Group, see "Item 3. Key Information — Transfer of Funds and Other Assets" and "Item 3. Key Information — Condensed Consolidating Schedule."

5.C. Research and Development

We have focused on and will continue to invest in our technology system, which supports all key aspects of our online platform and is designed to optimize for scalability and flexibility.

Our R&D expenses were RMB2,525 million, RMB2,280 million and RMB2,317 million (US$331 million) in 2023, 2024 and 2025, respectively.

5.D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the year ended December 31, 2025 that are reasonably likely to have a material and adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial condition.

5.E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with IFRS as issued by the IASB. Preparing these financial statements in conformity with IFRS as issued by the IASB requires us to exercise estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our

financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. For a detailed discussion of our significant accounting policies and related judgments, see Note 4 to the consolidated financial statements of Tencent Music Entertainment Group included elsewhere in this annual report.

The critical accounting estimates that we believe to have the most significant impact on our consolidated financial statements are described below.

Recoverability of non-financial assets

We test annually whether goodwill has suffered any impairment. Goodwill and other non-financial assets, mainly including property, plant and equipment, right-of-use assets, intangible assets, as well as investments accounted for using equity method are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Our judgment is required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, e.g. the market approach, the income approach, as well as a combination of approaches, including the adjusted net asset method; and (iv) the appropriate key assumptions to be applied in the adopted valuation models, including discounted cash flows and market approach. Changing the assumptions selected by us in assessing impairment, including the revenue growth rates and pre-tax discount rates assumptions in the cash flow projections and selection of comparable companies adopted in the market approach, could materially affect the net present value used in the impairment test and as a result affect our financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take an impairment charge to income statement.

Income taxes

We are subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact current income tax and deferred income tax in the period in which such determination is made.

Share-based compensation expenses and valuation of our ordinary shares

Share-based compensation relating to TME Incentive Plans

We have adopted four share-based compensation plans: the 2014 Share Incentive Plan, the 2017 Option Plan, the 2017 Restricted Share Scheme, and the 2024 Share Incentive Plan (collectively, the "TME Incentive Plans"). The share-based equity awards granted under the TME Incentive Plans are measured at fair value and recognized as an expense, net of estimated forfeitures, over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied and credited to equity. Forfeitures are estimated at the time of grant and revised in the subsequent periods if actual forfeitures differ from those estimates.

2014 Share Incentive Plan

Binomial model is used to measure the fair value of equity awards granted pursuant to the 2014 Share Incentive Plan. Upon the adoption of the 2024 Share Incentive plan, the outstanding options under the 2014 Share Incentive Plan were all transferred to the 2024 Share Incentive plan and the 2014 Share Incentive Plan ceased to be of any effect.

2017 Option Plan and 2017 Restricted Share Scheme

Binomial model is used to measure the fair value of equity awards granted pursuant to the 2017 Option Plan and 2017 Restricted Share Scheme. Upon the adoption of the 2024 Share Incentive plan, the outstanding options and RSUs under the 2017 Option Plan and 2017 Restricted Share Scheme were all transferred to the 2024 Share Incentive plan, 2017 Option Plan and 2017 Restricted Share Scheme ceased to be of any effect.

2024 Share Incentive Plan

We adopted the 2024 Share Incentive Plan in May 2024. According to the 2024 Share Incentive Plan, 228,775,377 ordinary shares were reserved to be issued to any qualified employees, directors, non-employee directors, and consultants as determined by the board of directors of the Company.

The determination of the fair value is affected by the share price as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, expected forfeiture rate, risk-free interest rates, contract life and expected dividends.

Assumptions used in such determination of fair value are presented below.

	Granted in		
	2023	2024	2025
Risk free interest rate	3.46%-3.83%	4.23%-4.31%	4.48%-4.65%
Expected dividend yield	0%	0-0.12%	0.13%-0.23%
Expected volatility range	60%	60%	60%
Exercise multiples	2.2-2.8	2.2-2.8	2.2-2.8
Contractual life	10 years	10 years	10 years

Subsequent to our initial public offering in December 2018, the market price of our publicly traded ADSs is used as an indicator of fair value of our ordinary shares for purposes of recording share-based compensation in connection with the equity awards granted pursuant to the 2017 Option Plan, the 2017 Restricted Share Scheme and the 2024 Share Incentive Plan.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

6.A. Directors and Senior Management

The following table sets forth information regarding our directors and executive officers as of March 31, 2026.

Directors and Executive Officers	Age	Position/Title
Cussion Kar Shun Pang	52	Executive Chairman
Zhu Liang	50	Director, Chief Executive Officer
Min Hu	54	Director, Chief Financial Officer
James Gordon Mitchell	52	Director
Brent Richard Irvin	53	Director
Wai Yip Tsang	58	Director
Edith Manling Ngan	61	Independent Director
Adrian Yau Kee Mak	65	Independent Director
Jeanette Kim Yum Chan	67	Independent Director
Tsai Chun Pan	51	Group Vice President, Head of Content Cooperation Business

Cussion Kar Shun Pang has served as our Executive Chairman since April 2021. He has been a member of our board of directors since May 2014 and served as our Chief Executive Officer from July 2016 to April 2021. Mr. Pang is responsible for setting our long term strategy, overall coordination and management of the Board and the Company, as well as serving as the head of content ecosystem business. Mr. Pang joined Tencent (HKEX: 0700) in 2008 and was appointed as the corporate vice president of Tencent in 2013. He has extensive experience across multiple businesses within Tencent including online games, e-commerce and social networking. Prior to joining Tencent, Mr. Pang worked for a number of publicly listed companies in telecommunications, internet and media industries, such as PCCW Limited (HKEX: 0008). Mr. Pang is an internet industry leader with over 25 years of experience and he received a bachelor's degree in mathematics (honors), business administration and information systems from University of Waterloo, Canada.

Zhu Liang has served as our Chief Executive Officer and a member of our board of directors since April 2021, and oversees our *QQ Music*, *Kugou Music*, *Kuwo Music*, *WeSing* and long-form audio business. Prior to this appointment, Mr. Liang joined Tencent (HKEX: 0700) in 2003 and served as the corporate vice president of Tencent since 2016. Prior to that role, Mr. Liang was the general manager of *QQ Music* from 2014 to 2016. Mr. Liang received a doctor's degree in signal and information processing from Tianjin University in 2003.

Min Hu has served as our Chief Financial Officer since July 2016. She has been a member of our board of directors since March 2024. Ms. Hu is in charge of our finance and corporate IT functions. Prior to joining the Company, Ms. Hu served various controller roles in Tencent's business groups, including the Interactive Entertainment Group, the Mobile Internet Group, the Social Network Group and the Technology and Engineering Group from 2007 to 2016. Ms. Hu has more than 20 years of comprehensive experience in finance, such as financial management, capital operation, operation management, mergers and acquisitions, internal control and internal audit. Ms. Hu is a member of Chartered Institute of Management Accountants (CIMA), CPA Australia, China Institute of Certified Public Accountants (CICPA), and a Certified Internal Auditor (CIA). Ms. Hu received a bachelor's degree in Industrial Foreign Trade from Xi'an Jiaotong University in China and a master's degree in system engineering from Beijing Jiaotong University in China. Ms. Hu has obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on June 7, 2022, and Ms. Hu has confirmed that she understood her obligations as a director of a listed issuer.

James Gordon Mitchell has served as a member of our board of directors since December 2018. Mr. Mitchell is Chief Strategy Officer and a Senior Executive Vice President of Tencent Holdings Limited (HKEX: 0700), where he has worked since July 2011. Mr. Mitchell is a director of certain listed companies including Universal Music Group (EURONEXT: UMG), Frontier Developments Plc (AIM: FDEV), and of various unlisted companies. He was previously Chairman and Non-Executive Director of the Board of China Literature Limited (HKEX: 0772). Prior to joining Tencent, Mr. Mitchell was a managing director at Goldman Sachs. He received a degree from Oxford University and holds a Chartered Financial Analyst Certification.

Brent Richard Irvin has served as a member of our board of directors since July 2016. Mr. Irvin joined Tencent in January 2010 and currently serves as the corporate vice president and the general counsel of Tencent. He is also the President of Tencent America, responsible for the operation of the Tencent's U.S. offices. Mr. Irvin also serves as a member of Stanford Law School's board of visitors. Mr. Irvin is also a non-executive director of Tongcheng Travel Holdings Limited (HKEX: 0780) since March 2018. Prior to that, Mr. Irvin worked as a corporate lawyer in Silicon Valley from 2003 to 2009, first at Shearman & Sterling and later at Wilson Sonsini Goodrich & Rosati. Mr. Irvin received a bachelor's degree in history from Carleton College in 1994, a master's degree in Asian Studies from Yale University in 1995, and a juris doctorate degree from Stanford Law School in 2003.

Wai Yip Tsang has served as a member of our board of directors since February 2025. Mr. Tsang joined Tencent Holdings Limited (HKEX: 0700) in 2014 and currently serves as its Financial Controller. Mr. Tsang is currently a non-executive director of Yixin Group Limited (HKEX:02858), an associated company of Tencent Holdings Limited. Mr. Tsang began his career at PricewaterhouseCoopers and subsequently held senior financial positions, including chief financial officer or group financial controller at several companies listed on the Main Board of the Hong Kong Stock Exchange and the New York Stock Exchange, and served as a director of a company listed on the New Zealand Stock Exchange. Mr. Tsang is a fellow member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants, and the Association of Chartered Certified Accountants, as well as a member of CPA Australia. He holds a Bachelor of Arts (Honors) in Accountancy. Mr. Tsang possesses extensive experience in audit, accounting, investor relations, and corporate finance, including initial public offerings, restructuring, and mergers and acquisitions activities. Mr. Tsang has obtained the legal advice as referred to in Rule 3.09D of the Hong Kong Listing Rules on February 27, 2025, and Mr. Tsang has confirmed that he understood his obligations as a director of a listed issuer.

Edith Manling Ngan has served as a member of our board of directors, and, for the purposes of the Hong Kong Listing Rules, an independent non-executive director, since December 2018, and is a member of the audit committee and the compensation committee of our Board. Ms. Ngan currently serves as an independent non-executive director of the board for Blue Moon Group Holdings Limited (HKEX: 6993) since December 2020, an independent non-executive director for the Asia Financial Holdings Limited (HKEX: 0662) since May 2022, and an independent non-executive director of Swire Pacific Limited (HKEX: 0019 and 0087) since June 2022. Furthermore, she sits on various government advisory committees and private boards. Ms. Ngan received her bachelor's degree in industrial engineering and engineering management from Stanford University and is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), the Hong Kong Institute of Certified Public Accountants (HKICPA) and the Hong Kong Institute of Directors (HKIoD).

Adrian Yau Kee Mak has served as a member of our board of directors, and, for purposes of the Hong Kong Listing Rules, an independent non-executive director, since October 2020, and is the chairman of the audit committee of the Board. Mr. Mak is primarily responsible for supervising and providing independent judgment to the Board. Mr. Mak is also an independent director of Tong Tong AI Social Group Limited and a director of Shaw Trustee (Private) Limited which is the trustee of The Sir Run Run Shaw Charitable Trust. Mr. Mak was previously CFO of a number of listed companies including Television Broadcasts Limited and Global

Digital Creations Holdings Limited. He also served as a director at the Securities and Futures Commission and worked in various offices of KPMG. Mr. Mak is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Hong Kong Investor Relations Association and a member of the Hong Kong Investment and Securities Institute. Mr. Mak obtained a bachelor's degree in chemical engineering from the University of Birmingham in the United Kingdom.

Jeanette Kim Yum Chan has served as a member of our board of directors, and, for purposes of the Hong Kong Listing Rules, an independent non-executive director, since September 2022, and is a member of the audit committee of our Board. Ms. Chan has been working in Airwallex (Cayman) Limited ("Airwallex"), a global cross-border payments company, since 2019, and is currently the chief legal, compliance and risk officer of the group of Airwallex. Prior to Airwallex, she served as the managing partner of the China practice at Paul, Weiss, Rifkind, Wharton & Garrison LLP, an international law firm where her practice focused on cross-border mergers and acquisitions and private equity investments, with an emphasis on joint venture transactions and in the telecommunications, IT and media markets in the Asia Pacific region from 1986 to 2019. Ms. Chan is qualified to practice law in New York, British Columbia (Canada) and Hong Kong and is a non-practicing solicitor of England and Wales. She obtained a Bachelor of Arts from the University of Toronto in Canada in 1980, a Bachelor of Laws from the University of British Columbia in Canada in May 1983, and a master's degree in law from Harvard University in the United States in June 1986.

Tsai Chun Pan currently serves as our Vice President, responsible for the overall strategies and daily management of our content cooperation business. Mr. Pan has years of management experience in the entertainment and music industries and is a seasoned expert in China's digital music industry. Prior to joining us, Mr. Pan established Ultimate Music in 2014, pioneering the B2B business model for digital music and establishing partnerships with leading enterprises in three core areas of smart terminals, including smartphones, smart speakers, and new energy vehicles. Prior to founding Ultimate Music, Mr. Pan worked as the head of entertainment services for Nokia Greater China from 2005 to 2013. Mr. Pan graduated from the University of London with a bachelor's degree in East Asian Studies (Japanese Studies) in 1999 and later obtained a master's degree in marketing management from Cranfield University in the United Kingdom in 2000.

6.B. Compensation

Compensation

In 2025, we paid an aggregate cash compensation of approximately RMB48 million (US$7 million) to our directors and executive officers. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our directors and executive officers. Our PRC subsidiaries and the VIEs are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund. Our board of directors may determine compensation to be paid to the directors and the executive officers. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors and the executive officers.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Each of our executive officers is employed for a specified time period, which can be renewed upon both parties' agreement before the end of the current employment term. We may terminate an executive officer's employment for cause at any time without advance notice in certain events. We may terminate an executive officer's employment by giving a prior written notice or by paying certain compensation. An executive officer may terminate his or her employment at any time by giving prior written notice.

Each executive officer has agreed to hold, unless expressly consented to by us, at all times during and after the termination of his or her employment agreement, in strict confidence and not to use, any of our confidential information or the confidential information of our customers and suppliers. In addition, each executive officer has agreed to be bound by certain noncompetition and non-solicitation restrictions during the term of his or her employment and for two years following the last date of employment.

We have also entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Share Incentive Plans

2024 Share Incentive Plan

We adopted a share incentive plan, or the 2024 Share Incentive Plan, in May 2024. The purpose of the 2024 Share Incentive Plan is to motivate and reward those employees and other individuals who are expected to contribute significantly to our success to perform at the highest level and to further the best interests of ours and our shareholders. The maximum number of shares available for issuance under the 2024 Share Incentive Plan is 228,775,377. As of March 31, 2026, equity awards representing a total of 54,767,874 ordinary shares are outstanding under the 2024 Share Incentive Plan.

The following paragraphs summarize the terms of the 2024 Share Incentive Plan.

Types of Awards. The 2024 Share Incentive Plan permits the awards of options, restricted shares and restricted share units, or RSUs, or any other type of awards as determined by the Committee (as defined below) from time to time.

Plan Administration. The 2024 Share Incentive Plan shall be administered by our compensation committee (the "**Committee**"), unless otherwise determined by our board of directors. Our board of directors may also at any time terminate the functions of the Committee and reassume all powers and authority previously delegated to the Committee.

Eligibility. Our employees, directors, and consultants are eligible to participate in the 2024 Share Incentive Plan.

Conditions of Award. The Committee shall determine the provisions, terms and conditions of each award, including, but not limited to, the award vesting schedule, number of options or shares to be granted, exercise price and form of payment upon settlement of the award.

Treatment of Awards upon Change in Control. In the event that a change in control of the company occurs, outstanding awards shall be subject to the applicable agreement of merger or reorganization. Such agreement may provide, without limitation, for the assumption of outstanding awards by the surviving corporation or its parent, for their continuation by us (if we are a surviving corporation), for accelerated vesting or for their cancellation with or without consideration, in all cases without the consent of the participant.

Protection against Dilution. In the event of a subdivision of the outstanding shares of our company, a declaration of a dividend payable in our shares, a declaration of a dividend payable in a form other than shares in an amount that has a material effect on the price of our shares, a combination or consolidation of our outstanding shares (by reclassification or otherwise) into a lesser number of shares, a recapitalization, a spin-off or a similar occurrence, the Committee shall make appropriate adjustments to protect the participants from dilution.

Transfer Restrictions. Any shares issued pursuant to an award shall be subject to such rights of repurchase, rights of first refusal and other transfer restrictions as the Committee may determine, in its sole discretion. Such restrictions shall apply in addition to any restrictions that may apply to holders of shares generally and shall also comply to the extent necessary with applicable laws. In no event shall we be required to issue fractional shares under the 2024 Share Incentive Plan.

Amendment, Suspension or Termination of the 2024 Share Incentive Plan. The 2024 Share Incentive Plan shall terminate on the 10th anniversary of the date the plan becomes effective and may be terminated on any earlier date at any time and for any reason. Any such termination of the 2024 Share Incentive Plan, or any amendment thereof, shall not impair any award previously granted under the 2024 Share Incentive Plan. An amendment of the 2024 Share Incentive Plan shall be subject to the approval of our shareholders only to the extent such approval is required by applicable laws, regulations or rules.

The following table summarizes, as of March 31, 2026, the number of Class A ordinary shares under outstanding options, restricted shares and other equity awards that we granted to our directors and executive officers.

	Ordinary Shares Underlying Equity Awards Granted[(1)]	Exercise Price (US$/Share)[(1)]	Date of Grant[(1)]	Date of Expiration[(1)]
Cussion Kar Shun Pang	3,276,594	1.93 to 7.1411	various dates from June 16, 2017 to March 15, 2022	various dates from June 16, 2027 to March 15, 2032
Zhu Liang	3,939,734	1.93 to 7.605	various dates from May 15, 2021 to January 23, 2025	various dates from May 15, 2031 to January 23, 2035
Min Hu	2,896,898	1.93 to 7.1411	various dates from December 20, 2017 to March 15, 2023	various dates from December 20, 2027 to March 15, 2033
James Gordon Mitchell	-	-	-	-
Brent Richard Irvin	-	-	-	-
Wai Yip Tsang	-	-	-	-
Edith Manling Ngan	8,152	0	December 15, 2025	-
Adrian Yau Kee Mak	6,808	0	November 15, 2025	-
Jeanette Kim Yum Chan	6,310	0	October 15, 2025	-
Tsai Chun Pan	408,942	1.93 to 5.255	various dates from March 15, 2022 to March 15, 2024	various dates from March 15, 2032 to March 15, 2034
All directors and executive officers as a group	10,543,438	0 to 7.605	Various dates from June 16, 2017 to December 15, 2025	Various dates from June 16, 2027 to January 23, 2035

Notes:

(1) Based on relevant the Form 3s filed by the respective reporting persons on March 18, 2026.

As of March 31, 2026, our employees other than members of our senior management as a group held options to purchase 9,542,078 ordinary shares, with exercise prices ranging from US$0.2664 per share to US$10.645 per share.

For discussions of our accounting policies and estimates for awards granted pursuant to the 2024 Share Incentive Plan, see "Item 5. Operating and Financial Review and Prospects — 5.E. Critical Accounting Estimates — Share-based compensation expenses and valuation of our ordinary shares — Share-based compensation relating to TME Incentive Plans."

6.C. Board Practices

Board of Directors

Our board of directors consists of nine directors, including three independent directors within the meaning of Section 303A of the Corporate Governance Rules of the NYSE, namely Ms. Edith Manling Ngan, Mr. Adrian Yau Kee Mak and Ms. Jeanette Kim Yum Chan. A director is not required to hold any shares in our company to qualify to serve as a director. The Corporate Governance Rules of the NYSE generally require that a majority of an issuer's board of directors must consist of independent directors. However, the Corporate Governance Rules of the NYSE permit foreign private issuers like us to follow "home country practice" in certain corporate governance matters. We rely on this "home country practice" exception and do not have a majority of independent directors serving on our board of directors. We have also determined that each of Ms. Edith Manling Ngan, Mr. Adrian Yau Kee Mak and Ms. Jeanette Kim Yum Chan qualifies as an independent non-executive director for purposes of the Hong Kong Listing Rules.

A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with our company is required to declare the nature of his or her interest at a meeting of our directors. A general notice given to the directors by any director to the effect that he or she is a member, shareholder, director, partner, officer or employee of any specified company or firm and is to be regarded as interested in any contract or transaction with that company or firm shall be deemed a sufficient declaration of interest for the purposes of voting on a resolution in respect to a contract or transaction in which he or she has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction. A director may vote in respect of any contract or proposed contract or arrangement notwithstanding that he or she may be interested therein and, if he or she does so, his or her vote shall be counted and he or she may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered, subject to any separate requirement for audit committee approval under applicable law or the Corporate Governance Rules of NYSE. Our board of directors may exercise all of the powers of our company to borrow

money, to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock or other securities whenever money is borrowed or as security for any debt, liability or obligation of our company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service as a director.

Certain of our directors are also employees of Tencent. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Relationship with Tencent — We may have conflicts of interest with Tencent and, because of Tencent's controlling ownership interest in our company, we may not be able to resolve such conflicts on terms favorable to us."

Board Committees of the Board of Directors

We have established an audit committee and a compensation committee under our board of directors. We have adopted a charter for each committee. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Mr. Adrian Yau Kee Mak, Ms. Edith Manling Ngan and Ms. Jeanette Kim Yum Chan, and is chaired by Mr. Adrian Yau Kee Mak. Mr. Wai Yip Tsang serves as a nonvoting observer. We have determined that each of Ms. Edith Manling Ngan, Mr. Adrian Yau Kee Mak and Ms. Jeanette Kim Yum Chan satisfies the requirements of Section 303A of the Corporate Governance Rules of the NYSE and meets the independence standards under Rule 10A-3 under the Securities Exchange Act of 1934, as amended. We have determined that each of Ms. Edith Manling Ngan, Mr. Adrian Yau Kee Mak and Ms. Jeanette Kim Yum Chan qualifies as an "audit committee consolidated financial expert." The audit committee oversees our accounting and financial reporting processes, the audits of the financial statements and the related party transactions of our company. The audit committee is responsible for, among other things:

- reviewing and recommending to our board for approval, the appointment, reappointment or removal of the independent registered public accounting firm, after considering its annual performance evaluation of the independent registered public accounting firm;
- approving the remuneration and terms of engagement of the independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm;
- obtaining a written report from our independent registered public accounting firm describing matters relating to its independence and quality control procedures;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and any significant disagreements with the management;
- discussing with our independent registered public accounting firm, among other things, the audits of the financial statements, including whether any material information should be disclosed, and issues regarding accounting and auditing principles and practices;
- reviewing and approving all proposed related party transactions, including those to be entered into with Tencent entities, subject to further approvals by our board pursuant to the terms of the committee charter;
- reviewing and recommending the financial statements for inclusion within our quarterly and interim earnings releases and to our board for inclusion in our annual reports;
- discussing the annual audited financial statements with management and the independent registered public accounting firm;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any special steps taken to monitor and control major financial risk exposures;
- reviewing and reassessing the adequacy of the committee charter;
- at least annually, approving annual audit plans, and undertaking an annual performance evaluation of the internal audit function;
- overseeing and evaluating procedures for the handling of complaints and whistleblowing;
- meeting separately and periodically with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent registered public accounting firm;
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance and reporting on such compliance to our board of directors; and
- reporting regularly to the board of directors.

Compensation Committee. Our compensation committee consists of Mr. James Gordon Mitchell and Ms. Edith Manling Ngan and is chaired by Mr. James Gordon Mitchell. We have determined that Ms. Edith Manling Ngan satisfies the "independence" requirements of Section 303A of the Corporate Governance Rules of the NYSE. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. The compensation committee is responsible for, among other things:

- overseeing the development and implementation of management succession planning in consultation with our chief executive officer;
- at least annually, reviewing and approving, or recommending to the board for its approval, the compensation for our executive officers;
- at least annually, reviewing periodically and approving our company's executive compensation and benefits policies, including any incentive compensation or equity plans, programs or other similar arrangements;
- at least annually, leading our board of directors in a self-evaluation to determine whether it and its committees are functioning effectively;
- at least annually, reviewing and reassessing the adequacy of the committee charter;
- selecting a compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management; and
- reporting regularly to the board of directors.

We will rely on the "foreign private issuer" exemption and will not have a standing nominating and corporate governance committee, though we intend to form a corporate governance and nominating committee as and when required to do so by law or NYSE rules. As there is no standing nominating and corporate governance committee, we do not have a nominating and corporate governance committee charter in place.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also owe to our company a duty to exercise the skill they actually possess and such care and diligence that a reasonable prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our Articles of Association, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached. In accordance with our Articles of Association, the functions and powers of our board of directors include, among others, (i) convening shareholders' annual general meetings and reporting its work to shareholders at such meetings, (ii) declaring dividends, (iii) appointing officers and determining their terms of offices and responsibilities and (iv) approving the transfer of shares of our company, including the registering of such shares in our register of members.

Terms of Directors and Officers

Our officers are elected by and serve at the discretion of the board. Our directors are appointed by ordinary resolution of our shareholders. The board may also, 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. Each director is not subject to a term of office and holds office until such time as his successor takes office or until the earlier of his death, resignation or removal from office by ordinary resolution or the affirmative vote of a simple majority of the other directors present and voting at a board meeting. A director will be removed from office automatically if, among other things, the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found by our company to be of unsound mind; (iii) resigns by notice in writing to our company; (iv) is prohibited by law or the Corporate Governance Rules of NYSE from being a director; or (v) is removed from office pursuant to any other provisions of our Articles of Association.

6.D. Employees

Our employees are caring, talented, creative and open. Our employees love music and developing technology to allow people to interact with music in innovative ways. We believe that creativity and innovation are core to our corporate culture, which allows us to attract highly talented professionals.

We had 5,185, 5,353 and 5,690 full-time employees as of December 31, 2023, 2024 and 2025, respectively. Substantially all of our employees are based in China. The following table sets forth the number of our full-time employees as of December 31, 2025.

Function	Number of employees
Research and development	2,339
Content management and operation	1,912
Sales and marketing	580
Management and administration	859
Total	**5,690**

We enter into employment contracts with our full-time employees which contain standard confidentiality and non-compete provisions. In addition to salaries and benefits, we provide performance-based bonuses for our full-time employees and commission-based compensation for our sales and marketing force.

Under PRC law, we participate in various employee social security plans that are organized by municipal and provincial governments for our PRC-based full-time employees, including pension, unemployment insurance, work-related injury insurance, medical insurance and housing insurance. We are required under PRC law to make contributions from time to time to employee benefit plans for our PRC-based full-time employees at specified percentages of the salaries, bonuses and certain allowances of such employees, up to a maximum amount specified by the local governments in China.

We believe that we maintain a good working relationship with our employees, and we have not experienced any material labor disputes in the past. None of our employees is represented by labor unions.

6.E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our ordinary shares, as of March 31, 2026, by:

- each of our directors and executive officers;
- all of our directors and executive officers as a group; and
- each person known to us to own beneficially more than 5% of our ordinary shares.

We have adopted a dual-class ordinary share structure. The calculations in the table below are based on 3,147,809,000 outstanding ordinary shares (consisting of 1,482,859,752 Class A ordinary shares and 1,664,949,248 Class B ordinary shares) as of March 31, 2026.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days of the date of this annual report, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary Shares Beneficially Owned as of March 31, 2026						
	Class A Ordinary Shares		Class B Ordinary Shares		Total ordinary shares		Percentage of aggregate voting power**
	Number	%	Number	%	Number	%	
Directors and Executive Officers†							
Cussion Kar Shun Pang	6,316,106	0.4	-	-	6,316,106	0.1	0.0
Zhu Liang	4,488,132	0.3	-	-	4,488,132	0.1	0.0
Min Hu	4,475,368	0.3	-	-	4,475,368	0.0	0.0
James Gordon Mitchell	29,912	0.0	-	-	29,912	0.0	0.0
Brent Richard Irvin	2,800	0.0	-	-	2,800	0.0	0.0
Wai Yip Tsang	-	-	-	-	-	-	-
Edith Manling Ngan	104,988	0.0	-	-	104,988	0.0	0.0
Adrian Yau Kee Mak	100,266	0.0	-	-	100,266	0.0	0.0
Jeanette Kim Yum Chan	71,822	0.0	-	-	71,822	0.0	0.0
Tsai Chun Pan	8,571,714	0.6	-	-	8,571,714	0.3	0.0
All directors and executive officers as a group	24,161,108	1.6	-	-	24,161,108	0.8	0.1
Principal Shareholders:							
Tencent[(1)]	159,996,879	10.8	1,640,456,882	98.5	1,800,453,761	57.2	93.6
Spotify[(2)]	282,830,698	19.1	-	-	282,830,698	9.0	1.1

Notes:

* For each person and group included in this table, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of (i) 3,147,809,000, being the number of ordinary shares outstanding (consisting of 1,482,859,752 Class A ordinary shares and 1,664,949,248 Class B ordinary shares) as of March 31, 2026, and (ii) the number of ordinary shares underlying share options held by such person or group that are exercisable within 60 days after the date of this annual report.

** For each person and group included in this column, percentage of voting power is calculated by dividing the voting power beneficially owned by such person or group by the voting power of all of our ordinary shares as a single class.

† Except for Mr. Zhu Liang, Mr. James Gordon Mitchell, Mr. Brent Richard Irvin, Mr. Wai Yip Tsang, Ms. Edith Manling Ngan, and Ms. Jeanette Kim Yum Chan, the business address of our directors and executive officers is Unit 3, Building D, Kexing Science Park, Kejizhongsan Avenue, Hi-Tech Park, Nanshan District, Shenzhen, 518057, the People's Republic of China. The business address of Mr. Zhu Liang is FIYTA Hi-tech Building, Gaoxin South 1st Road, Nanshan District, Shenzhen City, Guangdong Province, China. The business address of Mr. James Gordon Mitchell and Mr. Brent Richard Irvin is Tencent Building, Kejizhongyi Road, Hi-tech Park, Nanshan District, Shenzhen, 518057, China. The business address of Mr. Wai Yip Tsang is Tencent Binhai Building, Haitian 2nd Road, Nanshan District, Shenzhen, 518057, China. The business address of Ms. Edith Manling Ngan is Wu Yee Sun College Master's Lodge, Chinese University of Hong Kong, Shatin, Hong Kong. The business address of Ms. Jeanette Kim Yum Chan is 1 Wallich St, #20-01 and #33-03, Guoco Tower, Singapore 078881.

(1) The number of ordinary shares beneficially owned represents the sum of (i) 1,640,456,882 Class B ordinary shares held by Min River Investment Limited, a company incorporated in the British Virgin Islands, which is beneficially owned and controlled by Tencent; (ii) 141,415,349 Class A ordinary shares, or 50% of the Class A ordinary shares held of record by Spotify AB; the voting power of such 141,415,349 Class A ordinary shares held of record by Spotify AB is vested with Tencent pursuant to the Spotify Investor Agreement and the Tencent Voting Undertaking, therefore Tencent is deemed to beneficially own such ordinary shares (pursuant to the Spotify Investor Agreement, Spotify has given Tencent a sole and exclusive right to vote our securities beneficially owned by Spotify and its affiliates, while pursuant to the Tencent Voting Undertaking, Tencent is obligated to vote 50% of the securities subject to the foregoing proxy from Spotify in proportion to votes cast for and against by non-Spotify shareholders); and (iii) an aggregate of 18,581,530 Class A ordinary shares held of record by certain minority shareholders of our company; the voting power of these ordinary shares is vested with Tencent and therefore Tencent may be deemed to beneficially own these Class A ordinary shares. Tencent disclaims pecuniary ownership for the foregoing securities subject to the Tencent Voting Undertaking and the foregoing 18,581,530 ordinary shares held by record by the minority shareholders. The foregoing beneficial ownership information of Tencent is based on the Amendment No. 3 to Schedule 13G filed by Tencent with the SEC on February 10, 2023. Tencent is deemed to have economic interest in the foregoing 1,640,456,882 Class B ordinary shares held of record by Min River Investment Limited, representing approximately 52.1% of the total outstanding ordinary shares of our company as of March 31, 2026. The registered address of Min River Investment Limited is P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands.

(2) The number of Class A ordinary shares beneficially owned represents 282,830,698 Class A ordinary shares held by Spotify AB, a company incorporated in Sweden, which is beneficially owned and controlled by Spotify Technology S.A. (NYSE: SPOT). See Note (2) above for a description of the voting proxy granted by Spotify AB with respect to such ordinary shares. The registered address of Spotify AB is Regeringsgatan 19, 111 53 Stockholm, Sweden.

As of March 31, 2026, to our knowledge, there are three holders of our Class A outstanding ordinary shares registered on our Cayman Islands share register who are based in the United States. These three shareholders in the aggregate held of record a total of 18,581,147 Class A outstanding ordinary shares.

6.F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

None.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

7.A. Major Shareholders

Please refer to "Item 6. Directors, Senior Management and Employees—6.E. Share Ownership."

7.B. Related Party Transactions

Transactions with Tencent

Tencent Business Cooperation

We had a master business cooperation agreement with Tencent beginning in July 2016 when Tencent acquired CMC that expired on July 12, 2018. We then entered into a new master business cooperation agreement with Tencent, which became effective upon execution. This agreement was renewed in August 2023.

Co-investment in Spotify

In December 2017, (i) we issued 282,830,698 ordinary shares to Spotify AB (a wholly owned subsidiary of Spotify Technology S.A., or Spotify), and (ii) Spotify, in exchange, issued 8,552,440 ordinary shares (after giving effect to a 40-to-one share split of Spotify's ordinary shares) to TME Hong Kong. In connection with its acquisition of our ordinary shares, Spotify agreed not to transfer our ordinary shares for a period of three years from December 15, 2017, subject to limited exceptions described elsewhere in this annual report. We held an approximately 2.5% equity interest in Spotify immediately following our investment in Spotify.

In connection with our investment in Spotify, on December 15, 2017, an investor agreement was entered into by and among Spotify, TME, TME Hong Kong, Tencent and a wholly owned subsidiary of Tencent (together with TME, TME Hong Kong and Tencent, the "Tencent Investors") and certain Spotify parties, pursuant to which Spotify's co-founder has the sole and exclusive right to vote, in his sole and absolute discretion, any of Spotify's securities beneficially owned by the Tencent Investors or their controlled affiliates.

Co-investment in UMG

In March 2020, we joined a consortium led by Tencent to acquire a 10% equity stake in Universal Music Group, or UMG, from its parent company, Vivendi S.A. We invested a 10% equity interest in the consortium. In December 2020, the consortium exercised its call option to acquire an additional 10% equity interest in UMG from Vivendi S.A. at the same enterprise value as in the forgoing transaction, and such acquisition was completed in January 2021. In March 2025, the consortium completed a transfer of the UMG shares held by the consortium to its members through distribution-in-kind. Following the distribution, we held directly 2% equity interests in UMG.

Strategic Partnership with China Literature

In March 2020, we signed a five-year strategic partnership with China Literature, which is a subsidiary of our parent company Tencent. Through this partnership arrangement, we are granted a global license to produce derivative content in the form of audiobooks of online literary works for which China Literature has the rights or the license to adapt, and the rights to sublicense, as well as the ability to distribute, existing audiobooks in China Literature's portfolio. In February 2025, we renewed this strategic partnership with China Literature for another three years.

Acquisition of Shenzhen Lanren

In January 2021, we, through one of our PRC entities, entered into a definitive agreement to acquire 100% equity interest in Shenzhen Lanren, which operates *Lazy Audio*, a well-established audio platform in China, for a total consideration of RMB2.7 billion, primarily payable in cash, plus certain post-acquisition equity-settled awards to Shenzhen Lanren's management team. The then

shareholders of Shenzhen Lanren include China Literature, which is a subsidiary of our parent company Tencent, Shenzhen Lanren's management team and other financial investors. Our acquisition of Shenzhen Lanren was completed in March 2021.

Co-investment in GMM Music

In June 2024, we, together with Tencent, acquired 10% of the shares of GMM Music Public Company Limited ("GMM Music"), an overseas entertainment company, for a total consideration of US$45 million in cash plus certain equity interest in an overseas business of TME.

Contractual Arrangements

See "Item 4. Information on the Company — 4.C. Organizational Structure" for a description of the contractual arrangements between our PRC subsidiaries, the VIEs and their respective shareholders.

Employment Agreements and Indemnification Agreements

See "Item 6. Directors, Senior Management and Employees — 6.B. Compensation — Employment Agreements and Indemnification Agreements."

Share Incentives

See "Item 6. Directors, Senior Management and Employees — 6.B. Compensation—Share Incentive Plans."

Other Related Party Transactions

In the ordinary course of business, from time to time, we carry out transactions and enter into arrangements with related parties, none of which is considered to be material.

The table below sets forth the major related parties and their relationships with us as of December 31, 2025.

Name of related parties	Relationship with the Group
Tencent and its subsidiaries other than the entities controlled by the Group ("Tencent Group")	The Group's principal owner

The table below sets forth our significant related party transactions for the periods indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in millions)			
Revenues				
Online music services to Tencent Group [1]	172	188	324	46
Online music services to the Company's associates and associates of Tencent Group	397	365	501	72
Social entertainment services and others to Tencent Group, the Company's associates and associates of Tencent Group	55	43	75	11
Expenses				
Service cost to Tencent Group	752	732	725	104
Service cost to the Company's associates and associates of Tencent Group	713	592	1,399	200
Other costs and expenses to Tencent Group [2]	1,269	1,086	1,240	177
Other costs and expenses to the Company's associates and associates of Tencent Group	31	127	241	34

Notes:
(1) Primarily include revenue from online advertising and subscriptions provided to Tencent Group pursuant to the Business Cooperation Agreement.
(2) Primarily include advertising fees charged by Tencent Group for our advertising services sold through Tencent Group.

The table below sets forth the balances with our related parties as of the dates indicated.

	As of December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in millions)			
Included in accounts receivable from related parties:				
Tencent Group	1,824	2,343	2,249	322
The Company's associates and associates of Tencent Group	21	52	60	9
Included in prepayments, deposits and other assets from related parties:				
Tencent Group	54	48	78	11
The Company's associates and associates of Tencent Group	121	139	981	140
Included in accounts payable to related parties:				
Tencent Group	667	702	595	85
The Company's associates and associates of Tencent Group	269	234	232	33
Included in other payables and accruals to related parties:				
Tencent Group	491	117	90	13
The Company's associates and associates of Tencent Group	2	1	26	4

Outstanding balances are unsecured and are payable on demand.

The table below sets forth our key management personnel compensations for the periods indicated.

	For the Year Ended December 31,			
	2023	2024	2025	
	RMB	RMB	RMB	US$
	(in millions)			
Short-term employee benefits	68	51	48	7
Share-based compensation	95	78	87	12
Total	**163**	**129**	**135**	**19**

7.C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

8.A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report.

Litigation

The Group has been and may become a party to various legal or administrative proceedings arising in the ordinary course of its business, including matters relating to copyright infringement, commercial disputes and competition. As of December 31, 2025, there were 160 lawsuits pending in connection with alleged copyright infringement on our platform against us or our affiliates with an aggregate amount of damages sought of approximately RMB187.1 million (US$26.8 million). The Group is currently not a party to, and we are not aware of any threat of, any such legal or administrative proceedings that, in the opinion of our management, are likely to have any material and adverse effect on our business, financial condition, cash flow or results of operations. See also "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — Pending or future litigation or regulatory proceedings could have a material and adverse impact on our reputation, business, financial condition and results of operations."

On December 6, 2018, we became aware of an arbitration (the "Arbitration") filed by an individual named Mr. Hanwei Guo (the "Claimant") before the China International Economic and Trade Arbitration Commission, or CIETAC. The Arbitration named Mr. Guomin Xie, who previously served as our Co-President and a director, CMC, and certain affiliates of CMC as respondents. In addition, on December 5, 2018, the Claimant filed an Application and Petition for an Order to Take Discovery for Use in a Foreign Proceeding Pursuant to 28 U.S.C. § 1782 (the "Discovery Petition") in the U.S. District Court of the Southern District of New York (the "District Court"), whereby he seeks permission to serve subpoenas for production of documents on Deutsche Bank Securities Inc., J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and Morgan Stanley & Co. LLC, each of which is an underwriter in our initial public offering, for use in the Arbitration. We and the underwriters opposed the Claimant's Discovery Petition by filing Oppositions in the District Court on December 21, 2018. On February 25, 2019, the Discovery Petition was denied by the District Court. On March 27, 2019, the Claimant filed a notice of appeal with the United States Court of Appeals for the Second Circuit regarding the denial of the Discovery Petition. On July 8, 2020, the U.S. Court of Appeals for the Second Circuit affirmed the district court's denial of the Claimant's petition. In April 2021, CIETAC entered an award for the Arbitration. The award dismissed substantially all of the Claimant's claims, including those against CMC, except that Mr. Xie shall pay damages in an amount of RMB661 million to the Claimant. Mr. Xie subsequently applied in court to set aside the CIETAC's award. CIETAC has, upon the notification of the court, decided to re-arbitrate on September 30, 2022 and issued a new award (the "Re-arbitration Award") dated November 17, 2023. The Re-arbitration Award substantially concurs with the award issued in April 2021. On December 1, 2023, Mr. Xie further applied in court to set aside the Re-arbitration Award, which the court conclusively declined on April 29, 2025. Accordingly, the Re-arbitration Award remains in force, under which we have no liabilities or damages to pay. As the Re-arbitration Award is not subject to any further challenge, the Arbitration has been fully concluded.

In June 2024, NetEase Cloud Music Inc., together with some of its affiliates, (collectively, "NetEase") filed a lawsuit in the Zhejiang Provincial Higher People's Court against us and some of our affiliates, asserting claims of abuse of market dominance in relation to our music licensing practices in the Chinese market, among others. In connection with such allegations, NetEase claims a substantial amount of damages and certain injunctive relief, among other things. We dispute all of these allegations and are defending ourselves vigorously against NetEase's claims. As of the date of this annual report, the case is pending in Zhejiang Provincial Higher People's Court. We are currently unable to estimate the potential loss, if any, associated with the resolution of such lawsuit. See also "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — Pending or future litigation or regulatory proceedings could have a material and adverse impact on our reputation, business, financial condition and results of operations."

From time to time, we may be involved in legal proceedings in the ordinary course of our business. In the past, the Company and certain of its current and former directors and officers were named as defendants in two securities class actions. Both actions have been resolved in favor of the Company, with one action being voluntarily discontinued by the plaintiffs and the other dismissed on a motion to dismiss. For risks and uncertainties relating to lawsuits against us, please see "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Our Business and Industry — We and certain of our directors and officers may be named as defendants in shareholder class action lawsuits, which could have a material adverse impact on our business, financial condition, results of operation, cash flows and reputation."

Dividend Policy

On May 11, 2024, our board of directors adopted a cash dividend policy, under which we may choose to declare and distribute a cash dividend each year in accordance with our memorandum and articles of association and applicable laws and regulations. On the same day, for the fiscal year of 2023, our board of directors declared a cash dividend of US$0.0685 per ordinary share, or US$0.1370 per ADS, to holders of record of ordinary shares and ADSs as of the close of business on May 31, 2024, with an aggregate amount of

cash dividends of approximately US$210 million. On March 17, 2025, for the fiscal year of 2024, our board of directors declared a cash dividend of US$0.09 per ordinary share, or US$0.18 per ADS, to holders of record of ordinary shares and ADSs as of the close of business on April 3, 2025, with the total dividend payout amounting to approximately US$275 million. On March 17, 2026, for the fiscal year of 2025, our board of directors declared a cash dividend of US$0.12 per ordinary share, or US$0.24 per ADS, to holders of record of ordinary shares and ADSs as of the close of business on April 2, 2026, with the total dividend payout amounting to approximately US$368 million.

Despite our cash dividend policy, our board of directors retains the discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, cash flow, financial conditions, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the Class A ordinary shares underlying the ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our PRC subsidiaries for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — Foreign exchange controls may limit our ability to utilize our revenues effectively and affect the value of your investment."

8.B. Significant Changes

Except as otherwise disclosed in this report, we have not experienced any significant changes since the date of the annual financial statements included herein.

ITEM 9. THE OFFER AND LISTING

9.A. Offer and Listing Details

The ADSs representing our Class A ordinary shares have been listed on the New York Stock Exchange since December 12, 2018 under the symbol "TME." Each ADS represents two ordinary shares, par value US$0.000083 per share.

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since September 15, 2022 under the stock code "1698."

9.B. Plan of Distribution

Not applicable.

9.C. Markets

The ADSs representing our Class A ordinary shares have been listed on the New York Stock Exchange since December 12, 2018 under the symbol "TME."

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since September 15, 2022 under the stock code "1698."

9.D. Selling Shareholders

Not applicable.

9.E. Dilution

Not applicable.

9.F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

10.A. Share Capital

Not applicable.

10.B. Memorandum and Articles of Association

We are a Cayman Islands company, and our affairs are governed by our Articles of Association and the Companies Act (As Revised) of the Cayman Islands, which we refer to as the "Companies Act" below, and the common law of the Cayman Islands.

We filed herewith this annual report our current seventh Articles of Association. Our shareholders adopted our seventh Articles of Association by a special resolution on December 30, 2022.

The following are summaries of material provisions of our seventh Articles of Association and the Companies Act as they relate to the material terms of our ordinary shares.

Registered Office and Objects

Our registered office in the Cayman Islands is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104.

According to Clause 3 of our Articles of Association, the objects for which we are established are unrestricted and we have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

Board of Directors

See "Item 6. Directors, Senior Management and Employees."

Ordinary Shares

General. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Our ordinary shares are issued in registered form and are issued when registered in our register of members. We may not issue share to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold and transfer their ordinary shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to our Articles of Association and the Companies Act. Our Articles of Association provides that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act. No dividend may be declared and paid unless our board of directors determine that, immediately after the payment, we will be able to pay our debts as they become due in the ordinary course of business, and we have funds lawfully available for such purpose.

Conversion. Class B ordinary shares may be converted into the same number of Class A ordinary shares by the holders thereof at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares under any circumstances. Upon (i) any sale, transfer, assignment or disposition of any Class B ordinary shares by a holder thereof to a person or an entity which is not an affiliate (in the case of Min River as the holder of Class B Ordinary Shares, "Affiliate" shall mean Tencent or Tencent Affiliate) of such holder, or (ii) a change of beneficial ownership of any Class B ordinary shares as a result of which any person who is not an affiliate (in the case of Min River as the holder of Class B Ordinary Shares, "Affiliate" shall mean Tencent or Tencent Affiliate) of registered holders of such Class B ordinary shares becomes a beneficial owner of such Class B ordinary shares, each of such Class B ordinary shares will be automatically and immediately converted into one Class A ordinary share. There is no limit on the circumstances where holders of Class B ordinary shares may transfer or otherwise dispose of their Class B ordinary shares.

Voting Rights. Holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote by the shareholders at any such general meeting. Each Class A ordinary share shall be entitled to one vote on all matters subject to a vote at general meetings of the shareholders, and each Class B ordinary share shall be entitled to 15 votes on all matters subject to a vote at general meetings of the shareholders.

A quorum required for a meeting of shareholders consists of one or more shareholders holding not less than one-third of the voting rights (on a one vote per share basis) in our company's share capital. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our Articles of Association provides that we shall in each financial year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our board of directors. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting. Shareholders' annual general meetings and any other general meetings of our shareholders may be called by a majority of our board of directors or our chairman of the board or upon a requisition of shareholders holding at the date of deposit of the requisition in aggregate not less than one-tenth (1/10) of the aggregate number of votes attaching to all issued and outstanding shares of our company as of that date, on a one vote per share basis, that carries the right of voting at general meetings, in which case our board of directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our Articles of Association does not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. Advance notice of not less than 21 days' notice in writing is required for the convening of our annual general meeting 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.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution (a) in respect of (i) any amendment to the Articles of Association, or (ii) the voluntarily liquidation or winding up of the Company, requires the affirmative vote of a majority of no less than three-fourths of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, (b) in respect of any matter that requires a special resolution (other than those specified in (a) above), requires the affirmative vote of a majority of no less than two-thirds of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting.

Transfer of Ordinary Shares. Subject to the restrictions in our Articles of Association as set out below, any of our shareholders may transfer all or any of its, his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the Designated Stock Exchange (as defined in the Articles of Association) may determine to be payable or such lesser sum as our board of directors may from time to time require, is paid to us in respect thereof.

If our board of directors refuses to register a transfer it shall, within two calendar months after the date on which the instrument of transfer was lodged with us, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the Designated Stock Exchange Rules (as defined in the Articles of Association), be suspended and our register of members closed at such times and for such periods as our board of directors may from time to time determine; provided always that the registration of transfers shall not be suspended nor our register of members closed for more than 30 calendar days in any calendar year.

Liquidation. On a winding up, if the assets available for distribution among our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed among our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by our shareholders in proportion to the par value of the shares held by them. Any distribution of assets or capital to a holder of ordinary shares will be the same in any liquidation event.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 calendar days prior to the specified time of payment. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issuance of such shares, by our board of directors. We may also repurchase any of our shares (including redeemable shares) provided that the manner and terms of such purchase have been approved by our board of directors, or are otherwise authorized by our Articles of Association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our profits or out of the proceeds of a fresh issuance of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if we can, immediately following such payment, pay our debts as they fall due in the ordinary course of business. In addition, under the Companies Act, no such share may be redeemed or repurchased (i) unless it is fully paid up, (ii) if such redemption or repurchase would result in there being no shares outstanding or (iii) if we have commenced liquidation. In addition, we may accept the surrender of any fully paid-up share for no consideration.

Variations of Rights of Shares. If at any time our share capital is divided into different classes of shares, the rights attached to any class of shares may, subject to any rights or restrictions for the time being attached to any class of shares, 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 no less than three-fourths (3/4) of the shares of such class present and voting at such a meeting. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely varied or abrogated by, inter alia, the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to such existing class of shares or the redemption or purchase of any shares of any class by us.

Inspection of Books and Records. Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than our Articles of Association and any special resolutions passed by our shareholders, and the register of mortgages and charges of our company).

Issuance of Additional Shares. Our Articles of Association authorizes our board of directors to issue additional ordinary shares, to the extent authorized but unissued, from time to time as our board of directors shall determine.

Our Articles of Association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights and voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Anti-Takeover Provisions. Some provisions of our Articles of Association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Articles of Association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary resident company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;

- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 30 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

10.C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in this annual report.

10.D. Exchange Controls

The Cayman Islands currently has no exchange control regulations or currency restrictions.

10.E. Taxation

The following discussion of Cayman Islands, Hong Kong, PRC and United States federal income tax consequences of an investment in the ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This discussion does not deal with all possible tax consequences relating to an investment in the ADSs or Class A ordinary shares, such as the tax consequences under state, local and other tax laws. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel. To the extent that the discussion relates to matters of PRC tax law, it represents the opinion of Han Kun Law Offices, our PRC legal counsel.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us or holders of the ADSs or Class A ordinary shares levied by the government of the Cayman Islands, except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of, the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs or Class A ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the ADSs or Class A ordinary shares, nor will gains derived from the disposal of the ADSs or Class A ordinary shares be subject to Cayman Islands income or corporation tax.

Hong Kong Taxation

In connection with our secondary listing by way of introduction in Hong Kong in September 2022, we have established a Hong Kong share register. Dealings in our ordinary shares registered on our Hong Kong share register will be subject to Hong Kong stamp duty. The stamp duty is charged to each of the seller and purchaser at the ad valorem rate of 0.1% of the consideration for, or (if greater) the value of, our ordinary shares transferred. In other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of our ordinary shares. In the case of any transfer operating as a voluntary disposition inter vivos, a duty of HK$5.00 and 0.2% of the value of our ordinary shares transferred is charged on each instrument of transfer (if required). In addition, a fixed duty of HK$5.00 is charged on each instrument of transfer (if required). To facilitate ADS-ordinary share conversion and trading between the NYSE and the Hong Kong Stock Exchange, we have also moved a portion of our issued ordinary shares from our Cayman share register to our Hong Kong share register. It is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs constitutes a sale or purchase of the underlying Hong Kong-registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. See "Risk Factors— Risks Related to the ADSs or our Ordinary Shares — There is uncertainty as to whether Hong Kong stamp duty will apply to the trading of ADSs or deposits in, or withdrawals from, our ADS facility."

People's Republic of China Taxation

Under the PRC EIT Law, which became effective on January 1, 2008, and was further amended on February 24, 2017 and December 29, 2018, an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise" for PRC enterprise income tax purposes and is generally subject to a uniform 25% enterprise income tax rate on its worldwide income. Under the implementation rules to the PRC EIT Law, a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise.

In addition, the SAT Circular 82 issued by the SAT in April 2009 specifies that certain offshore incorporated enterprises controlled by PRC enterprises or PRC enterprise groups will be classified as PRC resident enterprises if the following are located or resided in the PRC: (a) senior management personnel and departments that are responsible for daily production, operation and management; (b) financial and personnel decision-making bodies; (c) key properties, accounting books, company seal, minutes of board meetings and shareholders' meetings; and (d) half or more of the senior management or directors having voting rights. Our company is incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. As such, we do not believe that our company meets all of the conditions above or is a PRC resident enterprise for PRC tax purposes. For the same reasons, we believe that our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain regarding the interpretation of the term "de facto management body." There can be no assurance that the PRC regulators will ultimately take a view that is consistent with us. If the PRC tax authorities determine that our Cayman Islands holding company is a PRC resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. For example, a 10% withholding tax would be imposed on dividends we pay to our non-PRC enterprise shareholders (including the ADS holders). In addition, nonresident enterprise shareholders (including the ADS holders) may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or Class A ordinary shares, if such income is treated as sourced from within the PRC. Furthermore, if we are deemed a PRC resident enterprise, dividends paid to our non-PRC individual shareholders (including the ADS holders) and any gain realized on the transfer of ADSs or Class A ordinary shares by such shareholders may be subject to PRC tax at a rate of 20% (which, in the case of dividends, may be withheld at source by us). These rates may be reduced by an applicable tax treaty, but it is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — We or the VIEs may be subject to domestic and other tax obligations and we may be classified as a 'PRC resident enterprise' for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our non-PRC shareholders and ADS holders and have a material adverse effect on our results of operations and the value of your investment."

U.S. Federal Income Taxation

The following are material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of our ADSs or Class A ordinary shares, but this discussion does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a particular person's decision to hold ADSs or Class A ordinary shares.

This discussion applies only to a U.S. Holder that holds ADSs or Class A ordinary shares as capital assets for U.S. federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any minimum tax, the Medicare contribution tax on net investment income and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding ADSs or Class A ordinary shares as part of a straddle, conversion transaction, integrated transaction or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities classified as partnerships for U.S. federal income tax purposes and their partners;
- tax-exempt entities, including "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own ADSs or Class A ordinary shares representing 10% or more of our voting power or value;
- persons who acquire the ADSs or our Class A ordinary shares pursuant to the exercise of an employee stock option or otherwise as compensation; or

- persons holding ADSs or Class A ordinary shares in connection with a trade or business outside the United States.

If a partnership (or other entity that is classified as a partnership for U.S. federal income tax purposes) owns ADSs or Class A ordinary shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning ADSs or Class A ordinary shares and their partners should consult their tax advisers as to the particular U.S. federal income tax consequences of owning and disposing of ADSs or Class A ordinary shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions, final, temporary and proposed Treasury regulations, and the income tax treaty between the United States and the PRC (the "Treaty"), all as of the date hereof, any of which is subject to change, possibly with retroactive effect.

As used herein, a "U.S. Holder" is a person that is, for U.S. federal income tax purposes, a beneficial owner of the ADSs or our Class A ordinary shares and

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

In general, a U.S. Holder who owns ADSs will be treated as the owner of the underlying shares represented by those ADSs for U.S. federal income tax purposes. Accordingly, no gain or loss will be recognized if a U.S. Holder exchanges ADSs for the underlying Class A ordinary shares represented by those ADSs.

U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and non-U.S. tax consequences of owning and disposing of ADSs or Class A ordinary shares in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a non-U.S. corporation is a passive foreign investment company (a "PFIC") for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns, directly or indirectly, at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties (other than certain rents and royalties derived in an active conduct of a trade or business) and certain gains. Cash is generally a passive asset for these purposes. Goodwill and other intangible assets (the value of which may be determined by reference to the excess of the sum of the corporation's market capitalization and liabilities over the value of its assets) are generally characterized as active assets to the extent it is attributable to activities that produce active income.

Based on the composition of our income and assets and the estimated value of our assets, including goodwill and other intangible assets, we believe it is reasonable to take the view that we were not a PFIC for our 2025 taxable year. However, we have not obtained valuations of our assets and have not received any opinion regarding the classification of our income and assets for purposes of the PFIC rules and therefore cannot provide any assurance that we were not in fact a PFIC for our 2025 taxable year. In addition, our PFIC status for any taxable year is a factual determination that can be made only after the end of that year and depends on the composition of our income and assets and the average value of our assets for the entire year. We hold a substantial amount of cash and financial investments and while this continues to be the case, our PFIC status depends primarily on the average value of our goodwill and other intangible assets. The value of our goodwill and other intangible assets may be determined, in large part, by reference to our market capitalization, which has been, and may continue to be, volatile. Therefore, even if we were not a PFIC in our 2025 taxable year, if our market capitalization declines or is volatile we may become a PFIC in our current or future taxable years. Moreover, it is not entirely clear how the contractual arrangements between our wholly-owned subsidiaries, the VIEs and the shareholders of the VIEs will be treated for purposes of the PFIC rules, and we may be or become a PFIC if the VIEs are not treated as owned by us for these purposes. For these reasons there is a risk (which, depending on market conditions, may be substantial) that we will be a PFIC for our current or any future taxable year.

If we are a PFIC for any taxable year and any of our subsidiaries, VIEs or other companies in which we own or are treated as owning equity interests is also a PFIC (any such entity, a "Lower-tier PFIC"), U.S. Holders will be deemed to own a proportionate amount (by value) of the shares of each Lower-tier PFIC and will be subject to U.S. federal income tax according to the rules described in the subsequent paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) dispositions of shares of Lower-tier

PFICs, in each case as if the U.S. Holders owned such shares directly, even though the U.S. Holders will not receive the proceeds of those distributions or dispositions.

In general, if we are a PFIC for any taxable year during which a U.S. Holder owns ADSs or Class A ordinary shares, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of its ADSs or Class A ordinary shares will be allocated ratably over that U.S. Holder's holding period. The amounts allocated to the taxable year of the sale or disposition and to any year before we became a PFIC will be taxed as ordinary income. The amount allocated to each other taxable year will be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge will be imposed on the resulting tax liability for each such year. Furthermore, to the extent that distributions received by a U.S. Holder in any taxable year on its ADSs or Class A ordinary shares exceed 125% of the average of the annual distributions on the ADSs or Class A ordinary shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, the excess distributions will be subject to taxation in the same manner. In addition, if we are a PFIC (or, with respect to a particular U.S. Holder, are treated as a PFIC) for a taxable year in which we pay a dividend or for the prior taxable year, the favorable tax rates described below with respect to dividends paid to certain non-corporate U.S. Holders will not apply. If we are a PFIC for any taxable year during which a U.S. Holder owns ADSs or Class A ordinary shares, we will generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding taxable years during which the U.S. Holder owns ADSs or Class A ordinary shares, even if we cease to meet the threshold requirements for PFIC status. If we are a PFIC for any taxable year but cease to be PFIC for subsequent years, U.S. Holders should consult their tax advisers regarding the advisability of making a "deemed sale" election that would allow them to eliminate the continuing PFIC status under certain circumstances, in which case any gain on the deemed sale will be taxed under the PFIC rules described above.

Alternatively, if we are a PFIC and if the ADSs or Class A ordinary shares, as applicable, are "regularly traded" on a "qualified exchange," a U.S. Holder could make a mark-to-market election that would result in tax treatment different from the general tax treatment for PFICs described in the preceding paragraph. The ADSs or Class A ordinary shares will be treated as "regularly traded" for any calendar year in which more than a *de minimis* quantity of the ADSs or Class A ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter. If a U.S. Holder makes the mark-to-market election, the U.S. Holder generally will recognize as ordinary income any excess of the fair market value of the ADSs or Class A ordinary shares at the end of each taxable year over their adjusted tax basis, and will recognize an ordinary loss in respect of any excess of the adjusted tax basis of the ADSs or Class A ordinary shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a U.S. Holder makes the election, the U.S. Holder's tax basis in the ADSs or Class A ordinary shares will be adjusted to reflect the income or loss amounts recognized. Any gain recognized on the sale or other disposition of ADSs or Class A ordinary shares in a year in which we are a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election, with any excess loss treated as a capital loss). If a U.S. Holder makes the mark-to-market election, distributions paid on ADSs or Class A ordinary shares will be treated as discussed under "*—Taxation of Distributions*" below. U.S. Holders should consult their tax advisers regarding the availability and advisability of making a mark-to-market election in their particular circumstances. U.S. Holders should note that there is no provision in the Code, Treasury regulations or other official guidance that provides for a right to make a mark-to-market election with respect to any Lower-tier PFIC the shares of which are not regularly traded. Therefore, the general rules applicable to ownership of a PFIC described in the preceding paragraph may continue to apply with respect to any Lower-tier PFIC even if a U.S. Holder made a mark-to-market election with respect to the ADS or Class A ordinary shares.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections, which if available could materially affect the tax consequences of the ownership and disposition of ADSs or Class A ordinary shares if we are a PFIC for any taxable year.

If we are a PFIC for any taxable year during which a U.S. Holder owns any ADSs or Class A ordinary shares, the U.S. Holder will generally be required to file annual reports on Internal Revenue Service ("IRS") Form 8621 with respect to us and any Lower-tier PFICs, generally with the U.S. Holder's federal income tax return for that year.

U.S. Holders should consult their tax advisers regarding the determination of whether we are a PFIC for any taxable year and the potential application of the PFIC rules to their ownership of ADSs or Class A ordinary shares.

Taxation of Distributions

The following is subject to the discussion under "*—Passive Foreign Investment Company Rules*" above.

Distributions paid on the ADSs or Class A ordinary shares, other than certain pro rata distributions of ADSs or Class A ordinary shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Because we do not maintain calculations of our earnings and profits under U.S. federal income tax

principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to applicable limitations, and provided that we are not a PFIC (and are not treated as a PFIC with respect to the relevant U.S. Holder) for the year of distribution or the preceding taxable year, dividends paid to certain non-corporate U.S. Holders of ADSs may be taxable at favorable rates. Non-corporate U.S. Holders of ADSs should consult their tax advisers regarding the availability of these favorable rates generally and in their particular circumstances.

Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's, or in the case of ADSs, the depositary's, receipt. The amount of any dividend income paid in foreign currency will be the U.S. dollar amount calculated by reference to the spot rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. If the dividend is converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the amount received. A U.S. Holder may have foreign currency gain or loss if the dividend is converted into U.S. dollars after the date of receipt.

Dividends will be treated as foreign-source income for foreign tax credit purposes. As described in "—People's Republic of China Taxation," dividends paid by us may be subject to PRC withholding tax. For U.S. federal income tax purposes, the amount of the dividend income will include any amounts withheld in respect of PRC taxes. Subject to applicable limitations that vary depending upon the U.S. Holder's circumstances, and the discussion below regarding certain Treasury regulations, PRC taxes withheld from dividend payments (at a rate not exceeding the applicable rate provided in the Treaty in the case of a U.S. Holder that is eligible for the benefits of the Treaty) may be creditable against a U.S. Holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex. For example, Treasury regulations provide that, in the absence of an election to apply the benefits of an applicable income tax treaty, in order for foreign income taxes to be creditable the relevant foreign income tax rules must be consistent with certain U.S. federal income tax principles, and we have not determined whether the PRC income tax system meets these requirements. The IRS has released notices that provide relief from certain of the provisions of the Treasury regulations described above for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). U.S. Holders should consult their tax advisers regarding the creditability of PRC taxes in their particular circumstances. In lieu of claiming a credit, a U.S. Holder may be able to elect to deduct such PRC taxes in computing its taxable income, subject to applicable limitations. An election to deduct non-U.S. taxes instead of claiming foreign tax credits applies to all otherwise creditable non-U.S. taxes paid or accrued in the taxable year.

Sale or Other Taxable Disposition of ADSs or Class A Ordinary Shares

The following is subject to the discussion under "*—Passive Foreign Investment Company Rules*" above.

A U.S. Holder will generally recognize capital gain or loss on a sale or other taxable disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized on the sale or disposition and the U.S. Holder's tax basis in the ADSs or Class A ordinary shares disposed of, in each case as determined in U.S. dollars. The gain or loss will be long-term capital gain or loss if, at the time of the sale or disposition, the U.S. Holder has owned the ADSs or Class A ordinary shares for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders may be subject to tax rates that are lower than those applicable to ordinary income. The deductibility of capital losses is subject to limitations.

As described in "—People's Republic of China Taxation," gains on the sale of ADSs or Class A ordinary shares may be subject to PRC taxes. Under the Code, capital gains of U.S. persons are generally treated as U.S.-source income. However, a U.S. Holder that is eligible for Treaty benefits may be able to elect to treat gains on the disposition of ADSs or Class A ordinary shares as foreign-source income under the Treaty and claim foreign tax credit in respect of any PRC taxes on such disposition gains. Under certain Treasury regulations, a U.S. Holder will generally be precluded from claiming a foreign tax credit with respect to PRC income taxes on gains from dispositions of ADSs or Class A ordinary shares unless the U.S. Holder is eligible for Treaty benefits and elects to apply them. As discussed above under "-Taxation of Distributions," the IRS has released notices that provide relief from certain of the provisions of the Treasury regulations (including the limitation described in the preceding sentence) for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). However, even if these Treasury regulations do not prohibit U.S. Holders from claiming a foreign tax credit with respect to PRC taxes on disposition gains, other limitations under the foreign tax credit rules may preclude or limit U.S. Holders from claiming a foreign tax credit. If a U.S. Holder is precluded from claiming a foreign tax credit, it is possible that any PRC taxes on disposition gains may either be deductible or reduce the amount realized on the disposition. Hong Kong stamp duty imposed on dealings in our Class A ordinary shares or ADSs (see "—Hong Kong Taxation" above) will not be creditable against a U.S. Holder's U.S. federal income tax liability. However, such tax may reduce the amount realized by a U.S. Holder upon a disposition of ADSs or Class A Ordinary Shares. The rules governing foreign tax credits and deductibility of non-U.S. taxes are complex. U.S. Holders should consult their tax advisers regarding the consequences of the imposition of any non-U.S. tax on disposition gains, including the Treaty's resourcing rule, any reporting requirements with respect to a Treaty-based return position and the creditability or deductibility of any non-U.S. taxes on disposition gains in their particular circumstances (including any applicable limitations).

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting and backup withholding, unless (i) the U.S. Holder is a corporation or other "exempt recipient" (and establishes that status if required to do so) or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

10.F. Dividends and Paying Agents

Not applicable.

10.G. Statement by Experts

Not applicable.

10.H. Documents on Display

We previously filed with the SEC a registration statement on Form F-1 (File Number 333-227656), as amended to register our Class A ordinary shares in relation to our initial public offering. We also filed with the SEC a related registration statement on Form F-6 (File Number 333-228610) to register the ADSs representing our Class A ordinary shares.

We are subject to the periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year. The SEC also maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements. In addition, we are not required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act.

We will furnish The Bank of New York Mellon, the depositary of the ADSs, with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with IFRS, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

10.I. Subsidiary Information

Not applicable.

10.J. Annual Report to Security Holders

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk

Other than term deposits with initial terms of over three months and cash and cash equivalents, we have no other significant interest-bearing assets. During the year ended December 31, 2025, our exposure to changes in interest rates is attributable to our notes payable issued in September 2020, which carried at fixed rates and do not expose us to cash flow interest-rate risk. Accordingly, we do not anticipate any significant impact on our financial performance resulting from changes in interest rates.

Foreign exchange risk

Substantially all of our revenues are denominated in Renminbi. The Renminbi is not freely convertible into foreign currencies for capital account transactions. The value of the Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. In July 2005, the PRC regulators changed the decades-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation subsided and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. The Renminbi appreciated approximately by 3% against U.S. dollar in 2023, depreciated approximately 3% against U.S. dollar in 2024, and appreciated approximately by 4% against the U.S. dollar in 2025. In addition, since October 1, 2016, the RMB has joined the International Monetary Fund's basket of currencies that make up the Special Drawing Right, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC regulators may in the future announce further changes to the exchange rate system and there is no guarantee that the RMB will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of Renminbi against the U.S. dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs, servicing our outstanding debt, or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amounts available to us.

We have performed sensitivity analysis based on the net exposure to each of the exposure arising from U.S. dollar and RMB at end of each reporting period. As of December 31, 2025, the impact on the post-tax profit of the Group arising from a reasonable change in the foreign exchange rates of U.S. dollar and RMB is immaterial and therefore no quantitative impact of the sensitivity analysis is presented for foreign exchange risk.

Inflation risk

Since our inception, inflation in China has not materially impacted our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2023, 2024 and 2025 were a decrease of 0.3%, an increase of 0.1% and an increase of 0.8% respectively. Although we have not in the past been materially affected by inflation since our inception, we can provide no assurance that we will not be affected in the future by higher rates of inflation in China.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

12.A. Debt Securities

Not applicable.

12.B. Warrants and Rights

Not applicable.

12.C. Other Securities

Not applicable.

12.D. American Depositary Shares

Persons depositing or withdrawing shares or ADS holders must pay:	For:
• US$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	• Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
• US$0.05 (or less) per ADS	• Any cash distribution to ADS holders
• A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	• Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders
• US$0.05 (or less) per ADS per calendar year	• Depositary services
• Registration or transfer fees	• Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
• Expenses of the depositary	• Cable and facsimile transmissions (when expressly provided in the deposit agreement)
	• Converting foreign currency to U.S. dollars
• Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	• As necessary
• Any charges incurred by the depositary or its agents for servicing the deposited securities	• As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

See "Item 10. Additional Information" for a description of the rights of shareholders, which remain unchanged.

The following "Use of Proceeds" information relates to the registration statement on Form F-1 (File No. 333-227656), as amended, including the annual report contained therein, which registered 164,000,000 Class A ordinary shares represented by 82,000,000 ADSs and was declared effective by the SEC on December 11, 2018, for our initial public offering, which closed in December 2018. Morgan Stanley & Co. LLC, Goldman Sachs (Asia) L.L.C., J.P. Morgan Securities LLC, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated were the representatives of the underwriters. We received net proceeds of approximately US$509 million in the aggregate from the initial public offering after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and received additional net proceeds of US$1.8 million from the concurrent private placement to Tencent to effect its Assured Entitlement Distribution.

For the period from December 11, 2018, the date that the registration statement on Form F-1 was declared effective by the SEC, to December 31, 2025, the total expenses incurred for our company's account in connection with our initial public offering was approximately US$45.6 million, which included US$42.6 million in underwriting discounts and commissions for the initial public offering and approximately US$3 million in other costs and expenses for our initial public offering. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning 10% or more of our equity securities or our affiliates. None of the net proceeds from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from December 11, 2018, the date that the registration statement on Form F-1 was declared effective by the SEC, to the date of this annual report, we have used all net proceeds from our IPO in the manners set forth in our IPO prospectus, including for content acquisition, strategic investments and for other operating and investment purposes.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and chief financial officer, has performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report, as required by Rule 13a-15(b) under the Exchange Act.

Based upon that evaluation, our management has concluded that, as of December 31, 2025, our disclosure controls and procedures were effective in ensuring that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act was recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. As required by Rule 13a-15(c) of the Exchange Act, our management conducted an evaluation of our company's internal control over financial reporting as of December 31, 2025 based on the framework in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Attestation Report of the Registered Public Accounting Firm

Our independent registered public accounting firm, PricewaterhouseCoopers Zhong Tian LLP, has audited the effectiveness of our internal control over financial reporting as of December 31, 2025, as stated in its report, which appears on page F-2 of this annual report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the period covered by this annual report on Form 20-F that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that each of Mr. Adrian Yau Kee Mak, an independent director and the chairperson of our audit committee, Ms. Edith Manling Ngan, an independent director of our audit committee, and Ms. Jeanette Kim Yum Chan, an independent director of our audit committee, qualifies as an "audit committee financial expert" within the meaning of the SEC rules and possesses financial sophistication within the meaning of the Listing Rules of the New York Stock Exchange. Mr. Adrian Yau Kee Mak, Ms. Edith Manling Ngan and Ms. Jeanette Kim Yum Chan satisfy the "independence" requirements of Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and Section 303A of the Corporate Governance Rules of the NYSE.

ITEM 16B. CODE OF ETHICS

Our board of directors has adopted a code of business conduct and ethics that applies to all of our directors, officers and employees, including certain provisions that specifically apply to our principal executive officer, principal financial officer, principal accounting officer or controller and any other persons who perform similar functions for us. We have filed our code of business conduct and ethics as Exhibit 99.1 of our registration statement on Form F-1 (file No. 333-227656) filed with the SEC on October 2, 2018 and posted a copy of our code of business conduct and ethics on our website at https://ir.tencentmusic.com. We hereby undertake to provide to any person without charge, a copy of our code of business conduct and ethics within ten working days after we receive such person's written request.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Auditor Fees

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered by PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, for the periods indicated.

	Year Ended December 31,		
	2023	2024	2025
	RMB	RMB	RMB
		(in thousands)	
Services			
Audit Fees[(1)]	16,500	17,000	17,000
Other Fees[(2)]	490	-	1,604
Total	**16,990**	**17,000**	**18,604**

Notes:

(1) *Audit Fees*. Audit fees mean the aggregate fees billed for professional services rendered by our principal auditors for the audit or review of our annual or quarterly financial statements.

(2) *Other Fees*. Other fees mean fees billed for services rendered by our principal auditors other than services reported under "Audit Fees."

The policy of our audit committee is to pre-approve all audit and non-audit services provided by PricewaterhouseCoopers Zhong Tian LLP, our independent registered public accounting firm, including audit services and audit-related services as described above, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

In March 2021, our board of directors authorized the 2021 Share Repurchase Program, under which we may repurchase up to US$1 billion of our Class A ordinary shares in the form of ADSs. The first half of the 2021 Share Repurchase Program was approved to perform during a twelve-month period commencing on March 29, 2021, while the second half was approved to perform during a twelve-month period commencing on December 15, 2021. As of December 31, 2022, we had completed the US$1 billion 2021 Share Repurchase Program and repurchased approximately 133.8 million ADSs from the open market. On March 21, 2023, our board of directors authorized the 2023 Share Repurchase Program under which we may repurchase up to US$500 million of our Class A ordinary shares in the form of ADSs during a two-year period commencing from March 2023. On March 17, 2025, our board of directors authorized the 2025 Share Repurchase Program under which we may repurchase up to US$1 billion of our Class A ordinary shares, including in the form of ADSs, during a two-year period commencing on March 21, 2025.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

As a company listed on the New York Stock Exchange, we are subject to the New York Stock Exchange corporate governance listing standards. However, NYSE rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the NYSE corporate governance listing standards. We currently follow and intend to continue to follow Cayman Islands corporate governance practices in lieu of the corporate governance requirements of the New York Stock Exchange that listed companies must have: (i) a majority of independent directors; and (ii) a compensation committee composed entirely of independent directors. To the extent we choose to follow home country practice in the future, our shareholders may be afforded less protection than they otherwise would enjoy under New York Stock Exchange corporate governance listing standards applicable to U.S. domestic issuers. See "Item 3. Key Information — 3.D. Risk Factors — Risks Related to the ADSs or our Ordinary Shares — As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the New York Stock Exchange corporate governance listing standards. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the New York Stock Exchange corporate governance listing standards."

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

We have adopted insider trading policies governing the purchase, sale, and other disposition of our securities by directors, senior management, and employees. A copy of the insider trading policies is filed as an exhibit to this annual report.

ITEM 16K. CYBERSECURITY

Cybersecurity Risk Management

Cybersecurity risk management is an integral part of our overall security management practices. Over the years, we have developed a set of internal rules and processes for handling cybersecurity threats and incidents and facilitate coordination across different functions and business units within our company. These rules and processes cover, among other things, steps for assessing the severity of a cybersecurity threat, identifying its source, implementing protective measures, and keeping the management and our board of directors informed of material cybersecurity threats and incidents. Depending on our needs, we either collaborate with third-party security experts for risk assessment and system enhancements or rely on our in-house teams for these critical assessments.

In 2025, we did not identify any cybersecurity threats that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats, or provide assurances that we have not experienced an undetected cybersecurity incident. For more information about these risks, please see "Item Key Information-3. D. Risk Factors-Risks Related to Our Business and Industry-Privacy concerns or security breaches relating to our platform could result in economic loss, damage our reputation, deter users from using our products, and expose us to legal penalties and liability" on page 27 of this annual report.

Governance

Our senior executive officers oversee a specialized internal cybersecurity team responsible for the oversight of risks from cybersecurity threats. This team plays a crucial role in managing our cybersecurity efforts, including identifying and assessing risks, and developing strategies to address and lessen these risks. Members of this team regularly receive detailed reports from the personnel focused on cybersecurity to guide their decisions in preventing, detecting, and managing security incidents. Our cybersecurity team and personnel are highly skilled in information systems security and management, and many of them are experienced information systems security professionals and information security managers with years of experience. Our dedicated cybersecurity personnel regularly update our cybersecurity team, management and the board of directors on our overall cybersecurity practices, material cybersecurity risks and mitigation strategies, and provide cybersecurity reports periodically that cover, among other topics, external evaluations of our cybersecurity strategies, developments in cybersecurity and updates to our cybersecurity practices and mitigation strategies.

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The consolidated financial statements of Tencent Music Entertainment Group are included at the end of this annual report.

ITEM 19. EXHIBITS

Exhibit Number	Description of Document
1.1	The Seventh Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect (incorporated herein by reference to Exhibit 1.1 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
2.1	Form of Registrant's Specimen American Depositary Receipt (incorporated herein by reference to Exhibit 4.1 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
2.2	Registrant's Specimen Certificate for Class A Ordinary Shares (incorporated herein by reference to Exhibit 4.2 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
2.3	Amended and Restated Deposit Agreement among the Registrant, the depositary and holders of the American Depositary Shares (incorporated herein by reference to Exhibit 2.3 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
2.4	Description of Registrant's American Depositary Shares and Class A ordinary shares (incorporated herein by reference to Exhibit 2.4 to the annual report for the fiscal year ended December 31, 2019 filed with the SEC on March 25, 2020)
2.5	Description of the Registrant's US$300,000,000 1.375% Notes due 2025 and US$500,000,000 2.000% Notes due 2030 (incorporated herein by reference to (i) the section titled "Description of Debt Securities" in the Registrants' registration statement on Form F-3 (File No. 333-248253) filed with the SEC on August 24, 2020 and (ii) the section titled "Description of the Notes" in the prospectus supplement, in the form filed by the Registrant with the SEC on August 27, 2020 pursuant to Rule 424(b) under the Securities Act of 1933, as amended)
4.1	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.2	Form of Employment Agreement between the Registrant and executive officers of the Registrant (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.3	The 2024 Share Incentive Plan (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form S-8 (File No. 333-280765), filed with the SEC on July 12, 2024)
4.7	Investor Agreement by and among the Registrant, Tencent Holdings Limited, Spotify Technology S.A. and Spotify AB dated December 15, 2017 (incorporated herein by reference to Exhibit 10.14 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.8	Amendment Agreement dated as of September 26, 2018 to the Third Amended and Restated Shareholders Agreement among the Registrant, the shareholders of the Registrant and certain other parties named therein (incorporated herein by reference to Exhibit 10.25 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.9	English translation of Exclusive Technical Service Agreement between Beijing Tencent Music and Xizang Qiming (currently known as Guangxi Hexian) dated February 8, 2018 (incorporated herein by reference to Exhibit 10.28 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)

Exhibit Number	Description of Document
4.10	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Xizang Qiming (currently known as Guangxi Hexian) and Beijing Zhizheng dated March 10, 2021 (incorporated herein by reference to Exhibit 4.9 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.11	English translation of Exclusive Option Agreement among Beijing Tencent Music, Xizang Qiming (currently known as Guangxi Hexian) and Beijing Zhizheng dated March 10, 2021 (incorporated herein by reference to Exhibit 4.10 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.12	English translation of Power of Attorney granted by Beijing Zhizheng, shareholder of Xizang Qiming (currently known as Guangxi Hexian) dated March 10, 2021 (incorporated herein by reference to Exhibit 4.11 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.13	English translation of Loan Agreement between Beijing Tencent Music and Beijing Zhizheng dated March 10, 2021 (incorporated herein by reference to Exhibit 4.12 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.14	English translation of Debt Assignment and Offset Agreement among Beijing Zhizheng, Beijing Tencent Music and Mr. Qihu Yang dated March 10, 2021 (incorporated herein by reference to Exhibit 4.13 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.15	English translation of Debt Assignment and Offset Agreement among Beijing Zhizheng, Beijing Tencent Music and Mr. Dejun Gu dated March 10, 2021 (incorporated herein by reference to Exhibit 4.14 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.16	English translation of Debt Assignment and Offset Agreement among Ms. Min Hu, Mr. Dejun Gu and Beijing Tencent Music dated September 12, 2019 (incorporated herein by reference to Exhibit 4.34 to the annual report for the fiscal year ended December 31, 2019 filed with the SEC on March 25, 2020)
4.17	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Guangzhou Kugou and the shareholders of Guangzhou Kugou dated April 28, 2024 (incorporated herein by reference to Exhibit 4.17 to the annual report for the fiscal year ended December 31, 2024 filed with the SEC on April 23, 2025)
4.18	English translation of Exclusive Option Agreement among Beijing Tencent Music, Guangzhou Kugou and the shareholders of Guangzhou Kugou dated April 28, 2024 (incorporated herein by reference to Exhibit 4.18 to the annual report for the fiscal year ended December 31, 2024 filed with the SEC on April 23, 2025)
4.19	English translation of Exclusive Technical Service Agreement between Beijing Tencent Music and Guangzhou Kugou dated March 26, 2018 (incorporated herein by reference to Exhibit 10.35 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.20	English translation of Voting Trust Agreement among Beijing Tencent Music, Guangzhou Kugou and the shareholders of Guangzhou Kugou dated April 28, 2024 (incorporated herein by reference to Exhibit 4.20 to the annual report for the fiscal year ended December 31, 2024 filed with the SEC on April 23, 2025)
4.21	English translation of Loan Agreement among Mr. Guomin Xie, Mr. Xiaotao Chen and Ocean Interactive (Beijing) Information Technology Co., Ltd. (currently known as Beijing Tencent Music) dated April 21, 2014 (incorporated herein by reference to Exhibit 10.37 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.22	English translation of Debt Assignment and Offset Agreement among Mr. Xiaotao Chen, Mr. Zhongwei Qiu and Ocean Interactive (Beijing) Information Technology Co., Ltd. (currently known as Beijing Tencent Music) dated April 11, 2017 (incorporated herein by reference to Exhibit 10.38 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.23	English translation of Debt Assignment and Offset Agreement among Ms. Meiqi Wang, Mr. Guomin Xie and Beijing Tencent Music dated May 11, 2020 (incorporated herein by reference to Exhibit 4.22 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.24	English translation of Debt Assignment and Offset Agreement among Ms. Meiqi Wang, Qianhai Daizheng and Beijing Tencent Music dated January 16, 2023 (incorporated herein by reference to Exhibit 4.23 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)

Exhibit Number	Description of Document
4.25	English translation of Debt Assignment and Offset Agreement among Mr. Zhongwei Qiu, Qianhai Daizheng and Beijing Tencent Music dated January 16, 2023 (incorporated herein by reference to Exhibit 4.24 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
4.26	English translation of Equity Interest Pledge Agreement among Yeelion Online, Beijing Kuwo and Linzhi Lichuang Information Technology Co., Ltd. dated December 5, 2022 (incorporated herein by reference to Exhibit 4.25 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
4.27	English translation of Equity Interest Pledge Agreement among Yeelion Online, Beijing Kuwo and Qianhai Daizheng dated December 5, 2022 (incorporated herein by reference to Exhibit 4.26 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
4.28	English translation of Exclusive Option Agreement among Yeelion Online, Beijing Kuwo and the shareholders of Beijing Kuwo dated December 5, 2022 (incorporated herein by reference to Exhibit 4.27 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
4.29	English translation of Exclusive Technical Service Agreement between Yeelion Online and Beijing Kuwo dated July 12, 2016 (incorporated herein by reference to Exhibit 10.47 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.30	English translation of Voting Trust Agreement among Yeelion Online, Beijing Kuwo and shareholders of Beijing Kuwo dated December 5, 2022 (incorporated herein by reference to Exhibit 4.29 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
4.31	English translation of Loan Agreement among Yeelion Online, Mr. Guomin Xie and certain other party named therein dated July 12, 2016 (incorporated herein by reference to Exhibit 10.49 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.32†	English translation of Debt Assignment and Offset Agreement among Mr. Guomin Xie, Ms. Meiqi Wang and Yeelion Online dated August 20, 2019 (incorporated herein by reference to Exhibit 4.35 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.33	English translation of Debt Assignment and Offset Agreement among Ms. Meiqi Wang, Qianhai Daizheng and Yeelion Online dated August 1, 2022 (incorporated herein by reference to Exhibit 4.32 to the annual report for the fiscal year ended December 31, 2022 filed with the SEC on April 25, 2023)
4.34†	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Qianhai Daizheng, and Shenzhen Ultimate Music dated November 19, 2021 (incorporated herein by reference to Exhibit 4.37 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.35†	English translation of Exclusive Option Agreement among Beijing Tencent Music, Qianhai Daizheng, and Shenzhen Ultimate Music dated November 19, 2021 (incorporated herein by reference to Exhibit 4.38 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.36†	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Shenzhen Ultimate Music dated November 19, 2021 (incorporated herein by reference to Exhibit 4.39 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.37†	English translation of Loan Agreement between Beijing Tencent Music and Qianhai Daizheng dated November 19, 2021 (incorporated herein by reference to Exhibit 4.40 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.38	English translation of Power of Attorney granted by Qianhai Daizheng dated November 19, 2021 (incorporated herein by reference to Exhibit 4.41 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.39	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Beijing Gongse dated June 22, 2020 (incorporated herein by reference to Exhibit 4.51 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.40	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Gongse and the shareholders of Beijing Gongse dated June 22, 2020 (incorporated herein by reference to Exhibit 4.52 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)

Exhibit Number	Description of Document
4.41†	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Gongse and Ms. Yueting Luo dated November 25, 2021 (incorporated herein by reference to Exhibit 4.44 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.42	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Beijing Gongse and shareholders of Beijing Gongse dated June 22, 2020 (incorporated herein by reference to Exhibit 4.53 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.43†	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Beijing Gongse and Ms. Yueting Luo dated November 25, 2021 (incorporated herein by reference to Exhibit 4.46 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.44	English translation of each Loan Agreement between Mr. Qihu Yang, Mr. Dejun Gu, Mr. Jie Zhou, Ms. Xing Chen, Mr. Yunheng Liang and Beijing Tencent Music dated June 22, 2020 (incorporated herein by reference to Exhibit 4.54 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.45†	English translation of Loan Agreement between Ms. Yueting Luo and Beijing Tencent Music dated November 25, 2021 (incorporated herein by reference to Exhibit 4.48 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.46	English translation of each Power of Attorney granted by Mr. Qihu Yang, Mr. Dejun Gu, Mr. Jie Zhou, Ms. Xing Chen and Mr. Yunheng Liang, as shareholder of Beijing Gongse dated June 22, 2020 (incorporated herein by reference to Exhibit 4.55 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.47†	English translation of Power of Attorney granted by Ms. Yueting Luo, as a shareholder of Beijing Gongse dated November 25, 2021 (incorporated herein by reference to Exhibit 4.50 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.48	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Beijing Shangqin dated July 14, 2020 (incorporated herein by reference to Exhibit 4.56 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.49	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Shangqin and the partners of Beijing Shangqin dated July 14, 2020 (incorporated herein by reference to Exhibit 4.57 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.50†	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Shangqin and Ms. Yueting Luo dated November 29, 2021 (incorporated herein by reference to Exhibit 4.53 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.51	English translation of Share of Property Pledge Agreement among Beijing Tencent Music, Beijing Shangqin and the partners of Beijing Shangqin dated July 14, 2020 (incorporated herein by reference to Exhibit 4.58 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.52†	English translation of Partnership Interest Pledge Agreement among Beijing Tencent Music, Beijing Shangqin and Ms. Yueting Luo dated November 29, 2021 (incorporated herein by reference to Exhibit 4.55 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.53	English translation of each Loan Agreement between Beijing Gongse, Mr. Qihu Yang, Mr. Dejun Gu, Mr. Jie Zhou, Ms. Xing Chen and Mr. Yunheng Liang and Beijing Tencent Music dated July 14, 2020 (incorporated herein by reference to Exhibit 4.59 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.54†	English translation of Loan Agreement between Ms. Yueting Luo and Beijing Tencent Music dated November 29, 2021 (incorporated herein by reference to Exhibit 4.57 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.55	English translation of each Power of Attorney granted by Beijing Gongse, Mr. Qihu Yang, Mr. Dejun Gu, Mr. Jie Zhou, Ms. Xing Chen and Mr. Yunheng Liang, as partner of Beijing Shangqin dated July 14, 2020 (incorporated herein by reference to Exhibit 4.60 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)

Exhibit Number	Description of Document
4.56†	English translation of Power of Attorney granted by Ms. Yueting Luo, as partner of Beijing Shangqin dated November 29, 2021 (incorporated herein by reference to Exhibit 4.59 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.57	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Beijing Yuzhong dated July 14, 2020 (incorporated herein by reference to Exhibit 4.61 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.58	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Yuzhong and the partners of Beijing Yuzhong dated July 14, 2020 (incorporated herein by reference to Exhibit 4.62 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.59†	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Yuzhong and Ms. Yueting Luo dated November 29, 2021 (incorporated herein by reference to Exhibit 4.62 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.60	English translation of Share of Property Pledge Agreement among Beijing Tencent Music, Beijing Yuzhong and the partners of Beijing Yuzhong dated July 14, 2020 (incorporated herein by reference to Exhibit 4.63 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.61†	English translation of Partnership Interest Pledge Agreement among Beijing Tencent Music, Beijing Yuzhong and Ms. Yueting Luo dated November 29, 2021 (incorporated herein by reference to Exhibit 4.64 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.62	English translation of each Loan Agreement between Beijing Gongse, Mr. Qihu Yang, Mr. Dejun Gu, Mr. Jie Zhou, Ms. Xing Chen, Mr. Yunheng Liang and Beijing Tencent Music dated July 14, 2020 (incorporated herein by reference to Exhibit 4.64 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.63†	English translation of Loan Agreement between Ms. Yueting Luo and Beijing Tencent Music dated November 29, 2021 (incorporated herein by reference to Exhibit 4.66 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.64	English translation of each Power of Attorney granted by Beijing Gongse, Mr. Qihu Yang, Mr. Dejun Gu, Mr. Jie Zhou, Ms. Xing Chen and Mr. Yunheng Liang, as partner of Beijing Yuzhong dated July 14, 2020 (incorporated herein by reference to Exhibit 4.65 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.65†	English translation of Power of Attorney granted by Ms. Yueting Luo, as partner of Beijing Yuzhong dated November 29, 2021 (incorporated herein by reference to Exhibit 4.68 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.66	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Beijing Zhizheng dated July 28, 2020 (incorporated herein by reference to Exhibit 4.66 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.67	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Zhizheng and the shareholders of Beijing Zhizheng dated July 28, 2020 (incorporated herein by reference to Exhibit 4.67 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.68	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Beijing Zhizheng and the shareholders of Beijing Zhizheng dated July 28, 2020 (incorporated herein by reference to Exhibit 4.68 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.69	English translation of each Loan Agreement between Beijing Shangqin, Beijing Yuzhong and Beijing Tencent Music dated July 28, 2020 (incorporated herein by reference to Exhibit 4.69 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.70	English translation of each Power of Attorney granted by Beijing Shangqin and Beijing Yuzhong, as shareholder of Beijing Zhizheng dated July 28, 2020 (incorporated herein by reference to Exhibit 4.70 to the annual report for the fiscal year ended December 31, 2020 filed with the SEC on April 9, 2021)
4.71†	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Guangxi Qingse dated September 8, 2020 (incorporated herein by reference to Exhibit 4.74 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)

Exhibit Number	Description of Document
4.72†	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Zhizheng and Guangxi Qingse dated September 8, 2020 (incorporated herein by reference to Exhibit 4.75 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.73†	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Beijing Zhizheng and Guangxi Qingse dated September 8, 2020 (incorporated herein by reference to Exhibit 4.76 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.74†	English translation of Loan Agreement between Beijing Zhizheng and Beijing Tencent Music dated September 8, 2020 (incorporated herein by reference to Exhibit 4.77 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.75	English translation of Power of Attorney granted by Beijing Zhizheng dated September 8, 2020 (incorporated herein by reference to Exhibit 4.78 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.76†	English translation of Exclusive Business Cooperation Agreement between Beijing Tencent Music and Qianhai Daizheng dated September 25, 2020 (incorporated herein by reference to Exhibit 4.79 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.77†	English translation of Exclusive Option Agreement among Beijing Tencent Music, Beijing Zhizheng and Qianhai Daizheng dated September 25, 2020 (incorporated herein by reference to Exhibit 4.80 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.78†	English translation of Equity Interest Pledge Agreement among Beijing Tencent Music, Beijing Zhizheng and Qianhai Daizheng dated September 25, 2020 (incorporated herein by reference to Exhibit 4.81 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.79†	English translation of Loan Agreement between Beijing Zhizheng and Beijing Tencent Music dated September 25, 2020 (incorporated herein by reference to Exhibit 4.82 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.80	English translation of Power of Attorney granted by Beijing Zhizheng dated September 25, 2020 (incorporated herein by reference to Exhibit 4.83 to the annual report for the fiscal year ended December 31, 2021 filed with the SEC on April 26, 2022)
4.81	English translation of Master Business Cooperation Agreement between certain affiliates of Tencent and the Registrant dated August 14, 2023
4.82	Registration Rights Agreement among the Registrant, the shareholders of the Registrant and certain other parties named therein dated November 16, 2018 (incorporated herein by reference to Exhibit 10.59 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)
4.83	Form of Indenture between the Registrant and The Bank of New York Mellon, as trustee (incorporated herein by reference to Exhibit 4.1 to the registration statement on Form F-3 (File No. 333-248253) filed by the Registrant with the Securities and Exchange Commission on August 24, 2020)
4.84	First Supplemental Indenture, dated as of September 3, 2020, between the Registrant and The Bank of New York Mellon (incorporated herein by reference to Exhibit 4.1 to the current report on Form 6-K (File No. 001-38751) furnished to the SEC on September 4, 2020)
4.85	Form of US$300,000,000 1.375% Notes due 2025 (incorporated herein by reference to Exhibit 4.1 to the current report on Form 6-K (File No. 001-38751) furnished to the SEC on September 4, 2020)
4.86	Form of US$500,000,000 2.000% Notes due 2030 (incorporated herein by reference to Exhibit 4.1 to the current report on Form 6-K (File No. 001-38751) furnished to the SEC on September 4, 2020)
4.87*†	Agreement and Plan of Merger by and among Tencent Music Entertainment Group, Merger Sub, Ximalaya Inc., Founder Parties as set forth in Schedule A thereto, and Xima Holdings Limited dated June 10, 2025
8.1*	Significant Subsidiaries, VIEs and Subsidiaries of VIEs of the Registrant
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1 (File No. 333-227656), as amended, initially filed with the SEC on October 2, 2018)

Exhibit Number	Description of Document
11.2	Statement of Policy Concerning Trading in Company Securities (incorporated herein by reference to Exhibit 11.2 to the annual report for the fiscal year ended December 31, 2024 filed with the SEC on April 23, 2025)
12.1*	Certification by Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification by Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification by Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification by Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent of Han Kun Law Offices
15.2*	Consent of Maples and Calder (Hong Kong) LLP
15.3*	Consent of PricewaterhouseCoopers Zhong Tian LLP, Independent Registered Public Accounting Firm
97.1	Compensation Recoupment Policy (incorporated herein by reference to Exhibit 97.1 to the annual report for the fiscal year ended December 31, 2023 filed with the SEC on April 18, 2024)
101.INS	Inline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith
** Furnished herewith
† Portions of this exhibit have been omitted in reliance of the revised Item 601 of Regulation S-K.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing its annual report on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Tencent Music Entertainment Group

By: /s/ Zhu Liang
Name: Zhu Liang
Title: Chief Executive Officer

Date: April 17, 2026

TENCENT MUSIC ENTERTAINMENT GROUP
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Tencent Music Entertainment Group

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Tencent Music Entertainment Group and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated income statements, and statements of comprehensive income, of changes in equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment assessments of goodwill

As described in Notes 2.9, 4(b) and 16 to the consolidated financial statements, the Company's consolidated goodwill balance was RMB20,521 million as of December 31, 2025. Management conducts goodwill impairment tests annually or when there are indications the carrying value may be impaired. For purposes of impairment testing, management allocates its goodwill to the relevant cash-generating units ("CGUs"), and compares the recoverable amounts of these CGUs to their respective carrying amounts. Management determined the recoverable amounts of these CGUs based on the higher of (i) their respective value in use ("VIU") and (ii) their fair value less costs of disposal. VIU was calculated based on discounted cash flows expected to be derived from the respective CGUs. Fair value less costs of disposal was determined based on market approach. Management made significant judgments and key assumptions relating to revenue growth rates and pre-tax discount rates for the cash flow projections and selection of comparable public companies for market approach.

The principal considerations for our determination that performing procedures relating to impairment assessments of goodwill is a critical audit matter are the significant judgments made by management when determining the recoverable amounts of the related CGUs. This in turn led to a high degree of audit judgment and effort in performing procedures and in evaluating management's key assumptions, including revenue growth rates and pre-tax discount rates for the cash flow projections and selection of comparable public companies for market approach. In addition, the audit effort also involved the use of professionals with specialized skills and knowledge to assist in performing these procedures and evaluating the audit evidence obtained.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included understanding and testing the effectiveness of controls relating to management's goodwill impairment assessment, including controls over the determination of the recoverable amounts of the Company's CGUs. These procedures also included, among others, (i) evaluating the appropriateness of the valuation models used in management's impairment assessments; (ii) evaluating the reasonableness of the key assumptions used in management's discounted cash flow forecasts prepared under VIU approach such as revenue growth rates and pre-tax discount rates and also ratios of enterprise value to revenue of comparable companies used in market approach, by considering the current and past performance of the CGUs and consistency with relevant industry forecasts and market developments; (iii) testing the completeness, accuracy, and relevance of underlying data used in the models; and (iv) performing the retrospective review of the significant judgments and key assumptions used in management's discounted cash flow forecasts under VIU approach by comparing the prior period's estimates to actual results to determine whether management's significant judgments and key assumptions indicate a possible bias on the part of management. Professionals with specialized skills and knowledge were used to assist in evaluating the appropriateness of the cash flow models and the reasonableness of certain significant judgments and key assumptions, including pre-tax discount rates used in management's cash flow forecasts and selection of comparable public companies for the market approach.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shenzhen, the People's Republic of China
April 17, 2026

We have served as the Company's auditor since 2018.

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED INCOME STATEMENTS

	Note	Year ended December 31, 2023 RMB'million	2024 RMB'million	2025 RMB'million
Revenue from online music services		17,325	21,742	26,726
Revenue from social entertainment services and others		10,427	6,659	6,176
Total revenues	5	27,752	28,401	32,902
Cost of revenues		(17,957)	(16,376)	(18,367)
Gross profit		9,795	12,025	14,535
Selling and marketing expenses		(897)	(865)	(941)
General and administrative expenses		(4,121)	(3,811)	(3,916)
Total operating expenses		(5,018)	(4,676)	(4,857)
Interest income	6	1,052	1,196	1,054
Other gains, net	7	230	165	2,632
Operating profit		6,059	8,710	13,364
Share of net profit of investments accounted for using equity method	17	127	96	42
Finance costs	9	(141)	(94)	(129)
Profit before income tax		6,045	8,712	13,277
Income tax expense	10(a)	(825)	(1,603)	(1,924)
Profit for the year		5,220	7,109	11,353
Attributable to:				
Equity holders of the Company		4,920	6,644	11,056
Non-controlling interests		300	465	297
		5,220	7,109	11,353
		RMB	**RMB**	**RMB**
Earnings per share for Class A and Class B ordinary shares	11			
Basic		1.58	2.15	3.60
Diluted		1.55	2.12	3.56
Earnings per ADS (2 Class A shares equal to 1 ADS)				
Basic		3.15	4.31	7.21
Diluted		3.11	4.24	7.11

The accompanying notes are an integral part of these consolidated financial statements.

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Profit for the year	5,220	7,109	11,353
Other comprehensive income, net of tax:			
Items that will not be reclassified subsequently to profit or loss			
Fair value changes on financial assets at fair value through other comprehensive income	3,270	7,786	4,094
Currency translation differences	214	235	(516)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	(21)	(115)	(306)
Share of other comprehensive income/(loss) of associates	4	112	(38)
Total comprehensive income for the year	8,687	15,127	14,587
Attributable to:			
Equity holders of the Company	8,387	14,662	14,290
Non-controlling interests	300	465	297
	8,687	15,127	14,587

The accompanying notes are an integral part of these consolidated financial statements.

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED BALANCE SHEETS

	Note	As at December 31, 2024 RMB'million	2025 RMB'million
ASSETS			
Non-current assets			
Property, plant and equipment	12	803	1,201
Land use rights	13	2,364	2,290
Right-of-use assets	14	295	287
Intangible assets	15	2,049	2,899
Goodwill	16	19,647	20,521
Investments accounted for using equity method	17	4,669	1,659
Financial assets at fair value through other comprehensive income	18(a)	14,498	26,231
Other investments	18(b)	309	303
Prepayments, deposits and other assets	19	425	365
Deferred tax assets	10(b)	422	498
Term deposits	21(a)	10,419	13,810
		55,900	70,064
Current assets			
Inventories		23	41
Accounts receivable	20	3,508	3,903
Prepayments, deposits and other assets	19	3,793	4,183
Other investments	18(b)	46	83
Term deposits	21(a)	13,999	15,763
Restricted cash	21(b)	11	15
Cash and cash equivalents	21(c)	13,164	8,470
		34,544	32,458
Total assets		90,444	102,522
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	22	2	2
Additional paid-in capital	22	29,035	29,919
Shares held for share award schemes	22	(520)	(801)
Treasury shares	22	(550)	(664)
Other reserves	23	19,845	22,450
Retained earnings		20,051	29,381
		67,863	80,287
Non-controlling interests		1,863	2,763
Total equity		69,726	83,050
LIABILITIES			
Non-current liabilities			
Notes payable	25	3,572	3,497
Other payables and other liabilities	26	-	379
Deferred tax liabilities	10(b)	198	504
Lease liabilities		219	200
Deferred revenue	27	179	303
		4,168	4,883
Current liabilities			
Accounts payable		6,879	6,284
Other payables and other liabilities	26	3,381	3,558
Notes payables	25	2,154	-
Current tax liabilities		934	1,092
Lease liabilities		106	116
Deferred revenue	27	3,096	3,539
		16,550	14,589
Total liabilities		20,718	19,472
Total equity and liabilities		90,444	102,522

The accompanying notes are an integral part of these consolidated financial statements.

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to equity holders of the Company								
	Note	Share capital RMB'million	Additional paid-in capital RMB'million	Shares held for share award schemes RMB'million	Treasury shares RMB'million	Other reserves RMB'million	Retained earnings RMB'million	Total RMB'million	Non-controlling interests RMB'million	Total equity RMB'million
Balance at January 1, 2023		2	36,456	(202)	(6,349)	6,140	12,052	48,099	1,028	49,127
Profit for the year		-	-	-	-	-	4,920	4,920	300	5,220
Fair value changes on financial assets at fair value through other comprehensive income		-	-	-	-	3,270	-	3,270	-	3,270
Share of other comprehensive income of associates		-	-	-	-	4	-	4	-	4
Currency translation differences		-	-	-	-	193	-	193	-	193
Total comprehensive income for the year		-	-	-	-	3,467	4,920	8,387	300	8,687
Transactions with equity holders:										
Exercise of share options/ RSUs	22,23	-	120	-	602	(662)	-	60	-	60
Non-controlling interests arising from business combination		-	-	-	-	71	-	71	17	88
Share-based compensation - value of employee services	23,24	-	-	-	-	649	-	649	-	649
Shares held for share award schemes	22	-	-	(100)	-	-	-	(100)	-	(100)
Repurchase of shares		-	-	-	(1,249)	-	-	(1,249)	-	(1,249)
Additional investments in a non-wholly owned subsidiary		-	-	-	-	(10)	-	(10)	(8)	(18)
Appropriations to statutory reserves		-	-	-	-	3	(3)	-	-	-
Dividend to non-controlling interests		-	-	-	-	-	-	-	(42)	(42)
Total transactions with equity holders at their capacity as equity holders for the year		-	120	(100)	(647)	51	(3)	(579)	(33)	(612)
Balance at December 31, 2023		2	36,576	(302)	(6,996)	9,658	16,969	55,907	1,295	57,202

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY(CONTINUED)

		Attributable to equity holders of the Company								
	Note	Share capital RMB'million	Additional paid-in capital RMB'million	Shares held for share award schemes RMB'million	Treasury shares RMB'million	Other reserves RMB'million	Retained earnings RMB'million	Total RMB'million	Non-controlling interests RMB'million	Total equity RMB'million
Balance at January 1, 2024		2	36,576	(302)	(6,996)	9,658	16,969	55,907	1,295	57,202
Profit for the year		-	-	-	-	-	6,644	6,644	465	7,109
Fair value changes on financial assets at fair value through other comprehensive income		-	-	-	-	7,786	-	7,786	-	7,786
Share of other comprehensive income of associates		-	-	-	-	112	-	112	-	112
Currency translation differences		-	-	-	-	120	-	120	-	120
Total comprehensive income for the year		-	-	-	-	8,018	6,644	14,662	465	15,127
Capitalization of retained earnings of a subsidiary under a group restructuring		-	-	-	-	2,042	(2,042)	-	-	-
Transactions with equity holders:										
Exercise of share options/ RSUs	22,23	-	108	-	650	(599)	-	159	-	159
Share-based compensation - value of employee services	23,24	-	-	-	-	596	-	596	-	596
Shares held for share award schemes	22	-	-	(218)	-	-	-	(218)	-	(218)
Repurchase of shares		-	-	-	(1,853)	-	-	(1,853)	-	(1,853)
Shares cancellation		-	(7,649)	-	7,649	-	-	-	-	-
Dividends to the Company's shareholders		-	-	-	-	-	(1,508)	(1,508)	-	(1,508)
Non-controlling interests arising from business combination		-	-	-	-	105	-	105	51	156
Capital contribution from non-controlling interests		-	-	-	-	13	-	13	109	122
Disposal of non-wholly owned subsidiaries		-	-	-	-	-	-	-	11	11
Dividends to non-controlling interests		-	-	-	-	-	-	-	(68)	(68)
Appropriations to statutory reserves		-	-	-	-	12	(12)	-	-	-
Total transactions with equity holders at their capacity as equity holders for the year		-	(7,541)	(218)	6,446	127	(1,520)	(2,706)	103	(2,603)
Balance at December 31, 2024		2	29,035	(520)	(550)	19,845	20,051	67,863	1,863	69,726

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

		Attributable to equity holders of the Company								
	Note	Share capital RMB'million	Additional paid-in capital RMB'million	Shares held for share award schemes RMB'million	Treasury shares RMB'million	Other reserves RMB'million	Retained earnings RMB'million	Total RMB'million	Non-controlling interests RMB'million	Total equity RMB'million
Balance at January 1, 2025		2	29,035	(520)	(550)	19,845	20,051	67,863	1,863	69,726
Profit for the year		-	-	-	-	-	11,056	11,056	297	11,353
Fair value changes on financial assets at fair value through other comprehensive income		-	-	-	-	4,094	-	4,094	-	4,094
Share of other comprehensive loss of associates		-	-	-	-	(38)	-	(38)	-	(38)
Currency translation differences		-	-	-	-	(822)	-	(822)	-	(822)
Total comprehensive income for the year		-	-	-	-	3,234	11,056	14,290	297	14,587
Transactions with equity holders:										
Exercise of share options/ RSUs	22,23	-	884	-	348	(693)	-	539	-	539
Share-based compensation - value of employee services	23,24	-	-	-	-	669	-	669	-	669
Shares held for share award schemes	22	-	-	(281)	-	-	-	(281)	-	(281)
Repurchase of shares		-	-	-	(462)	-	-	(462)	-	(462)
Dividends to the Company's shareholders		-	-	-	-	-	(1,974)	(1,974)	-	(1,974)
Non-controlling interests arising from business combination		-	-	-	-	15	-	15	552	567
Dividends to non-controlling interests		-	-	-	-	-	-	-	(54)	(54)
Deemed disposal		-	-	-	-	(147)	259	112	-	112
Recognition of financial liabilities in respect of the put option from business combination		-	-	-	-	(379)	-	(379)	-	(379)
Transactions with minority interest		-	-	-	-	(105)	-	(105)	105	-
Appropriations to statutory reserves		-	-	-	-	11	(11)	-	-	-
Total transactions with equity holders at their capacity as equity holders for the year		-	884	(281)	(114)	(629)	(1,726)	(1,866)	603	(1,263)
Balance at December 31, 2025		2	29,919	(801)	(664)	22,450	29,381	80,287	2,763	83,050

The accompanying notes are an integral part of these consolidated financial statements.

TENCENT MUSIC ENTERTAINMENT GROUP
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31, 2023 RMB'million	2024 RMB'million	2025 RMB'million
Cash flows from operating activities				
Cash generated from operations	29(a)	7,455	10,717	10,812
Interest received		707	913	1,240
Income taxes paid		(825)	(1,355)	(1,821)
Net cash inflow from operating activities		7,337	10,275	10,231
Cash flows from investing activities				
Net cash payment for business combination		(9)	(34)	(1,056)
Purchase of property, plant and equipment		(165)	(319)	(305)
Purchase of intangible assets		(456)	(713)	(883)
Purchase of land use right		(543)	-	-
Placement of short-term investments		-	(12,000)	(3,800)
Receipt from short-term investments		-	12,035	3,851
Placement of term deposits with initial terms of over three months		(13,663)	(24,458)	(17,880)
Receipt from maturity of term deposits with initial terms of over three months		12,828	18,851	12,590
Payments for disposal of subsidiaries		-	(25)	-
Proceeds from disposal of investments accounted for using equity method		59	18	40
Payments for acquisition of investments accounted for using equity method		(15)	(234)	(1,841)
Payments for acquisition of investments accounted for as financial assets at fair value through profit or loss		(10)	(22)	(39)
Payments for acquisition of investments accounted for as financial assets at fair value through other comprehensive income		-	-	(1,244)
Payments for loan to third parties		(70)	(11)	-
Receipts from repayments of loans to third parties		46	20	-
Dividends received		126	61	332
Capital reduction of an associate		7	-	-
Other investing activities		2	13	8
Net cash outflow from investing activities		(1,863)	(6,818)	(10,227)
Cash flows from financing activities				
Proceeds from exercise of share options		57	156	430
Payments for acquisition of non-controlling interests in non-wholly owned subsidiaries		(23)	(21)	-
Shares withheld for share award schemes	22	(100)	(217)	(281)
Payments for repurchase of ordinary shares		(1,249)	(1,925)	(390)
Dividends paid to the Company's shareholders		-	(1,508)	(1,981)
Dividends paid to non-controlling interests		(42)	(68)	(54)
Proceeds from issuance of additional equity of non-wholly owned subsidiaries		52	-	-
Capital contribution from non-controlling interests		-	6	1
Payments for interests		(117)	(119)	(119)
Principal elements of lease payments	14	(116)	(134)	(124)
Repayment of notes payable		-	-	(2,131)
Net cash outflow from financing activities		(1,538)	(3,830)	(4,649)
Net increase/(decrease) in cash and cash equivalents		3,936	(373)	(4,645)
Cash and cash equivalents at beginning of the year		9,555	13,567	13,164
Exchange differences on cash and cash equivalents		76	(30)	(49)
Cash and cash equivalents at end of the year		13,567	13,164	8,470

The accompanying notes are an integral part of these consolidated financial statements.

1. General information and organization

1.1. General information

Tencent Music Entertainment Group (the "Company" or "TME"), formerly known as China Music Corporation ("CMC"), was incorporated under the laws of the Cayman Islands on June 6, 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The registered office in the Cayman Islands is located at the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company is controlled by Tencent Holdings Limited ("Tencent"), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange"). The Company's American Depositary Shares ("ADSs") have been listed on the New York Stock Exchange since December 12, 2018. The Company's Class A ordinary shares have been listed, by way of introduction, on the Hong Kong Stock Exchange since September 15, 2022. Each ADS of the Company represents two ordinary shares, remain primarily listed and traded on the New York Stock Exchange("NYSE"). The Class A ordinary shares listed on the Main Board of the Hong Kong Stock Exchange are fully fungible with the ADSs listed on the NYSE.

The Company, its subsidiaries, its controlled structured entities ("Variable interest entities", or "VIE") and their subsidiaries ("Subsidiaries of VIEs") are collectively referred to as the "Group". The Group is principally engaged in operating online music entertainment platforms to provide music streaming, online karaoke and live streaming services in the People's Republic of China ("PRC"). The Company does not conduct any substantive operations of its own but conducts its primary business operations through its wholly-owned subsidiaries, VIEs and subsidiaries of VIEs in the PRC.

In July 2016, Tencent acquired control of the Company through a series of transactions, pursuant to which Tencent injected substantially all of its online music business in the Mainland China ("Tencent Music Business") into the Company in exchange for certain number of shares issued by the Company ("Merger"). Upon the completion of such transactions, the Company became a subsidiary of Tencent and was renamed to its current name in December 2016. The Merger was accounted for as a reverse acquisition under which Tencent Music Business is regarded as the acquirer, and accordingly these consolidated financial statements have been presented as a continuation of the financial statements of Tencent Music Business.

1.2. Organization and principal activities

The PRC laws and regulations prohibit or restrict foreign ownership of companies that provide Internet-based business, which include activities and services provided by the Group. The Group operates its business operations in the PRC through a series of contractual arrangements ("Structured Contracts") entered into among the Company, its wholly-owned subsidiaries ("WOFEs"), VIEs that are legally owned by individuals ("Nominee Shareholders") authorized by the Group (collectively, "Contractual Arrangements"). The Structured Contracts include Exclusive Technical Service Agreement, Exclusive Business Cooperation Agreement, Loan Agreement, Exclusive Purchase Option Agreement, Equity Interest Pledge Agreement, and Powers of Attorney Agreement.

Under the Contractual Arrangements, the Company has the power to control the management, and financial and operating policies of the VIEs, has exposure or rights to variable returns from its involvement with the VIEs, and has the ability to use its power over the VIEs to affect the amount of the returns. As a result, all these VIEs are accounted for as consolidated structured entities of the Company and their financial statements have been consolidated by the Company.

The Structured Contracts had been in place throughout the years presented, and, there was no change to the principal terms of the Structured Contracts. The principal terms of the Structured Contracts are further described below:

(i) Powers of Attorney Agreement

Pursuant to the Powers of Attorney Agreement, the shareholders of the VIEs each irrevocably granted the WOFEs or any individual designated by the WOFEs in writing as their attorney-in-fact to vote, the rights to vote on their behalf on all matters of the VIEs requiring shareholder approval under the PRC laws and regulations and the VIEs' articles of association. The term of this agreement will remain effective as long as the shareholders continue to hold equity interests in the VIEs.

(ii) Exclusive Technical Service Agreement or Exclusive Business Cooperation Agreement

Pursuant to the Exclusive Technical Service Agreement or Exclusive Business Cooperation Agreement between the WOFEs and the VIEs, the WOFEs or their designated party has the exclusive right to provide business support, technical services and consulting services in return for a service fee, which represents 90% of net operating income of the VIEs together with other service fees charged for other ad hoc services provided. The WOFEs have the discretion to change the charge rate. During the term of the agreement, without the WOFEs' prior written consent, the VIEs shall not engage any third party for rendering any of such services defined under this agreement.

(iii) Loan Agreement

Under the Loan Agreement between the WOFEs and the shareholders of the VIEs, the WOFEs provided interest-free loans to the shareholders of the VIEs solely for the subscription of newly registered capital of the VIEs. The WOFEs have the sole discretion to determine the way of repayment, including requiring the shareholders to transfer their equity shares in the VIEs to the WOFEs according to the terms indicated in the exclusive share purchase option as mentioned below.

(iv) Exclusive Purchase Option Agreement

Pursuant to the Exclusive Purchase Option Agreement amongst the WOFEs, the VIEs and their shareholders, the shareholders of the VIEs granted the WOFEs or their designated party, an exclusive irrevocable option to purchase, all or part of the equity interests held by its shareholders, when and to the extent permitted under PRC law, at a price equal to the proportional amount of registered capital of the VIEs. Without the consent of the WOFEs or their designated party, the shareholders of the VIEs may not transfer, donate, pledge, or otherwise dispose of their equity shareholdings in any way. The Exclusive Purchase Option Agreement remains effective until the options are exercised.

(v) Equity Interest Pledge Agreement

Pursuant to the Equity Interest Pledge Agreement enacted amongst the WOFEs, the VIEs and their shareholders, the shareholders of the VIEs pledge all of their equity interests in the VIEs to the WOFEs, to guarantee the VIEs and their shareholders' performance of their obligations under Exclusive Purchase Option Agreement, Exclusive Business Cooperation Agreement, Loan Agreement, and Powers of Attorney Agreement. If the VIEs and/or any of their shareholders breach their contractual obligations under this agreement, the WOFEs, as pledgee, will be entitled to certain rights, including the right to sell the pledged equity interests. Without the WOFEs' prior written consent, shareholders of the VIEs shall not transfer or assign the pledged equity interests, or create or allow any encumbrance that would prejudice the WOFEs' interests.

During the term of this agreement, the WOFEs are entitled to receive all of the dividends and profits paid on the pledged equity interests. The equity interest pledge was effective upon the completion of the registration of the pledge with the local branch of the State Administration for Industry and Commerce ("SAIC"), and remain effective until the VIEs and its shareholders discharge all their obligations under the Contractual Arrangements.

As at December 31, 2025, the Company's significant subsidiaries, VIEs, and subsidiaries of VIEs were as follows:

	Place of incorporation	Date of Incorporation or acquisition	Equity Interest Held (direct or indirect)	Principal activities
Subsidiaries				
Tencent Music Entertainment Hong Kong Limited ("TME Hong Kong")	Hong Kong	July 2016*	100%	Investment holding and music related services
Tencent Music (Beijing) Co., Ltd ("Beijing Tencent Music")	PRC	July 2016*	100%	Technical support and consulting services
Yeelion Online Network Technology (Beijing) Co., Ltd. ("Yeelion Online")	PRC	July 2016*	100%	Technical support and consulting services
Tencent Music Entertainment Technology (Shenzhen) Co., Ltd. ("TME Tech Shenzhen")	PRC	February 2017	100%	Technical support and consulting services
Guangzhou Shiyinlian Software Technology Co., Ltd. ("Guangzhou Shiyinlian")	PRC	October 2019	100%	Technical support and consulting services
Variable Interest Entities				
Guangzhou Kugou Computer Technology Co., Ltd. ("Guangzhou Kugou")	PRC	July 2016*	100%	Online music and entertainment related services
Beijing Kuwo Technology Co., Ltd. ("Beijing Kuwo")	PRC	July 2016*	100%	Online music and entertainment related services
Subsidiaries of Variable Interest Entities				
Tencent Music Entertainment (Shenzhen) Co., Ltd. ("TME Shenzhen")	PRC	July 2016*	100%	Online music and entertainment related services
Shenzhen Lanren Online Technology Co., Ltd ("Shenzhen Lanren")	PRC	March 2021	100%	Audio platform

* Representing the entities acquired by the Group on July 12, 2016.

Risks in relation to the VIEs

In the opinion of the Company's management, the Contractual Arrangements discussed above have resulted in the Company, and the WOFEs having the power to direct activities that most significantly impact the VIEs, including appointing key management, setting up operating policies, exerting financial controls and transferring profit or assets out of the VIEs at its discretion. The Company has the power to direct activities of the VIEs and can have assets transferred out of the VIEs under its control. Therefore, the Company considers that there is no asset in any of the VIEs that can be used only to settle obligations of the VIEs, except for registered capital, capital reserve and PRC statutory reserves of the VIEs totaling RMB11,983 million and RMB11,612 million as at December 31, 2024 and 2025, respectively.

Currently there is no contractual arrangement that could require the Company to provide additional financial support to the VIEs. As the Company is conducting its Internet-related business mainly through the VIEs, the Company may provide such support on a discretional basis in the future, which could expose the Company to a loss. As the VIEs organized in the PRC were established as limited liability companies under PRC law, their creditors do not have recourse to the general credit of the WOFEs for the liabilities of the VIEs, and the WOFEs do not have the obligation to assume the liabilities of these VIEs.

The Company, based on the advice from its PRC legal counsel, determines that the Contractual Arrangements are in compliance with PRC law and are legally enforceable. However, uncertainties in the PRC legal system could limit the Group's ability to enforce the Contractual Arrangements.

On January 19, 2015, the Ministry of Commerce of the PRC ("MOFCOM"), released for public comment a proposed PRC law, the Draft FIE Law, that appears to include Consolidated VIEs within the scope of entities that could be considered as foreign invested enterprises, or FIEs, that would be subject to restrictions under existing PRC law on foreign investment in certain categories of industry. Specifically, the Draft FIE Law introduces the concept of "actual control" for determining whether an entity is considered to be an FIE. In addition to control through direct or indirect ownership or equity, the Draft FIE Law includes control through contractual arrangements within the definition of "actual control". The Draft FIE Law includes provisions that would exempt from the definition of foreign invested enterprises entities where the ultimate controlling shareholders are either entities organized under PRC law or individuals who are PRC citizens. The Draft FIE Law is silent as to what type of enforcement action might be taken against existing entities that operate in restricted or prohibited industries and are not controlled by entities organized under PRC law or individuals who are PRC citizens. If the restrictions and prohibitions on foreign invested enterprises included in the Draft FIE Law are enacted and enforced in their current form, the Company's ability to use the Contractual Arrangements and the Company's ability to conduct business through them could be severely limited.

The Company's ability to control VIEs also depends on rights provided to the WOFEs, under the Powers of Attorney Agreement, to vote on all matters requiring shareholder approval. As noted above, the Company believes these Powers of Attorney Agreements are legally enforceable, but they may not be as effective as direct equity ownership. In addition, if the corporate structure of the Group or the Contractual Arrangements between the Company or the WOFEs, the VIEs and their respective shareholders were found to be in violation of any existing PRC laws and regulations, the relevant PRC regulatory authorities could:

- revoke the Group's business and operating licenses;
- require the Group to discontinue or restrict its operations;
- restrict the Group's right to collect revenues;
- block the Group's websites;
- require the Group to restructure the operations, re-apply for the necessary licenses or relocate its businesses, staff and assets;
- impose additional conditions or requirements with which the Group may not be able to comply; or
- take other regulatory or enforcement actions against the Group that could be harmful to the Group's business.

The following are major financial statements amounts and balances of the Group's VIEs and subsidiaries of VIEs on a combined basis.

	As at December 31,	
	2024 RMB'million	2025 RMB'million
Total current assets	11,837	10,488
Total non-current assets	7,203	10,679
Total assets	19,040	21,167
Total current liabilities	(7,023)	(8,169)
Total non-current liabilities	(344)	(1,048)
Total liabilities	(7,367)	(9,217)

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Total revenues	26,770	27,180	30,804
Net loss	(302)	(723)	(698)
Net cash inflow from operating activities	518	406	3,107
Net cash outflow from investing activities	(430)	(323)	(3,578)
Net cash (outflow)/inflow from financing activities	(40)	77	1,380
Net increase in cash and cash equivalents	48	160	909
Cash and cash equivalents, beginning of the year	490	538	697
Exchange differences on cash and cash equivalents	-	(1)	-
Cash and cash equivalents, end of the year	538	697	1,606

The above combined financial statements amounts and balances included intercompany transactions which have been eliminated in the Company's consolidated financial statements.

As at December 31, 2024 and 2025, the total assets of Group's VIEs mainly consisted of cash and cash equivalents, accounts receivable, prepayments, deposits and other current assets, intangible assets, and land use rights.

As at December 31, 2024 and 2025, the total liabilities of VIEs mainly consisted of accounts payable, accrued expenses and other current liabilities.

The recognized revenue-producing assets held by the Group's VIEs include intangible assets acquired through business combinations, prepaid content royalties and servers.

The unrecognized revenue-producing assets held by the Group's VIEs mainly consist of internally generated intellectual property, licenses, and trademarks that the Group relies on to operate its businesses.

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of other investments, financial assets at fair value through other comprehensive income.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2. New and amendments to the accounting standards adopted and recent accounting pronouncements

(a) New and amendments to the accounting standards adopted

The following standard and amendment has been adopted by the Group for the first time for the financial year beginning on January 1, 2025:

Amendments to IAS 21	Lack of Exchangeability

The adoption of the amendment does not have material impact on the consolidated financial statements of the Group.

(b) Recent accounting pronouncements

Certain amendments to accounting standards and interpretation have been published that are not mandatory for December 31, 2025 reporting periods and have not been early adopted by the Group. As at the date of approval of these consolidated financial statements, the Group is still in the process of assessing the effects of adopting IFRS 18, IFRS 19 and these amendments and improvements to IFRS Accounting Standards. The Group will continue to assess the effects of these new and amended standards..

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	January 1, 2026
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
Amendments to IAS 36, IFRS 18, IAS 1, IAS 37, IAS 8, IFRS 7	Disclosures about Uncertainties in the Financial Statements—Illustrative examples	January 1, 2027

2.3. Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including VIEs as stated in Note 1.2 above) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet, respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally but not necessarily accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (d) below), after initially being recognized at cost.

(c) Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Interests in joint ventures are accounted for using the equity method (see (d) below), after initially being recognized at cost in the consolidated balance sheet.

(d) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.11 whenever there is an indication that the carrying amount may be impaired.

2.4. Business combinations

The acquisition method of accounting is used to account for all business combinations except for the business combinations under common control as stated below, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair value of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in profit or loss.

Business combination under common control

The Group accounts for the business combination between entities under common control using the predecessor accounting. For predecessor accounting:

- Assets and liabilities of the acquired entity are stated at predecessor carrying value. Fair value measurement is not required.
- No new goodwill arises in predecessor accounting.
- Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity in retained earnings or in a separate reserve.

The Group does not restate any assets and liabilities of the acquired entity. The assets and liabilities of the acquired entity are consolidated using the predecessor's amounts from the controlling party's perspective. No new goodwill is recorded. Any difference between the cost of investment and the carrying value of the net assets is recorded in equity as merger reserve.

The Group elects to incorporate the acquired entity's results only from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The corresponding amount for the previous year is also not restated.

2.5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. The Group's chief operating decision makers have been identified as executive directors of the Company, who review the consolidated results of operations when making decisions about allocating resources and assessing performance of the Group as a whole.

For the purpose of internal reporting and management's operation review, the chief operating decision-makers and management personnel do not segregate the Group's business by product or service lines. Hence, the Group has only one operating segment. In addition, the Group does not distinguish between markets or segments for the purpose of internal reporting. As the Group's assets and liabilities are substantially located in the PRC, substantially all revenues are earned and substantially all expenses are incurred in the PRC, no geographical segments are presented.

2.6. Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is United States Dollars ("US$"). As the major operations of the Group are within the PRC, the Group presents its consolidated financial statements in Renminbi ("RMB"), unless otherwise stated.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within finance costs.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gains or losses on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

2.7. Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual value, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Servers and network equipment	3 – 5 years
Office furniture, equipment and others	3 – 5 years
Leasehold improvements	Shorter of expected lives of leasehold improvements and lease terms

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes amortization of land use rights and the costs of construction of buildings. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. Construction in progress is transferred to property, plant and equipment when completed and ready for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement.

2.8. Land use rights

Land use rights are up-front payment to acquire long-term interests in land. The payment is stated at cost and charged to the consolidated income statement on a straight-line basis over the remaining period of the lease.

2.9. Goodwill

Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, below the operating segment.

2.10. Other intangible assets

(a) Domain name, trademark and Internet audio/video program transmission license

Separately acquired domain name, trademark and Internet audio/video program transmission license are shown at historical cost. These assets acquired in a business combination are recognized at fair value at the acquisition date. Domain name, trademark and Internet audio/video program transmission license have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of these assets and over their respective useful live of no more than 12 years. The useful lives of these assets are the periods over which they are expected to be available for use by the Group, and the management of the Group also takes into account of past experience when estimating the useful lives.

(b) Separately acquired and internal developed content and copyrights

Separately acquired content and copyrights are shown at historical cost. The Group also produces or/and contracts with external parties to produce content to exhibit on its platforms. Produced content includes direct production costs, production overheads and acquisition costs. The Group recognizes internal developed content as intangible assets only when the following criteria are met: the technical feasibility of completing the intangible asset exists, there is an intent to complete and an ability to use or sell the intangible asset, the intangible asset will generate probable future economic benefits, there are adequate resources available to complete the development and to use or sell the intangible asset, and there is the ability to reliably measure the expenditure attributable to the intangible asset during its development. Capitalized in-house produced content and separately acquired content and copyrights are amortized over the estimated useful lives within 5 years.

(c) Other intangible assets acquired in a business combination not under common control

Other intangible assets acquired in a business combination not under a common control transaction are recognized initially at fair value at the acquisition date and subsequently carried at the amount initially recognized less accumulated amortization and impairment loss, if any. Amortization is calculated using the straight-line method to allocate the costs of acquired intangible assets over the following estimated useful lives:

Corporate customer relationship	3 - 9 years
Supplier resources and artist contracts	5 - 10 years
Non-compete agreements	4 - 10 years
Copyrights	3 - 10 years

2.11. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment review on the goodwill of the Group is conducted by the management as at December 31 according to IAS 36 “Impairment of assets”. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its

recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.12. Investments and other financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments only when its business model for managing those assets changes.

Purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the assets. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Initial recognition and subsequent measurement of debt instruments depend on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. There are three categories into which the Group classifies its debt instruments:

- Amortized cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as and measured at amortized cost. Interest income from these financial assets is recognized using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in "other gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statement.
- Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses or reversals, interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in "other gains, net". Interest income from these financial assets is recognized using the effective interest rate method. Foreign exchange gains and losses and impairment losses or reversals are presented in "other gains, net".

- Fair value through profit or loss: Financial assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are classified as and measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented in "other gains, net" for the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognized in profit or loss and presented in "other gains, net" when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in "other gains, net" in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

(b) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable and contract assets, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized since initial recognition of the receivables.

Impairment on deposits and other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a deposit or receivable has occurred since initial recognition, the impairment is measured as lifetime expected credit losses.

(c) Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where the Company currently has a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The Company has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or the termination of a contract.

2.13. Accounts receivable

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivable are generally due for settlement within 30 to 90 days and therefore are all classified as current.

2.14. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term deposits with original maturities of three months or less.

2.15. Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments, the consideration paid, including any directly attributable incremental costs, is deducted from equity attributable to the Company's equity holders as treasury shares until the shares are canceled or reissued. Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs) is included in equity attributable to the Company's equity holders.

2.16. Accounts and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 1 year of recognition. Accounts and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.17. Put option arrangements on non-controlling interest

Put options on non-controlling interest of the Group are financial instruments granted by the Group which permit the holders to put back to the Group their shares in certain non wholly-owned subsidiaries of the Group for cash or other financial instruments when certain conditions are met. If the Group does not have the unconditional right to avoid delivering cash or other financial instruments under the put option, a financial liability is initially recognized under "other payables and other liabilities" in the consolidated financial statements at the present value of the estimated future cash outflows on exercise under the put option. Subsequently, if the Group revises its estimates of payments, the Group will adjust the carrying amount of the financial liability to reflect actual and revised estimated cash outflows. The Group will recalculate the carrying amount based on the present value of revised estimated future cash outflows at the financial instrument's original effective interest rate and the adjustment will be recognized in the consolidated statement of changes in equity. In the event that the put option expires unexercised, the liability is derecognized with a corresponding adjustment to equity.

The put option liabilities are non-current liabilities unless the put option first becomes exercisable within 12 months after the end of the reporting period.

2.18. Borrowings (including notes payable)

Borrowings (including notes payable) issued by the Group are recognized initially at fair value, net of transaction costs incurred. They are subsequently carried at amortized cost. Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over their terms using the effective interest method.
Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan facilities to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the term of the facility to which it relates. Notes payable are classified as current liabilities unless the Group has the right to defer settlement of the liability for at least 12 months after the end of the reporting period.
General and specific finance costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. During the years ended December 31, 2023, 2024 and 2025, no finance costs had been capitalized.

2.19. Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(d) Uncertain tax positions

In determining the amount of current and deferred income tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes, interest or penalties may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities. Such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.20. Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick and maternity leave are not recognized until the time of leave.

(b) Pension obligations

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The Group's contributions to the defined contribution plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plan prior to vesting fully in the contributions.

2.21. Share-based payments

The Group operates a number of equity-settled share-based compensation plans (including share option schemes and share award schemes), under which the Group receives services from employees as consideration for equity instruments (including stock options and RSUs of the Group). Share awards granted to the employees of the Group are measured at the grant date based on the fair value of equity instruments and are recognized as an expense over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied, and credited to equity as "share-based compensation reserve" if it is related to equity instruments of the Company.

For grant of share options, the total amount to be expensed is determined by reference to the fair value of the options granted by using Binomial model (the "Binomial Model"). The determination of the fair value is affected by the share price as well as assumptions regarding a number of complex and subjective variables, including the expected share price volatility, expected forfeiture rate, risk-free interest rates, contract life and expected dividends. For grant of award shares, the total amount to be expensed is determined by reference to the fair value of the Company's shares at the grant date.

Forfeitures are estimated at the time of grant and revised in the subsequent periods if actual forfeitures differ from those estimates.

If a share-based arrangement involving a compound financial instrument issued by the Group, which includes a debt component (i.e. the counterparty's right to demand payment in cash) and an equity component (i.e. the counterparty's right to demand settlement in equity instruments rather than in cash), to any party other than employees, the Group measures the equity component of the compound financial instrument as the difference between the fair value of the goods or services received and the fair value of the debt component, at the date when the goods or services are received. If a compound financial instrument issued by the Group to the employees, the Group first measures the fair value of the debt component, and then measures the fair value of the equity component—taking into account that the counterparty must forfeit the right to receive cash in order to receive the equity instrument. The fair value of the compound financial instrument is the sum of the fair value of the two components. The debt component will be accounted for as a cash-settled share-based payment transaction; and the equity component will be accounted for as an equity-settled share-based payment.

2.22. Provisions

Provisions for legal claims and service warranties are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2.23. Revenue recognition

The Group generates revenues primarily from provision of online music and social entertainment services, such as subscriptions, advertising, offline performances, customized artist-related merchandise sales and virtual gift sales. When the Group has multiple performance obligations to the customer, the transaction price is allocated to each performance obligation based on the relative stand-alone selling price. The Group generally determines stand-alone selling prices based on the prices charged to customers; but where stand-alone selling prices are not directly observable, estimation techniques are used. For each performance obligation, revenue is recognized when or as the control of the services or goods is transferred to the customer. Depending on the terms of the contract and the laws that are applied to the contract, control of the services and goods may be transferred over time or at a point in time.

(a) Revenue from online music services

Online music services revenues primarily include revenues from subscriptions, advertising, offline performances, sale of customized artist-related merchandise and sale of digital music singles and albums on the Group's online music platforms.

The Group provides to users subscription packages with different combinations of features and privileges. For example, users subscribing for basic subscription package are offered a fixed amount of non-accumulating downloads per month and access to pay-for-streaming content, users subscribing for premium memberships have access to certain add-on features and privileges, and users subscribing for Super VIP membership have access to a variety of compelling privileges, such as access to certain audio content, higher sound quality, etc. The subscription fee for these packages is time-based and is collected upfront from subscribers. The terms of time-based subscriptions range from one month to twelve months. The receipt of subscription fee is initially recorded as deferred revenue. The Group satisfies its various performance obligations by providing services throughout the subscription period and the majority of subscription revenue is recognized over time accordingly.

The Group also provides its users to purchase early release access to certain new digital music singles and albums. These singles and albums can be downloaded and streamed only through the Group's platform. Such music singles and albums will be made available to all users to access after the initial launch period which is generally three months. The Group considers that it provides the early access to the newly launched singles and albums within its platform as opposed to providing functional intellectual property to the users. As a result, the performance obligation of providing early access is satisfied, and revenue is recognized over time accordingly.

The above services can be paid directly by users by way of online payment channels or through various third-party platforms. The Group records revenue on the gross basis according to the criteria stated in (c) below and recognizes service fees levied by online payment channels or third-party platforms ("Channel Fees") as the cost of revenues in the same period as the related revenue is recognized.

Advertising revenue is primarily generated through display advertisements ("display ads") on the Group's platforms. Advertising contracts are signed to establish the fixed prices and advertising services to be provided based on cost per display ("CPD") or cost per mille ("CPM") arrangements. When the collectability is reasonably assured, advertising revenues from the CPD arrangements that are display ads for an agreed period of time, are recognized ratably over the contract period of display based on a time-based measure of progress as the performance obligation is expended evenly over the period, while revenue from the CPM arrangements are recognized based on the number of times that the advertisement has been displayed. The Group allocates revenue to each performance obligation on a relative stand-alone selling price basis which is determined with reference to the prices charged to customers.

The Group also entered into contracts with third-party advertising agencies or entities controlled by Tencent, which represent the Group in negotiation and contracting with advertisers. The Group shares with these advertising agencies a portion of the revenues the Group derives from the advertisers. Revenues are recognized on a gross or net basis based on an assessment made according to the criteria stated in (c) below. If revenue for advertising derived through these advertising agencies are recorded at the gross amount, the portion remitted to advertising agencies, including any cash incentive in the form of commissions, is recorded as cost of revenues. If revenue for advertising derived through these advertising agencies are recorded at the net amount, the related cash incentives, in the form of commissions paid/payable to any advertising agencies based on volume and performance, are accounted for as a reduction of revenue, based on the expected performance.

Revenue from offline performances is primarily generated through sale of tickets and is recognized when the concert event occurs. Revenue from sale of customized artist-related merchandise is recognized when control of the product or service is transferred to the customer.

(b) Revenue from social entertainment services and others

The Group offers virtual gifts to users for free or sells virtual gifts to users on the Group's online karaoke and live streaming platforms. The virtual gifts are sold to users at different specified prices as pre-determined by the Group. The utilization of each virtual gift sold to users is considered as the performance obligation and the Group allocates revenue to each performance obligation on a relative stand-alone selling price basis, which are determined based on the prices charged to the customers.

Virtual gifts are categorized as consumable, time-based and durable. Consumable items are consumed upon purchase and use, while time-based items could be used for a fixed period. The Group does not have further obligations to the user after the virtual gifts are consumed immediately or after the stated period for time-based items. The revenue for the sale of consumable virtual gifts on the online karaoke and online live streaming platforms is recognized immediately when a virtual item is consumed or, in the case of a time-based virtual item, recognized ratably over the useful life of the items, which generally does not exceed one year. The Group recognizes the revenue for sales of durable virtual gifts over their estimated lifespans of no longer than six months, which are determined by the management based on the expected service periods derived from historical data of the Group's user relationship periods, given there is an implicit obligation of the Group to maintain the virtual gifts operating on its platforms.

The Group may share with performers a portion of the revenues derived from the sales of the virtual gifts on the online karaoke and live streaming platforms. Revenues for the sales of virtual gifts are recorded at the gross amount, with the portion shared with performers recorded as cost of revenues, as the Group considers itself the primary obligor in the sales of virtual gifts with the Group possesses the latitude in establishing prices; and the rights to determine the specifications or change the virtual gifts.

The Group also generates revenue from online karaoke and live streaming services by selling premium memberships that provide paying users with certain privileges. The fees for these packages are time-based ranging from one month to twelve months and are collected up-front from the respective subscribers. The receipt of the subscription fees is initially recorded as deferred revenue. The Group satisfies its performance obligation by providing services over the subscription period and revenue is recognized ratably over the subscription period.

The Group also generates advertising revenue from its social entertainment platforms and the policies for recognized advertising revenue is described in Note 2.23(a) above.

(c) Principal and agent consideration

The Group reports the revenue on a gross or net basis depending on whether the Group is acting as a principal or an agent in a transaction. The determination of whether to report the revenues of the Group on a gross or net basis is based on an evaluation made of various factors, including but not limited to whether the Group (i) is the primary obligor in the arrangement; (ii) has latitude in establishing the selling price; (iii) changes the product or performs part of the service; (iv) has involvement in the determination of product and service specifications.

(d) Contract liabilities and contract costs

A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration is due) from the customer.

Contract costs include incremental costs of obtaining a contract and costs to fulfil a contract. The contract costs are amortized using a method which is consistent with the pattern of recognition of the respective revenues. The Group has applied the practical expedient to recognize the contract cost relating to obtain a contract as an expense when incurred, if otherwise the amortization period is one year or less.

The Group does not disclose the information about the remaining performance obligations as the performance obligations of the Group have an expected duration of one year or less.

2.24. Cost of revenues

Cost of revenues mainly consists of service costs, advertising agency fees, costs related to offline performances, channel fees, salaries and benefits for its operations personnel (including related share-based compensation) and others.

Service costs mainly comprised royalty payments to music content providers, revenue sharing with performers on the online karaoke and live streaming platforms, and content delivery costs that primarily consisted of servers, cloud services and bandwidth costs. Payment arrangements with music content providers are mainly calculated under pre-determined revenue sharing ratios which are determined based on the actual usage of the content. Certain arrangements require the Group to pay non-recoupable royalty in advance. The Group expenses the non-recoupable royalty on a straight-line basis over the relevant contractual periods and accrues additional royalty costs when revenue sharing during a contractual period is expected to exceed the non-recoupable royalty amounts.

2.25. Selling and marketing expenses

Selling and marketing expenses mainly consist of advertising expenses for branding and acquiring user traffic for the Group's online music platforms, salaries and commissions for our sales and marketing personnel (including related share-based compensation). Advertising costs are included in "Selling and marketing" and are expensed when the service is received.

2.26. General and administrative expenses

General and administrative expenses mainly consist of salaries and benefits for management and administrative personnel and research and development personnel (including related share-based compensation), rental and depreciation expenses related to facilities and equipment used by our research and development team, professional service expense, amortization of intangible assets and other general corporate expenses. The Group recognizes research and development related costs as expenses when incurred, as the amount of costs qualifying for capitalization has been immaterial.

2.27. Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance costs. The finance cost is charged to income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The lease terms of building and others are generally less than six years and less than two years, respectively.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimize the potential adverse effects on the financial performance of the Group. Risk management is carried out by the senior management of the Group.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US$. Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective functional currency of the Group's subsidiaries. The functional currency of the Company and majority of its overseas subsidiaries is US$ whereas the functional currency of the subsidiaries which operate in the PRC is RMB. The Group currently does not hedge transactions undertaken in foreign currencies but manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures.

As at December 31, 2025, the Group's monetary assets that exposed to foreign exchange risk arising from US$ and RMB amounted to RMB14 million (2024: RMB18 million) and RMB128 million (2024: RMB25 million), respectively, and the Group's monetary liabilities that exposed to foreign exchange risk arising from US$ and RMB amounted to RMB9 million (2024: RMB1 million) and RMB1,217 million (2024: RMB1,167 million), respectively.

The Group performed sensitivity analysis based on the net exposure to each of the exposure arising from US$ and RMB at end of each reporting period. As at December 31, 2024 and 2025, the impact on the post-tax profit of the Group arising from a reasonable change in the foreign exchange rates of US$ and RMB is immaterial and therefore no quantitative impact of the sensitivity analysis is presented for foreign exchange risk.

(ii) Price risk

The Group is exposed to price risk because of investments held by the Group, which were classified as financial assets at fair value through other comprehensive income and other investments for the years ended December 31, 2024 and 2025. The Group is not exposed to commodity price risk.

The sensitivity analysis is determined based on the exposure to equity price risk of financial assets at fair value through other comprehensive income and other investments at the end of each reporting period. If equity prices of the respective instruments held by the Group had been 5% higher/lower, the other comprehensive income would have been approximately RMB725 million and RMB1,312 million higher/lower, for the years ended December 31, 2024 and 2025, respectively, and profit for the year would have been approximately RMB13 million and RMB11 million higher/lower, for the years ended December 31, 2024 and 2025, respectively.

(iii) Interest rate risk

Other than term deposits with initial terms of over three months, restricted cash and cash and cash equivalents, the Group has no other significant interest-bearing assets.

The Group's exposure to changes in interest rates is attributable to its notes payable issued in September, 2020 (Note 25), which carried at fixed rates and does not expose the Group to cash flow interest-rate risk. Accordingly, the directors of the Company do not anticipate there is any significant impact on the Group's financial performance resulting from the changes in interest rates.

(b) Credit risk

The Group is exposed to credit risk in relation to its cash and cash deposits (including term deposits) placed with banks and financial institutions, as well as accounts and other receivables. The carrying amount of each class of these financial assets represents the Group's maximum exposure to credit risk in relation to the corresponding class of financial assets.

The Group has policies in place to ensure that credit terms are granted to counterparties, including customers for content sublicensing, advertising agencies, third party platforms as well as entities under Tencent, with an appropriate credit history and the Group also performs periodic credit evaluations of these counterparties. Management does not expect any material loss arising from non-performance by these counterparties.

Customers for content sublicensing and the third-party platforms are reputable corporations with sound financial position. The credit quality of the advertising agencies are assessed on a regular basis based on historical settlement records and past experience.

In addition, deposits are only placed with reputable domestic or international financial institutions. There has been no recent history of default in relation to these financial institutions.

No single external customer contributed to more than 10% of the revenue of the Group for the years ended December 31, 2023, 2024 and 2025.

The Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. The historical observed default rates are updated based on the payment profiles of receivable over a period of 12 months, and changes in the forward-looking estimates are analyzed at year end. As at December 31, 2024 and 2025, loss allowance made against the gross amounts of accounts receivable were not material, accordingly, the provision matrix is not presented.

As at December 31, 2024 and 2025, the carrying amounts of accounts receivable approximated their fair value.

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents to meet financial obligations when due. Management monitors rolling forecasts of the Group's liquidity requirements on the basis of expected cash flows and considering the maturities of financial assets and financial liabilities.

As at December 31, 2024 and 2025, the Group's major external borrowings represented the senior unsecured notes issued in September 2020, details of which are disclosed in Note 25. The contractual undiscounted cash flows of the Group's notes payable and related interest expenses in the next twelve months, more than 1 year but within 5 years and over 5 years as at December 31, 2025 are RMB70 million (FY24: RMB2,258 million), RMB3,795 million (FY24: RMB288 million) and nil (FY24: RMB3,666 million) respectively.

Apart from the above, majority of the Group's financial liabilities comprised lease liabilities, accounts payable, and other payables and accruals. Except for accounts payable are due for settlement contractually within 12 months, the contractual undiscounted cash flows of the Group's lease liabilities payable in the next twelve months, more than 1 year but within 5 years and over 5 years as at December 31, 2025 are RMB118 million (FY24:RMB125 million), RMB209 million (FY24:

RMB223 million) and RMB6 million (FY24: RMB9 million) respectively. The contractual undiscounted cash flows of the Group's other payables and other liabilities in the next twelve months, more than 1 year but within 5 years and over 5 years as at December 31, 2025 are RMB3,558 million (FY24:RMB3,381 million), RMB393 million (FY24: nil) and RMB158 million (FY24: nil) respectively.

3.2. Capital risk management

The Group's objectives on managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

As at December 31, 2024 and 2025, the directors of the Company consider the risk of the Group's capital structure is remote as the Group has a net cash position.

3.3. Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value as at December 31, 2024 and 2025 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As at December 31, 2025, the Group's financial instruments carried at fair value comprised financial assets at fair value through other comprehensive income (Note 18(a)) stated in the consolidated balance sheets measured at level 1 hierarchy with amount of RMB26,217 million (as at December 31, 2024: RMB14,498 million) and measured at level 3 hierarchy with amount of RMB14 million (as at December 31, 2024: nil), while other investments (Note 18(b)) at level 3 fair value hierarchy with amount of RMB386 million (as at December 31, 2024: RMB355 million).

The fair value of financial instruments traded in active markets is determined with reference to quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price already incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to ESG risk. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of a financial instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

The Group has a team of personnel who performs valuation on these level 3 instruments for financial reporting purposes. The team adopts various valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts may also be involved and consulted when it is necessary.

The components of the level 3 instruments mainly include investments in unlisted companies classified as other investments. As these instruments are not traded in an active market, their fair value have been determined using various applicable valuation techniques, including discounted cash flows approach and comparable transactions approach, etc.

For the years ended December 31, 2023, 2024 and 2025, there was no transfer between level 1, 2 and 3 for recurring fair value measurements. Movement of the financial assets at fair value that using level 3 measurements, represented other investments (Note 18(b)).

4. Critical accounting estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, may seldom equal the actual results. Management also needs to exercise judgment in applying the Group's accounting policies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Consolidation of VIEs

As disclosed in Note 1.2, the Group exercises control over the VIEs and has the right to recognize and receive substantially all the economic benefits through the Contractual Arrangements. The Group considers that it controls the VIEs notwithstanding the fact that it does not hold direct equity interests in the VIEs, as it has power over the financial and operating policies of the VIEs and receive substantially all the economic benefits from the business activities of the VIEs through the Contractual Arrangements. Accordingly, all these VIEs are accounted for as controlled structured entities and their financial statements have also been consolidated by the Company.

(b) Recoverability of non-financial assets

The Group tests annually whether goodwill has suffered any impairment. Goodwill and other non-financial assets, mainly including property, plant and equipment, right-of-use assets, land use rights, intangible assets, as well as investments accounted for using equity method are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value-in-use calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgments are required in the area of asset impairment, particularly in assessing: (i) whether an event has occurred that may indicate that the related asset value may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, e.g. the market approach, the income approach, as well as a combination of approaches; and (iv) the appropriate key assumptions to be applied in the adopted valuation models, including discounted cash flows and market approach. Changing the assumptions selected by management in assessing impairment, including the revenue growth rates and pre-tax discount rates assumptions adopted in the cash flow projections and selection of comparable companies adopted in the market approach, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take an impairment charge to income statement.

(c) Share-based compensation arrangements

The Group measures the cost of equity-settled transactions with employees by making reference to the fair value of the equity instruments at the date at which they are granted. The fair value is estimated using a model which requires the determination of the appropriate inputs. The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the respective vesting periods of the options and awarded shares (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses to be charged to the consolidated income statement. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in Note 24.

(d) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact current income tax and deferred income tax in the period in which such determination is made.

(e) Scope of consolidation

Consolidation is required only if control exists. The Group controls an investee when it has all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns. Power results from rights that can be straightforward through voting rights or complicated in contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational value specific to the Group. These three factors cannot be considered in isolation by the Group in its assessment of control over an investee. Where the factors of control are not apparent, significant judgment is applied in the assessment, which is based on an overall analysis performed on all of the relevant facts and circumstances.

The Group is required to reassess whether it controls the investee if facts and circumstances indicate a change to one or more of the three factors of control.

5. Revenue

During the years ended December 31, 2023, 2024 and 2025, revenue contributed by music subscription packages, majority of which were recognized over time, amounted to RMB12,096 million, RMB15,227 million and RMB17,660 million, respectively.

During the years ended December 31, 2023, 2024 and 2025, revenue contributed by advertising services amounted to RMB3,003 million, RMB3,978 million and RMB4,929 million, respectively.

During the years ended December 31, 2023, 2024 and 2025, the majority of the revenue from online music services are recognized over time and the majority of the revenue from social entertainment services are recognized at a point in time.

The Group does not disclose the information about the remaining performance obligation as the performance obligations of the Group have an expected duration of one year or less.

Details of contract liabilities were disclosed in Note 27.

6. Interest Income

Interest income mainly represents interest income from bank deposits, including bank balance and term deposits.

7. Other gains, net

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Gain on deemed disposal (note i)	-	-	2,373
Dividends from investments	15	17	173
Government grants and tax rebates (note ii)	195	90	59
Fair value change of investments	-	12	49
Net gains/(losses) in relation to equity investments	12	(50)	8
Impairment provision for investment in associates (Note 17)	(23)	(64)	(82)
Gains/(losses) on step-up acquisition arising from business combination	4	29	(6)
Others (note iii)	27	131	58
	230	165	2,632

Note i: As at December 31, 2024, the Group held 10% equity interest in a consortium led by Tencent and the consortium held 20% equity interest in Universal Music Group("UMG"). With the Group's ability to exercise significance influence on the consortium, the Group accounted for the investment as investments accounted for using equity method. In March 2025, the consortium completed a transfer of the UMG shares held by the consortium to its members through distribution-in-kind. Following the distribution, the Group held directly 2% equity interests in UMG and the Group designated the investment as financial assets at fair value through other comprehensive income. The gain with amount of RMB2,373 million on deemed disposal of investment accounted for using equity method was recognized during the year ended December 31, 2025.

Note ii: There are no unfulfilled conditions or contingencies related to these subsidies.

Note iii: During the years ended December 31, 2023, 2024 and 2025, sharing of ADS service fee with amount of RMB95 million, RMB110 million and RMB57 million, respectively, were included in others.

8. Expenses by nature

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Service costs (note i)	14,176	11,974	11,349
Advertising agency fees	790	1,015	1,225
Employee benefits expenses (note ii and note iii)	3,990	3,819	4,127
Promotion and advertising expenses	603	611	672

Notes:

(i) Service costs mainly comprised content costs of royalties, revenue sharing fees paid to content creators and content delivery costs that primarily consisted of server, cloud services and bandwidth costs.

(ii) During the years ended December 31, 2023, 2024 and 2025, the Group incurred expenses for the purpose of research and development of approximately RMB2,525 million, RMB2,280 million and RMB2,317 million, which comprised employee benefits expenses of RMB2,303 million, RMB2,084 million and RMB2,144 million, respectively. No material development expenses had been capitalized for the years ended December 31, 2023, 2024 and 2025.

(iii) Employee benefits expenses

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Wages, salaries and bonuses	2,562	2,539	2,720
Welfare, medical and other expenses	566	491	519
Share-based compensation expenses	670	596	669
Contribution to pension plans	192	193	219
	3,990	3,819	4,127

Majority of the Group's contributions to pension plans are related to the local employees in the PRC. All local employees of the subsidiaries in the PRC participate in employee social security plans established in the PRC, which cover pension, medical and other welfare benefits. The plans are organized and administered by the governmental authorities. Other than the contributions made to these social security plans, the Group has no other material commitments owing to the employees. According to the relevant regulations, the portion of premium and welfare benefit contributions that should be borne by the companies within the Group as required by the above social security plans are principally determined based on percentages of the basic salaries of employees, subject to certain ceilings and caps imposed. These contributions are paid to the respective labor and social welfare authorities and are expensed as incurred.

9. Finance costs

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Interest and related expenses	124	124	122
Exchange losses/(gains)	17	(30)	7
	141	94	129

10. Taxation

(a) Income tax expense

Income tax expense is recognized based on management's best knowledge of the income tax rates expected for the financial year.

(i) Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. Additionally, upon payment of dividends by the Company to its shareholders, no Cayman Islands withholding tax will be imposed.

(ii) Hong Kong

Under the current tax laws of Hong Kong, TME Hong Kong is subject to Hong Kong profits tax at 16.5% on its taxable income generated from the operations in Hong Kong. Dividends from TME Hong Kong is not subject to Hong Kong profits tax.

(iii) PRC

Under the Corporate Income Tax ("CIT") Law in the PRC, foreign invested enterprises and domestic enterprises are subject to a unified CIT rate of 25%, except for available preferential tax treatments, including tax concession for enterprise approved as "High and New Technology Enterprise" ("HNTE") and "Software Enterprise" ("SE"), and enterprise established in certain special economic development zones. Qualified HNTE is eligible for a preferential tax rate of 15%. Qualified SE is entitled to an exemption from income tax for the first two years, commencing from the first profitable year, and a reduction of half tax rate for the next three years.

Beijing Kuwo, Yeelion Online and TME Tech Shenzhen have been recognized as HNTE by relevant government authorities and were entitled to a preferential tax rate of 15% for the years ended December 31, 2023, 2024 and 2025. For the year ended December 31, 2023, Guangzhou Fanxing Entertainment Information Technology Co., Ltd. ("Fanxing"), a subsidiary of the Group, was recognized as HNTE by relevant government authorities and was entitled to a preferential tax rate of 15%. Guangzhou Shiyinlian Software Technology Co., Ltd. ("Shiyinlian") was qualified as an SE and was entitled to a reduced tax rate of 12.5% for the year ended December 31, 2023. Shiyinlian was recognized as HNTE by relevant government authorities and was entitled to a preferential tax rate of 15% for the years ended December 31, 2024 and 2025.

Certain subsidiaries of the Group are entitled to other tax concession, mainly include the preferential tax rate of 15% applicable to some subsidiaries located in certain area of PRC upon fulfillment of certain requirements of the respective local government.

Furthermore, certain subsidiaries of the Group are subject to other preferential tax treatment for certain reduced tax rates ranging from 5% to 9%.

(iv) Withholding tax

Under the current CIT Law, dividends for earnings derived from January 1, 2008 and onwards paid by PRC entities to any of their foreign non-resident enterprise investors are subject to a 10% withholding tax. A lower tax rate will be applied if tax treaty or arrangement benefits are available. Under the tax arrangement between the PRC and Hong Kong, the reduced withholding tax rate for dividends paid by PRC entities is 5% provided the Hong Kong investors meet the requirements as stipulated by relevant PRC tax regulations, such as the beneficiary owner test.

(v) OECD Pillar Two model rules

The OECD published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. A Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules (i.e., a multinational Group that has annual revenue of EUR 750 million or more in the Consolidated Financial Statements of the Ultimate Parent Entity in at least two of the four Fiscal Years immediately preceding the tested Fiscal Year), which the Group's ultimate holding company Tencent Holdings Limited ("Tencent") is reasonably expected to fall into. As a partially owned parent entity ("POPE") of Tencent, it imposes a top-up tax on Group's profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

As at December 31, 2025, the Group mainly operates in Chinese Mainland and Hong Kong. Pillar Two legislation has been effective in Hong Kong since January 1, 2025 and the current tax exposure for the year ended December 31, 2025 is immaterial. While Pillar Two legislation is not yet enacted or substantively enacted in Chinese Mainland as at December 31, 2025, it is estimated that the Group's income tax would not be materially different had such legislation been in effect for the year ended December 31, 2025. The Group will continue assessing the Pillar Two tax exposure and the impacts on its consolidated financial statements accordingly. Regarding deferred income tax accounting, the Group has applied the exception to recognizing and disclosing deferred income tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The income tax expense of the Group is analyzed as follows:

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Current income tax	814	1,668	1,969
Deferred income tax (note b)	11	(65)	(45)
Total income tax expense	825	1,603	1,924

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended December 31, 2023, 2024 and 2025, being the tax rate of the major subsidiaries of the Group before enjoying preferential tax treatments, as follows:

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Profit before income tax	6,045	8,712	13,277
Tax calculated at a tax rate of 25%	1,511	2,178	3,319
Effects of different tax rates applicable to different subsidiaries of the Group	(34)	(84)	(227)
Effects of preferential tax rate on assessable profit of certain subsidiaries	(888)	(932)	(1,234)
Expense not deductible for tax purposes	187	39	93
Income not subject to tax	(1)	(61)	(486)
Unrecognized deferred income tax assets	32	69	43
Utilization of previously unrecognized tax assets	(45)	(52)	(55)
Withholding tax on the earnings remitted or expected to be remitted by subsidiaries	75	440	441
Others	(12)	6	30
	825	1,603	1,924

The Group's profit before tax consists of:

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Non-PRC	311	578	2,950
PRC	5,734	8,134	10,327
	6,045	8,712	13,277

(b) Deferred income tax

	As at December 31, 2024 RMB'million	2025 RMB'million
The deferred tax assets comprise temporary differences attributable to:		
Prepayment and other investments	158	195
Deferred revenue	29	43
Accruals	185	199
Lease liabilities	61	65
Others	50	55
Total deferred tax assets	483	557
Set-off of deferred tax assets pursuant to set-off provisions	(61)	(59)
Net deferred tax assets	422	498
The deferred tax liabilities comprise temporary differences attributable to:		
Intangible assets acquired in business combinations	173	386
Right-of-use assets	58	59
Withholding tax on earnings expected to be remitted by subsidiaries	-	86
Others	28	32
Total deferred tax liabilities	259	563
Set-off of deferred tax liabilities pursuant to set-off provisions	(61)	(59)
Net deferred tax liabilities	198	504

The recovery of deferred income tax:

	As at December 31, 2024 RMB'million	2025 RMB'million
Gross deferred tax assets:		
to be recovered after more than 12 months	29	63
to be recovered within 12 months	454	494
	483	557
Set-off of deferred tax assets pursuant to set-off provisions	(61)	(59)
Net deferred tax assets	422	498
Gross deferred tax liabilities:		
to be recovered after more than 12 months	113	365
to be recovered within 12 months	146	198
	259	563
Set-off of deferred tax liabilities pursuant to set-off provisions	(61)	(59)
Net deferred tax liabilities	198	504

The movements of deferred income tax assets were as follows:

	Prepayment and other investments RMB'million	Deferred revenue RMB'million	Accruals RMB'million	Lease liabilities RMB'million	Others RMB'million	Total RMB'million
At January 1, 2024	144	17	177	76	13	427
Credited/(charged) to income statement	14	12	8	(15)	37	56
At December 31, 2024	158	29	185	61	50	483
Credited to income statement	37	14	14	4	5	74
At December 31, 2025	195	43	199	65	55	557

The Group only recognizes deferred income tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses. Management will continue to assess the recognition of deferred income tax assets in future reporting periods. As at December 31, 2024 and 2025, the Group did not recognize deferred income tax assets of RMB93 million and RMB90 million respectively in respect of cumulative tax losses amounting to RMB543 million and RMB561 million, respectively. These tax losses will expire from 2026 to 2035.

The movements of deferred income tax liabilities were as follows:

	Intangible assets RMB'million	Right-of-use assets RMB'million	Withholding tax on the earnings expected to be remitted by subsidiaries RMB'million	Others RMB'million	Total RMB'million
At January 1, 2024	167	72	75	-	314
(Credited)/charged to income statement	(23)	(14)	-	28	(9)
Withholding tax paid	-	-	(75)	-	(75)
Business combinations	29	-	-	-	29
At December 31, 2024	173	58	-	28	259
(Credited)/charged to income statement	(62)	1	86	4	29
Business combinations	275	-	-	-	275
At December 31, 2025	386	59	86	32	563

11. Earnings per share

(a) Basic earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

(b) Diluted earnings per share

For the calculation of diluted earnings per share, weighted average number of ordinary shares outstanding is adjusted by the effect of dilutive securities, including share-based awards in respect of share options and RSU, under the treasury stock method (collectively forming the denominator for computing the diluted earnings per share). Potentially dilutive securities, including share options and RSU, have been excluded from the computation of weighted average number of ordinary shares for the purpose of diluted earnings per share if their inclusion is anti-dilutive. No adjustments is made to earnings (numerator).

The following table sets forth the computation of basic and diluted earnings per share:

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Earnings			
Net profit attributable to equity holders of the Company	4,920	6,644	11,056

	Number of shares		
	Year ended December 31,		
	2023	2024	2025
Shares			
Weighted average ordinary shares outstanding, used in computing basic earnings per share	3,121,653,686	3,084,230,029	3,067,255,442
Dilution effect- adjustments for share options and RSUs	46,732,345	46,631,691	41,548,286
Shares used in computing diluted earnings per share	3,168,386,031	3,130,861,720	3,108,803,728

	RMB	RMB	RMB
Basic earnings per share for Class A and Class B ordinary shares	1.58	2.15	3.60
Diluted earnings per share for Class A and Class B ordinary shares	1.55	2.12	3.56
Basic earnings per ADS	3.15	4.31	7.21
Diluted earnings per ADS	3.11	4.24	7.11

Note: One ADS represents two Class A ordinary shares of the Company.

For the years ended December 31, 2023, 2024 and 2025, certain share options and certain RSUs that were anti-dilutive and being excluded from the calculation of diluted earnings per share were immaterial on a weighted average basis.

12. Property, plant and equipment

	Servers and network equipment RMB 'million	Leasehold improvements RMB 'million	Construction in progress RMB 'million	Office furniture, equipment and others RMB 'million	Total RMB 'million
At January 1, 2024					
Cost	335	168	341	96	940
Accumulated depreciation	(285)	(98)	-	(67)	(450)
Net book amount	50	70	341	29	490
Year ended December 31, 2024					
Opening net book amount	50	70	341	29	490
Transfer from construction in progress	-	1	(1)	-	-
Additions	4	9	378	22	413
Disposals	(6)	(32)	-	(1)	(39)
Depreciation charge	(20)	(24)	-	(17)	(61)
Closing net book amount	28	24	718	33	803
At December 31, 2024					
Cost	219	135	718	102	1,174
Accumulated depreciation	(191)	(111)	-	(69)	(371)
Net book amount	28	24	718	33	803
Year ended December 31, 2025					
Opening net book amount	28	24	718	33	803
Transfer from construction in progress	-	4	(4)	-	-
Additions	3	23	387	43	456
Disposals	(2)	-	-	(7)	(9)
Depreciation charge	(11)	(21)	-	(17)	(49)
Closing net book amount	18	30	1,101	52	1,201
At December 31, 2025					
Cost	81	124	1,101	139	1,445
Accumulated depreciation	(63)	(94)	-	(87)	(244)
Net book amount	18	30	1,101	52	1,201

The Group used the facilities for issuing payment guarantees of the constructions of buildings and has utilized RMB86 million related to the constructions of buildings as at December 31, 2025.

During the years ended December 31, 2023, 2024 and 2025, depreciation was charged to the consolidated income statements as follows:

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Cost of revenues	37	20	10
General and administrative expenses	45	41	39
	82	61	49

13. Land use rights

	Year ended December 31,	
	2024 RMB'million	2025 RMB'million
Net book amount at January 1	2,437	2,364
Amortization charge	(73)	(74)
Net book amount at December 31	2,364	2,290

The land use rights mainly represent prepaid operating lease payments in respect of land in the Mainland China with lease period ranging from 30 to 40 years.

14. Right-of-use assets

The carrying amounts of right-of-use assets are as below:

	Buildings RMB'million
Net book amount at January 1, 2024	367
Inception of new leases	69
Depreciation charge	(118)
Disposals	(23)
Net book amount at December 31, 2024	295
Inception of new leases	104
Depreciation charge	(108)
Disposals	(4)
Net book amount at December 31, 2025	287

The interest expense arising from lease liabilities (included in finance costs) and expenses related to short-term leases (included in cost of revenue and expenses) are as below:

	2023 RMB'million	2024 RMB'million	2025 RMB'million
Interest expense (included in finance costs)	18	17	13
Expense relating to short-term leases (included in cost of revenues and expenses)	71	53	49

The total cash outflow in financing activities for leases in the years ended December 31, 2023, 2024 and 2025 was RMB132 million, RMB152 million and RMB134 million, respectively, including principal elements of lease payments of approximately RMB116 million, RMB134 million and RMB124 million, and related interest paid of approximately RMB16 million, RMB18 million and RMB10 million, respectively.

Accordingly, the total cash outflow for leases in the years ended December 31, 2023, 2024 and 2025 was RMB204 million, RMB205 million, RMB183 million, respectively.

The Group considered the leases as single transactions in which the asset and liability are integrally linked and no net temporary difference at inception. As at December 31, 2024 and 2025, net temporary difference arose on settlement of the liability and the amortization of the leased asset on which deferred tax was immaterial.

During the years ended December 31, 2023, 2024 and 2025, the leases of low value items were immaterial and there were no lease with variable lease payment.

15. Intangible assets

	Domain name, trademark and Internet audio/video program transmission license RMB'million	Copyrights RMB'million	Supplier resources RMB'million	Corporate customer relationships RMB'million	Non-compete agreement RMB'million	Others RMB'million	Total RMB'million
At January 1, 2024							
Cost	1,650	3,275	337	244	176	413	6,095
Accumulated amortization	(934)	(2,140)	(334)	(207)	(156)	(292)	(4,063)
Net book amount	716	1,135	3	37	20	121	2,032
Year ended December 31, 2024							
Opening net book amount	716	1,135	3	37	20	121	2,032
Additions	-	678	-	-	-	6	684
Business combinations	-	146	-	-	-	-	146
Disposals	-	(13)	-	-	-	(1)	(14)
Amortization charge	(143)	(590)	(1)	(9)	(6)	(50)	(799)
Closing net book amount	573	1,356	2	28	14	76	2,049
At December 31, 2024							
Cost	1,650	4,099	337	244	176	417	6,923
Accumulated amortization	(1,077)	(2,743)	(335)	(216)	(162)	(341)	(4,874)
Net book amount	573	1,356	2	28	14	76	2,049
Year ended December 31, 2025							
Opening net book amount	573	1,356	2	28	14	76	2,049
Additions	-	960	-	-	-	12	972
Business combinations	-	388	-	-	73	684	1,145
Disposals	-	(45)	(1)	-	-	(3)	(49)
Amortization charge	(143)	(970)	-	(6)	(9)	(90)	(1,218)
Closing net book amount	430	1,689	1	22	78	679	2,899
At December 31, 2025							
Cost	1,650	5,544	316	40	93	928	8,571
Accumulated amortization	(1,220)	(3,855)	(315)	(18)	(15)	(249)	(5,672)
Net book amount	430	1,689	1	22	78	679	2,899

During the years ended December 31, 2023, 2024 and 2025, amortization was charged to the consolidated income statements as follows:

	Year ended December 31, 2023 RMB'million	2024 RMB'million	2025 RMB'million
Cost of revenues	578	597	999
Selling and marketing expenses	10	10	5
General and administrative expenses	193	192	214
	781	799	1,218

16. Goodwill

	Year ended December 31,	
	2024 RMB'million	2025 RMB'million
At January 1	19,542	19,647
Business combinations	105	874
At December 31	19,647	20,521

For the purpose of goodwill impairment tests, goodwill was allocated to the group of CGUs below the level of operating segment of the Group. Goodwill of approximately RMB17.8 billion, mainly arose from the Merger in 2016 (Note 1.1) and the acquired long-form audio company, was allocated to the related online music and social entertainment operations. The remaining goodwill was related to certain other businesses acquired.

The Group carries out its impairment testing on goodwill at each year end by comparing the recoverable amounts of CGUs to their carrying amounts. The recoverable amount of CGUs is the higher of its fair value less costs of disposal and its value in use. The Group adopted value in use for all of the goodwill impairment assessment except for that of an overseas business which adopted fair value less costs of disposal.

For online music and social entertainment operations as stated above, value in use using discounted cash flows was calculated based on five-year financial projections with an average compound annual revenue growth of not more than 7% (2024: not more than 9%) plus a terminal value related to cash flows beyond the projection period extrapolated at an estimated terminal growth rate of not more than 3% (2024: not more than 3%). Pre-tax discount rate of not more than 15% (2024: not more than 16%) was applied, which reflected assessment of time value and specific risks relating to the industries that the Group operates in. For the other businesses, value in use using discounted cash flows was calculated, generally, based on five-year financial projections with an average compound annual revenue growth of not more than 11% (2024: not more than 11%) plus an estimated terminal growth rate of not more than 3% (2024: not more than 3%). Pre-tax discount rates of not more than 19% (2024: not more than 20%) were applied, which reflected assessment of time value and specific risks relating to the industries that the Group operates in. In respect of the market approach adopted for an overseas business, the fair value less costs of disposal was primarily determined based on ratios of enterprise value to revenue of several comparable public companies (range: 0.8x – 5.7x), where the fair value was determined as level 3 according to the principle set out in Note 3.3. The comparable public companies were chosen based on factors such as industry similarity, company size, profitability and financial risks etc.

Management leveraged their experiences in the industries and provided forecast based on past performance and their anticipation of future business and market developments.

Management has not identified reasonably possible change in key assumptions that could cause carrying amounts of the above CGUs applied discounted cash flows method to exceed their respective recoverable amounts as material headroom resulted from the impairment reviews over their respective carrying amounts. No impairment had been recognized for the years ended December 31, 2023, 2024 and 2025.

17. Investments accounted for using equity method

	As at December 31,	
	2024 RMB'million	2025 RMB'million
Investments in associates	4,590	1,572
Investments in joint ventures	79	87
	4,669	1,659

	Year ended December 31,		
	2023 RMB'million	2024 RMB'million	2025 RMB'million
Share of profit/(loss) of investments accounted for using equity method:			
Associates	129	99	45
Joint ventures	(2)	(3)	(3)
	127	96	42

Movement of investments in associates and joint ventures is analyzed as follows:

	Year ended December 31,	
	2024 RMB'million	2025 RMB'million
At January 1	4,274	4,669
Additions	356	1,846
Business combination	-	2
Share of profit, net	96	42
Share of other comprehensive income/(loss)	112	(38)
Deemed disposal (Note 7)	-	(4,506)
Disposal	(3)	(52)
Step-up acquisition accounted for as business combination	(45)	(22)
Impairment provision (note)	(64)	(82)
Currency translation differences	58	(30)
Dividend income	(115)	(170)
At December 31	4,669	1,659

Note:

Both external and internal sources of information of associates are considered in assessing whether there is any indication that the investments may be impaired, including but not limited to their financial positions, business performances and market capitalization. The Group carries out impairment assessment on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and value in use.

In respect of the recoverable amount using value in use, the discounted cash flows calculations are based on cash flow projections estimated by management and the key assumptions adopted in these cash flow projections include revenue growth rates, profit margins and discount rates. In respect of the recoverable amount based on fair value less costs of disposal, the amount is calculated with reference to their respective market prices or using certain key valuation assumptions including the selection of comparable companies, recent market transactions and liquidity discount for lack of marketability.

The Group performed an impairment test for the investment in an associate and recognized an impairment provision of RMB64 million and RMB82 million for the years ended December 31, 2024 and 2025, respectively, based on the recoverable amounts, and their recoverable amounts were determined using fair value less costs of disposal.

There are no material contingent liabilities relating to the Group's interests in the investments accounted for using equity method.

18. Financial assets at fair value

(a) Financial assets at fair value through other comprehensive income

As at December 31, 2024 and 2025, the Group's financial assets at fair value through other comprehensive income include equity investments in listed securities and equity investments in unlisted securities as the following table. The investments in listed equity securities mainly represented its investment in Spotify Technology S.A. ("Spotify") and UMG.

	As at December 31,	
	2024 RMB'million	2025 RMB'million
Equity investments in listed entities	14,498	26,217
Equity investments in unlisted entities	-	14
	14,498	26,231

Movement of financial assets at fair value through other comprehensive income is analyzed as follows:

	Year ended December 31, 2024 RMB'million	2025 RMB'million
At January 1	6,540	14,498
Additions	-	8,271
Fair value change	7,786	4,094
Currency translation differences	172	(632)
At December 31	14,498	26,231

(b) Other investments

As at December 31, 2024 and 2025, the Group's other investments represented financial assets at fair value through profit or loss. Movement of other investments is analyzed as follows:

	Year ended December 31, 2024 RMB'million	2025 RMB'million
At January 1	344	355
Additions	31	40
Fair value change	(23)	(2)
Disposal	-	(1)
Currency translation differences	3	(6)
At December 31	355	386
Of which are:		
Current	46	83
Non-current	309	303
	355	386

19. Prepayments, deposits and other assets

	As at December 31, 2024 RMB'million	2025 RMB'million
Included in non-current assets		
Prepaid content royalties	323	267
Others	102	98
	425	365
Included in current assets		
Prepaid content royalties	1,662	2,117
Interest receivables	976	840
Prepaid promotion and other expenses	767	756
Prepaid vendors deposits and other receivables	190	198
Value-added tax recoverable	77	98
Receivable from Tencent (Note 32(b))	48	78
Others	73	96
	3,793	4,183

20. Accounts receivable

	As at December 31, 2024 RMB'million	2025 RMB'million
Accounts receivable	3,530	3,931
Less: loss allowance for expected credit losses	(22)	(28)
Accounts receivable, net	3,508	3,903
Ageing analysis of the accounts receivable based on invoice date:		
Up to 3 months	3,102	3,495
3 to 6 months	217	318
Over 6 months	211	118
	3,530	3,931

The loss allowances for accounts receivable as at December 31, 2024 and 2025 reconciled to the opening loss allowances as follows:

	Year ended December 31, 2024 RMB'million	2025 RMB'million
At January 1	77	22
Provision for loss allowance recognized in income statement	17	6
Receivables written off during the year as uncollectible	(72)	-
At December 31	22	28

21. Term deposits and cash and cash equivalents

(a) Term deposits

As at December 31, 2024 and 2025, the Group's term deposits were denominated in RMB and US$.

As at December 31, 2024 and 2025, the carrying amounts of the term deposits with initial terms of over three months approximated their fair value.

(b) Restricted cash

As at December 31, 2025, restricted cash held at banks of RMB15 million (December 31, 2024: RMB11 million) were mainly denominated in RMB, representing restricted deposits used as security against certain lawsuits.

(c) Cash and cash equivalents

	As at December 31, 2024 RMB'million	2025 RMB'million
Cash at bank	12,310	8,169
Term deposits with initial terms within three months	854	301
	13,164	8,470

22. Share capital

	Number of issued shares*	Share capital RMB'million	Additional paid-in capital RMB'million	Shares held for share award schemes RMB'million	Treasury Shares RMB'million
Balance January 1, 2023					
(US$0.000083 par value; 4,800,000,000 shares authorized)	3,432,154,262	2	36,456	(202)	(6,349)
Employee share award schemes					
-Exercise of share options/ RSUs (note i)	-	-	120	-	602
-Shares held for share award schemes (note ii)	-	-	-	(100)	-
Repurchase of ordinary shares (note iii)	-	-	-	-	(1,249)
Shares cancellation	(1)	-	-	-	-
Balance December 31, 2023					
(US$0.000083 par value; 4,800,000,000 shares authorized)	3,432,154,261	2	36,576	(302)	(6,996)
Employee share award schemes					
-Exercise of share options/ RSUs (note i)	-	-	108	-	650
-Shares held for share award schemes (note ii)	-	-	-	(218)	-
Repurchase of ordinary shares (note iii)	-	-	-	-	(1,853)
Shares cancellation	(334,345,253)	-	(7,649)	-	7,649
Balance December 31, 2024					
(US$0.000083 par value; 4,800,000,000 shares authorized)	3,097,809,008	2	29,035	(520)	(550)
Employee share award schemes					
-Exercise of share options/ RSUs (note i)	-	-	884	-	348
-Shares held for share award schemes (note ii)	-	-	-	(281)	-
Repurchase of ordinary shares (note iii)	-	-	-	-	(462)
Shares allotted and issued for share award scheme	50,000,000	-	-	-	-
Shares cancellation	(8)	-	-	-	-
Balance December 31, 2025					
(US$0.000083 par value; 4,800,000,000 shares authorized)	3,147,809,000	2	29,919	(801)	(664)

As at December 31, 2024 and 2025, analysis of the Company's issued shares is as follows:

	As at December 31, 2024		As at December 31, 2025	
	Number of issued shares	Share capital RMB'million	Number of issued shares	Share capital RMB'million
Class A ordinary shares	1,432,859,756	1	1,482,859,752	1
Class B ordinary shares	1,664,949,252	1	1,664,949,248	1
	3,097,809,008	2	3,147,809,000	2

* All issued shares were fully paid as at December 31, 2024 and 2025.

(i) During the years ended December 31, 2023, 2024 and 2025, the Company transferred 24,532,300, 25,873,230 and 10,070,368 Class A ordinary shares from the Treasury shares to the grantees for the exercise of share options/RSUs, respectively.

(ii) During the years ended December 31, 2023, 2024 and 2025, the Share Scheme Trust purchased and withheld 3,319,513, 4,724,753 and 3,892,390 Class A ordinary shares of the Company for an amount of approximately RMB100 million, RMB218 million and RMB281 million which had been deducted from the equity.

As at December 31, 2024 and 2025, the Share Scheme Trust held 15,973,760 and 48,550,176 Class A ordinary shares, respectively. These shares include those designated for the purpose of granting awarded shares to the participants under the Share Award Schemes, as well as shares that have been purchased and withheld by the Share Scheme Trust.

(iii) Repurchase of shares

In March 2023, the board of directors of the Company authorized a new share repurchase program, under which the Company may repurchase up to USD500 million of its Class A ordinary shares in the form of ADSs during a 24-month period commencing from March 20, 2023 (the "2023 Share Repurchase Program"). During the years ended December 31, 2023, 2024 and 2025, the Company repurchased 25,272,973, 25,497,797 and 5,943,751 ADSs from the open market, at an aggregate consideration of approximately US$175 million, US$261 million and US$64 million (equivalents to approximately RMB1,249 million, RMB1,853 million and RMB462 million) in cash, respectively, under the 2023 Share Repurchase Program.

On March 17, 2025, board of directors of the Company authorized the 2025 Share Repurchase Program under which the Company may repurchase up to US$1 billion of our Class A ordinary shares, including in the form of ADSs, during a two-year period commencing on March 21, 2025. No share has been repurchased under the 2025 Share Repurchase Program.

The Company accounts for the repurchased ordinary shares as treasury stock under the cost method, and records it as a component of the shareholders' equity.

23. Other reserves

	Share-based compensation reserve RMB'million	Contribution from ultimate holding company RMB'million	PRC statutory reserve RMB'million	Foreign currency translation reserve RMB'million	Fair value reserve RMB'million	Others RMB'million	Total other reserves RMB'million
At January 1, 2023	1,707	463	216	(36)	(1,051)	4,841	6,140
Currency translation differences	-	-	-	193	-	-	193
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	-	3,270	-	3,270
Share of other comprehensive income of associates	-	-	-	-	-	4	4
Share based compensation	649	-	-	-	-	-	649
Exercise of share options/ RSUs	(662)	-	-	-	-	-	(662)
Additional investments in a non-wholly owned subsidiary	-	-	-	-	-	(10)	(10)
Profit appropriations to PRC statutory reserves	-	-	3	-	-	-	3
Non-controlling interests arising from business combination	-	-	-	-	-	71	71
At December 31, 2023	1,694	463	219	157	2,219	4,906	9,658
Capitalization of retained earnings of a subsidiary under a group restructuring	-	-	-	-	-	2,042	2,042
Currency translation differences	-	-	-	120	-	-	120
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	-	7,786	-	7,786
Share of other comprehensive income of an associate	-	-	-	-	-	112	112
Share based compensation	596	-	-	-	-	-	596
Exercise of share options/ RSUs	(599)	-	-	-	-	-	(599)
Capital contribution from non-controlling interests	-	-	-	-	-	13	13
Profit appropriations to PRC statutory reserves	-	-	12	-	-	-	12
Non-controlling interests arising from business combination	-	-	-	-	-	105	105
At December 31, 2024	1,691	463	231	277	10,005	7,178	19,845
Currency translation differences	-	-	-	(822)	-	-	(822)
Fair value changes on financial assets at fair value through other comprehensive income	-	-	-	-	4,094	-	4,094
Share of other comprehensive income of an associate	-	-	-	-	-	(38)	(38)
Share based compensation	669	-	-	-	-	-	669
Exercise of share options/ RSUs	(693)	-	-	-	-	-	(693)
Profit appropriations to PRC statutory reserves	-	-	11	-	-	-	11
Deemed disposal	-	-	-	-	-	(147)	(147)
Recognition of financial liabilities in respect of the put option from business combination	-	-	-	-	-	(379)	(379)
Non-controlling interests arising from business combination						15	15
Transactions with minority interest	(105)	-	-	-	-	-	(105)
At December 31, 2025	1,562	463	242	(545)	14,099	6,629	22,450

24. Share based compensation

(a) Share-based compensation plans of the Company

The Group has adopted four share-based compensation plans, namely, the 2014 Share Incentive Plan, the 2017 Restricted Share Scheme, the 2017 Option Plan and the 2024 Share Incentive Plan. Upon the adoption of the 2024 Share Incentive plan, the outstanding options and RSUs under previous plans were all transferred to the 2024 Share Incentive plan and the previous plans ceased to be of any effect.

(i) 2014 Share Incentive Plan

2014 Share Incentive Plan was approved by the then board of directors of the Company in October 2014 prior to the Merger. According to the 2014 Share Incentive Plan, 96,704,847 ordinary shares have been reserved to be issued to any qualified employees, directors, non-employee directors, and consultants as determined by the board of directors of the Company. The options will be exercisable only if option holder continues employment or provides services through each vesting date. The maximum term of any issued stock option is ten years from the grant date.

Some granted options follow the first category vesting schedule, one-fourth (1/4) of which shall vest and become exercisable upon the first anniversary of the date of grant and one-eighth (1/8) of which shall vest and become exercisable on each half of a year anniversary thereafter. Some granted options follow the second category vesting schedule, one-fourth (1/4) of which shall vest upon the first anniversary of the grant date and one-sixteenth (1/16) of which shall vest on each three months thereafter. Under the second category vesting schedule, in the event of the Company's completion of an IPO or termination of the option holder's employment agreement by the Company without cause, the vesting schedule shall be accelerated by a one-year period (which means that the whole vesting schedule shall be shortened from four years to three years). For the third category vesting schedule, all options shall vest upon the first anniversary of the grant date, and in the event of the Company's completion of an IPO.

The option holders may elect at any time to exercise any part or all of the vested options before the expiry date.

	Number of options	Weighted-average exercise price (US$)	Weighted-average grant date fair value (US$)
Outstanding as at January 1, 2023	1,412,772	0.22	1.93
Exercised	(479,788)	0.25	1.90
Forfeited	(21,920)	0.27	1.93
Outstanding as at December 31, 2023	911,064	0.20	1.95
Vested and expected to vest as at December 31, 2023	911,064	0.20	1.95
Exercisable as at December 31, 2023	911,064	0.20	1.95
Non vested as at December 31, 2023	-	-	-
Outstanding as at January 1, 2024	911,064	0.20	1.95
Exercised	(155,342)	0.24	1.91
Transferred to 2024 Share Incentive Plan	(755,722)	0.19	1.96
Outstanding as at December 31, 2024 and 2025	-	-	-

The weighted average price of the shares at the time these options were exercised was US$3.92 per share (equivalent to approximately RMB27.86) and US$5.35 per share (equivalent to approximately RMB39.07) during the years ended December 31, 2023 and 2024.

(ii) 2017 Restricted Share Scheme and 2017 Option Plan

Followed the completion of the Merger, the Company has reserved certain ordinary shares to be issued to any qualified employees of Tencent Music Business transferred to the Group.

Pursuant to the RSUs agreements under the 2017 Restricted Share Scheme, subject to grantee's continued services to the Group through the applicable vesting date, some RSUs follow the first category of vesting schedule, one-fourth (1/4) of which shall vest eighteen months after grant date, and one-fourth (1/4) every year after. Some granted RSUs shall follow the second vesting schedule, half (1/2) shall vest six months after grant date, and the other half shall vest six months thereafter. Other granted RSUs shall follow the third vesting schedule, which were divided into range of half, one to third and one to fourth tranches on an equal basis as at their grant dates, and the tranches will become exercisable in each subsequent year.

Movements in the number of RSUs for the years ended December 31, 2023, 2024 and 2025 are as follows:

	Number of awarded shares Year ended December 31,		
	2023	2024	2025
Outstanding as at January 1	59,463,350	50,725,492	-
Granted	20,502,878	2,479,451	-
Vested	(23,885,214)	(8,312,976)	-
Forfeited	(5,355,522)	(1,225,042)	-
Transferred to 2024 Share Incentive Plan	-	(43,666,925)	-
Outstanding as at December 31	50,725,492	-	-
Expected to vest as at December 31	45,097,852	-	-

The fair value of the restricted shares was calculated based on the fair value of ordinary shares of the Company. The weighted average fair value of restricted shares granted during the years ended December 31, 2023 and 2024 was US$3.78 per share (equivalent to approximately RMB26.83 per share) and US$5.15 per share (equivalent to approximately RMB37.62 per share), respectively.

Share options granted are generally subject to a four-batch vesting schedule as determined by the board of directors upon the grant. One-fourth (1/4) of which shall vest nine months or eighteen months after grant date, respectively, as provided in the grant agreement, and one-fourth (1/4) of which vest upon every year thereafter.

	Number of options	Weighted-average exercise price (US$)	Weighted-average grant date fair value (US$)
Outstanding as at January 1, 2023	48,104,542	3.65	1.89
Granted	1,958,914	3.81	2.18
Exercised	(3,851,238)	2.16	1.42
Forfeited	(2,398,792)	4.49	2.15
Outstanding as at December 31, 2023	43,813,426	3.74	1.93
Vested and expected to vest as at December 31, 2023	42,189,736	3.77	1.94
Exercisable as at December 31, 2023	21,062,538	4.65	2.42
Non vested as at December 31, 2023	22,750,888	2.90	1.47
Outstanding as at January 1, 2024	43,813,426	3.74	1.93
Granted	837,458	5.26	3.07
Exercised	(5,265,754)	2.81	1.46
Forfeited	(718,272)	2.53	1.33
Transferred to 2024 Share Incentive Plan	(38,666,858)	3.92	2.03
Outstanding as at December 31, 2024 and 2025	-	-	-

The weighted average price of the shares at the time these options were exercised was US$3.96 per share (equivalent to approximately RMB28.08) and US$6.66 per share (equivalent to approximately RMB48.58) during the years ended December 31, 2023 and 2024.

(iii) 2024 Share Incentive Plan

The Company adopted 2024 Share Incentive Plan in May 2024. According to the 2024 Share Incentive Plan, 228,775,377 ordinary shares have been reserved to be issued to any qualified employees, directors, non-employee directors, and consultants as determined by the board of directors of the Company. Upon the adoption of the 2024 Share Incentive plan, the outstanding options and RSUs under previous plans were all transferred to the 2024 Share Incentive plan and the previous plans ceased to be of any effect.

Movements in the number of RSUs for the years ended December 31, 2024 and 2025 are as follows:

	Number of awarded shares Year Ended December 31, 2024	Number of awarded shares Year Ended December 31, 2025
Outstanding as at January 1	-	38,249,608
Transferred from 2017 Restricted Share Scheme	43,666,925	-
Granted	10,389,949	11,834,582
Vested	(14,163,058)	(15,164,488)
Forfeited	(1,644,208)	(2,370,976)
Outstanding as at December 31	38,249,608	32,548,726
Expected to vest as at December 31	34,023,770	28,962,286

The fair value of the restricted shares was calculated based on the fair value of ordinary shares of the Company. The weighted average fair value of restricted shares granted during the year ended December 31, 2024 and 2025 was US$7.13 per share (equivalent to approximately RMB52.01 per share) and US$9.24 per share (equivalent to approximately RMB64.65 per share), respectively.

Movements in the number of share options for the years ended December 31, 2024 and 2025 are as follows:

	Number of options	Weighted-average exercise price (US$)	Weighted-average grant date fair value (US$)
Outstanding as at January 1, 2024	-	-	-
Transferred from other plans	39,422,580	3.85	2.02
Granted	483,372	7.50	4.08
Exercised	(2,372,196)	3.14	1.75
Forfeited	(778,380)	5.30	2.34
Outstanding as at December 31, 2024	36,755,376	3.92	2.06
Vested and expected to vest as at December 31, 2024	35,878,888	3.94	2.07
Exercisable as at December 31, 2024	23,228,552	4.44	2.33
Non vested as at December 31, 2024	13,526,824	3.02	1.61
Outstanding as at January 1, 2025	36,755,376	3.92	2.06
Granted	3,230,414	6.55	3.82
Exercised	(16,221,854)	4.65	2.29
Forfeited	(1,928,084)	4.38	2.41
Outstanding as at December 31, 2025	21,835,852	3.72	2.12
Vested and expected to vest as at December 31, 2025	21,326,552	3.71	2.12
Exercisable as at December 31, 2025	13,714,136	3.50	2.01
Non vested as at December 31, 2025	8,121,716	4.09	2.31

The weighted average price of the shares at the time these options were exercised was US$6.17 per share (equivalent to approximately RMB45.02) and US$10.08 per share (equivalent to approximately RMB70.50) during the year ended December 31, 2024 and 2025, respectively.

(b) Fair value of options

The fair value of share options was valued using the Binomial option-pricing model as at the respective grant dates.

Assumptions used in the Binomial option-pricing model are presented below:

	Year ended December 31,		
	2023	2024	2025
Risk free interest rate	3.46%-3.83%	4.23%-4.31%	4.48%-4.65%
Expected dividend yield	0%	0%-0.12%	0.13%-0.23%
Expected volatility	60%	60%	60%
Exercise multiples	2.2-2.8	2.2-2.8	2.2-2.8
Contractual life	10 years	10 years	10 years

(c) Outstanding share options

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price	December 31, 2024	December 31, 2025
10 years commencing from the date of grant of options	US$0.000076	188,180	-
	US$0.27	858,468	380,740
	US$1.93	11,487,364	8,027,128
	US$2.24~US$2.32	6,967,848	4,124,428
	US$3.32~US$3.82	1,871,798	909,652
	US$4.24	254,952	204,952
	US$5.26~US$5.29	4,601,652	2,519,978
	US$5.53	-	2,424,808
	US$6.20~US$6.37	3,227,830	529,400
	US$7.05 ~ US$7.61	7,128,204	1,997,160
	US$9.53	169,080	169,080
	US$10.65	-	548,526
Total		36,755,376	21,835,852
Weighted average remaining contractual life of options outstanding at end of year:		6.33	5.99

(d) Expected retention rate of grantees

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the options and awarded shares (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses charged to the consolidated income statement. As at December 31, 2024 and 2025, the Expected Retention Rate of the Group was assessed to be 87%-95%.

25. Notes payable

	As at December 31,	
	2024 RMB'million	2025 RMB'million
Included in non-current liabilities	3,572	3,497
Included in current liabilities	2,154	-
	5,726	3,497

In September 2020, the Company issued two tranches of senior unsecured notes with an aggregate principal amount of US$800 million as set out below.

	Principal amount (US$'million)	Carrying amount at December 31, 2024 (RMB'million)	Carrying amount at December 31, 2025 (RMB'million)	Interest Rate (per annum)	Due
2025 Notes	300	2,154	-	1.375%	2025
2030 Notes	500	3,572	3,497	2.000%	2030
	800	5,726	3,497		

Notes payable issued by the Company were recognized initially at fair value and subsequently carried at amortized cost.

The fair value of notes payable as at December 31, 2024 and 2025 was US$713 million (equivalents to approximately RMB5,128 million) and US$452 million (equivalents to approximately RMB3,176 million). The fair value of notes payable was based on the quoted market prices at the end of reporting period.

Interest is payable semi-annually in arrears on and of each year, beginning in March 2021. The total cash outflow in financing activities for interest paid of notes payable in the years ended December 31, 2023, 2024 and 2025 was RMB101 million, RMB101 million and RMB101 million, respectively.

26. Other payables and other liabilities

	As at December 31, 2024 RMB'million	As at December 31, 2025 RMB'million
Included in non-current liabilities		
Put option liabilities on non-controlling interest	-	379
Included in current liabilities		
Accrued expenses (note)	2,299	2,453
Advances from customers	335	208
Other tax liabilities	175	281
Payable for construction in progress	77	160
Payable to Tencent Group (Note 32(b))	117	90
Other deposits	32	25
Investment payables	20	1
Deferred income	4	-
Others	322	340
	3,381	3,558

Note: Accrued expenses mainly comprise payroll and welfare, advertising and marketing, short-term lease rental and other operating expenses.

27. Deferred revenue

	As at December 31, 2024 RMB'million	As at December 31, 2025 RMB'million
Non-current	179	303
Current	3,096	3,539
	3,275	3,842

Deferred revenue mainly represents contract liabilities in relation to the service fees prepaid by customers for membership subscriptions, time-based virtual gifts, content sublicensing and digital music singles and albums, for which the related services had not been rendered as at December 31, 2024 and 2025.

Revenue recognized for the years ended December 31, 2023, 2024 and 2025 related to carried-forward contract liabilities amounted to RMB2,170 million, RMB2,854 million and RMB3,096 million, respectively.

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all of the Group's contracts have a duration of one year or less.

28. Business Combinations

(a) Acquisition of a music content company

In April 2025, the Company entered into a definitive agreement to acquire 92% of the equity interest of a music content company in China in stages. The consideration comprised a fixed amount of RMB1.19 billion and a variable amount by tranches. The variable amount will be determined based on future operation and financial performance of the acquiree. Accordingly, a put liability was recognized at the acquisition date, measured at the present value of the estimated future cash outflows. The put liability was subsequently measured at amortized cost. As at December 31, 2025, the carrying value of the put liability was RMB379 million (Note 26).

As a result of the acquisition, the Company is expected to increase its presence in music industry in China. Goodwill arising from the acquisition was attributable to an increase in coverage of the music market of China. The goodwill recognized was not expected to be deductible for income tax purpose.

As at the acquisition date, the fair value of the non-controlling interest was RMB510 million. The identifiable assets acquired and liabilities assumed at the acquisition date includes intangible assets of RMB1,131 million, goodwill of RMB806 million, cash and cash equivalents of RMB151 million, other various assets of RMB54 million, deferred tax liabilities of RMB267 million and other various liabilities assumed of RMB175 million.

The revenue and the results contributed by the acquiree to the Group subsequent to the acquisition were insignificant. The Group's revenue and results for the year would not be materially different should the acquisition had occurred on January 1, 2025.

Transaction costs were not significant and were charged to general and administrative expenses in the consolidated income statement during the year ended December 31, 2025.

(b) Other business combination

During the year ended December 31, 2025, the Group acquired equity interests of companies with total considerations of RMB81 million. The revenue and the results contributed by the acquired subsidiaries subsequent to the acquisition was insignificant to the Group. The Group's revenue and results for the year would not be materially different should these acquisitions had occurred on January 1, 2025.

29. Cash flow information

(a) Cash generated from operations

	2023 RMB'million	2024 RMB'million	2025 RMB'million
Profit before income tax	6,045	8,712	13,277
Adjustments for:			
Depreciation and amortization	1,004	978	1,375
Impairment of long-term investments	23	64	82
Loss allowance for expected credit losses (Note 20)	17	17	6
Non-cash employee benefits expense – share based payments (Note 8)	649	596	669
Fair value gains on investments (Note 7)	-	(12)	(49)
Net (gains)/losses in relation to equity investments (Note 7)	(12)	50	(2,381)
Dividend income (Note 7)	(15)	(17)	(173)
(Gains)/losses of step-up acquisition arising from business combination (Note 7)	(4)	(29)	6
Share of profit of associates and joint ventures (Note 17)	(127)	(96)	(42)
Interest income	(1,052)	(1,196)	(1,054)
Interest expenses	124	124	122
Net exchange differences	17	(30)	7
Increase in accounts receivable	(204)	(539)	(355)
Decrease/(increase) in inventories	7	(15)	(17)
Decrease/(increase) in other operating assets	85	72	(416)
Increase/(decrease) in accounts payable	52	1,845	(783)
Increase in other operating liabilities	846	193	538
Cash generated from operations	7,455	10,717	10,812

(b) Reconciliation of changes in liabilities from financing activities

The reconciliation of changes in liabilities from financing activities are mainly related to lease liabilities and notes payable which have been disclosed in the consolidated statements of cash flows, Note 14 and Note 25, respectively.

30. Financial instruments by category

The Group holds the following financial instruments:

Financial assets	Financial assets at amortized cost RMB'million	Financial assets at fair value through profit and loss RMB'million	Financial assets at fair value through other comprehensive income RMB'million	Total RMB'million
As at December 31, 2024				
Accounts receivable (Note 20)	3,508	-	-	3,508
Other receivables (Note 19)	1,379	-	-	1,379
Term deposits (Note 21(a))	24,418	-	-	24,418
Restricted cash (Note 21(b))	11	-	-	11
Cash and cash equivalents (Note 21(c))	13,164	-	-	13,164
Other investments (Note 18(b))	-	355	-	355
Financial assets at fair value through other comprehensive income (Note 18(a))	-	-	14,498	14,498
	42,480	355	14,498	57,333
As at December 31, 2025				
Accounts receivable (Note 20)	3,903	-	-	3,903
Other receivables (Note 19)	1,263	-	-	1,263
Term deposits (Note 21(a))	29,573	-	-	29,573
Restricted cash (Note 21(b))	15	-	-	15
Cash and cash equivalents (Note 21(c))	8,470	-	-	8,470
Other investments (Note 18(b))	-	386	-	386
Financial assets at fair value through other comprehensive income (Note 18(a))	-	-	26,231	26,231
	43,224	386	26,231	69,841

Financial liabilities	Liabilities at amortized cost RMB'million
As at December 31, 2024	
Notes payable (Note 25)	5,726
Accounts payable	6,879
Other payables and other liabilities (note)	1,263
Lease liabilities	325
	14,193
As at December 31, 2025	
Notes payable (Note 25)	3,497
Accounts payable	6,284
Other payables and other liabilities (note)	1,853
Lease liabilities	316
	11,950

Note: Other payables and other liabilities exclude prepayment received from customers and others, staff costs and welfare accruals, other tax liabilities, government grant and deferred income.

31. Commitments

The following table summarizes future minimum commitments of the Group as at December 31, 2024 and 2025:

As at December 31, 2024	Within one year	Later than one year but not later than five years	Total
	RMB'million	RMB'million	RMB'million
Operating commitments (note i)	192	5	197
Content royalties (note ii)	2,772	246	3,018
Capital commitments (note iii)	412	259	671
Investment commitment (note iv)	168	-	168

As at December 31, 2025	Within one year	Later than one year but not later than five years	Total
	RMB'million	RMB'million	RMB'million
Operating commitments (note i)	118	3	121
Content royalties (note ii)	2,288	303	2,591
Capital commitments (note iii)	392	213	605
Investment commitment (note iv)	50	-	50

Note i: Operating commitments represent future minimum commitments under non-cancelable operating arrangements of the Group. As at December 31, 2025, the operating commitments are mainly related to offline performances and other services.

Note ii: Content royalties represent the minimum royalty payments associated with license agreements which the Group has entered into as at year-end.

Note iii: Capital commitments represent the minimum payments associated with construction of buildings.

Note iv: Investment commitment represents commitments to acquire the equity interests in certain entities.

Except for the commitments disclosed above, the Group has proposed to acquire Ximalaya Inc., which is one of the leading online audio platforms in China, pursuant to a Merger Agreement dated June 10, 2025. The consideration of the acquisition consisted of (i) cash of US$1.26 billion, (ii) the Class A ordinary shares of the Company representing up to 5.1986% of the Company's total outstanding ordinary shares as of a specified date prior to closing, and (iii) additional Class A ordinary shares of up to 0.37% of such total share count to be issued to the "founder shareholders" as defined in the Merger Agreement in tranches. The closing of the acquisition is subject to relevant regulatory approvals and certain other closing conditions.

32. Related party transactions

The table below sets forth the major related parties and their relationships with the Group as at December 31, 2025:

Name of related parties	Relationship with the Group
Tencent and its subsidiaries other than the entities controlled by the Group ("Tencent Group")	The Company's principal owner

(a) Transactions

For the years ended December 31, 2023, 2024 and 2025, significant related party transactions were as follows:

	2023 RMB'million	2024 RMB'million	2025 RMB'million
Revenue			
Online music services to Tencent Group (note i)	172	188	324
Online music services to the Company's associates and associates of Tencent Group	397	365	501
Social entertainment services and others to Tencent Group, the Company's associates and associates of Tencent Group	55	43	75
Expenses			
Service cost to Tencent Group	752	732	725
Service cost to the Company's associates and associates of Tencent Group	713	592	1,399
Other costs and expenses to Tencent Group (note ii)	1,269	1,086	1,240
Other costs and expenses to the Company's associates and associates of Tencent Group	31	127	241

Note i: Primarily include revenue from online advertising and subscriptions provided to Tencent Group pursuant to the Business Cooperation Agreement, which was renewed in August 2023.

Note ii: Primarily include advertising fees charged by Tencent Group for our advertising services sold through Tencent Group.

These related party transactions were conducted at prices and terms as agreed by the respective parties involved.

(b) Balances with related parties

	As at December 31,	
	2024 RMB'million	2025 RMB'million
Included in accounts receivable from related parties:		
Tencent Group (note)	2,343	2,249
The Company's associates and associates of Tencent Group	52	60
Included in prepayments, deposits and other assets from related parties:		
Tencent Group	48	78
The Company's associates and associates of Tencent Group	139	981
Included in accounts payable to related parties:		
Tencent Group	702	595
The Company's associates and associates of Tencent Group	234	232
Included in other payables and accruals to related parties:		
Tencent Group	117	90
The Company's associates and associates of Tencent Group	1	26

Note: The balance is mainly arising from user payments collected through various payment channels of Tencent Group pursuant to the Business Cooperation Agreement that renewed in August 2023.

(c) Key management personnel compensation

	2023 RMB'million	2024 RMB'million	2025 RMB'million
Short-term employee benefits	68	51	48
Share-based compensation	95	78	87
	163	129	135

33. Contingent liabilities

The Group is involved in a number of claims pending with various courts, or otherwise unresolved as at December 31, 2025. These claims are mainly related to alleged copyright infringement with an aggregate amount of damages sought of approximately RMB187 million. Adverse results in these claims may include awards of damages and may also result in, or even compel a change in the Company's business practices, which could impact the Company's future financial results materially.

The Group had made certain accruals in "Accounts payable" in the consolidated balance sheet as at December 31, 2025 and recognized related costs as expenses for the year ended December 31, 2025. The losses accrued include judgments handed down by the court and out-of-court settlements after December 31, 2025, but related to cases arising on or before December 31, 2025. All these amounts were not material. The Group is in the process of appealing in certain cases. However, the ultimate timing and outcome of pending litigation is inherently uncertain. The Company is unable to estimate the reasonably possible loss or a range of reasonably possible losses for proceedings in the early stages or where there is a lack of clear or consistent interpretation of laws specific to the industry-specific complaints among different jurisdictions. Although the results of unsettled litigations and claims cannot be predicted with certainty, the Company does not believe that, as at December 31, 2025, there was at least a reasonable possibility that the Company may have incurred a material loss, or a material loss in excess of the accrued expenses, with respect to such loss contingencies. Although management considers the likelihood of a material loss for all pending claims, both asserted and unasserted, to be remote, if one or more of these legal matters were resolved against the Company in the same reporting period for amounts in excess of management's expectations, the Company's consolidated financial statements of a particular reporting period could be materially adversely affected.

34. Dividends

For the years ended December 31, 2024 and 2025, dividends amounting to RMB1,508 million and RMB1,974 million was declared and paid to the Company's shareholders.

On March 17, 2026, for the fiscal year of 2025, the Company's board of directors declared a cash dividend of US$0.12 per ordinary share, or US$0.24 per ADS, to holders of record of ordinary shares and ADSs as of the close of business on April 2, 2026. The aggregate amount of cash dividends to be paid will be approximately US$368 million and is expected to be paid on or around April 20, 2026 and on or around April 23, 2026 for holders of ordinary shares and holders of ADSs, respectively. This proposed dividend is not reflected as dividend payable in the consolidated financial statements.

35. Events occurring after the reporting period

In the first quarter of 2026, a wholly-owned subsidiary of the Group entered into loan facility agreements with several banks. As of the date of approval of these consolidated financial statements, RMB3.0 billion principal amount has been drawn down, with a term of 360 days to 5 years and interest payable quarterly or semi-annually, and the interest rate is based on the Loan Prime Rate published by the National Interbank Funding Center or at fixed rate. The net proceeds from the facility will be used for general corporate purposes. This subsequent event is not an adjusting event as it arose after the balance sheet date and does not provide evidence of conditions existing at December 31, 2025.

36. Approval of these consolidated financial statements

These consolidated financial statements were approved for issue by the board of directors of the Company on April 17, 2026.

Exhibit 4.87

Certain information in this document has been excluded pursuant to Regulation S-K, Item601(b). Such excluded information is not material and is the type the registrant treats as private or confidential. Such omitted information is indicated by brackets("[redacted]") in this exhibit.

Execution Version
Confidential

AGREEMENT AND PLAN OF MERGER

by and among

TENCENT MUSIC ENTERTAINMENT GROUP

MERGER SUB

XIMALAYA INC.

FOUNDER PARTIES AS SET FORTH IN SCHEDULE A HERETO, and

XIMA HOLDINGS LIMITED, AS SHAREHOLDER REPRESENTATIVE

June 10, 2025

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AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into as of June 10, 2025 by and among Tencent Music Entertainment Group, an exempted company incorporated under the laws of the Cayman Islands ("Acquiror"), an exempted company to be incorporated by Acquiror under the laws of the Cayman Islands ("Merger Sub"), Ximalaya Inc., an exempted company incorporated under the laws of the Cayman Islands (the "Company"), Xima Holdings Limited, solely in its capacity as representative, agent and attorney-in-fact of the Shareholders (the "Shareholder Representative"), and the parties listed on Schedule A attached hereto (the "Founder Parties", and each a "Founder Party"). All capitalized terms that are used but not defined herein shall have the respective meanings ascribed thereto in Schedule B.

WITNESSETH

WHEREAS, Merger Sub, once incorporated, will be a wholly owned Subsidiary of Acquiror formed for the purposes of consummating the transactions (including the Merger and the Restructuring, both as defined below) contemplated by this Agreement (the "Transactions").

WHEREAS, each of Acquiror, Merger Sub and the Company intends to effect a business combination through the statutory merger of Merger Sub with and into the Company, with the Company continuing as the surviving company and pursuant to which the Company would become a wholly owned subsidiary of Acquiror (the "Merger"), on the terms and conditions set forth in this Agreement and in accordance with the Companies Act.

WHEREAS, as a condition and material inducement to Acquiror and Merger Sub's willingness to enter into this Agreement, prior to the execution and delivery of this Agreement, (a) certain Shareholders have entered into and delivered to Acquiror the voting undertaking letters (each, a "Voting Undertaking Letter"), (b) the Company has held a duly convened and quorate meeting of the board of directors of the Company and has obtained the Requisite Board Approval at such meeting, in each case, in accordance with its Charter Documents, the Companies Act and all other applicable Laws, (c) the Company has duly convened and held a quorate combined meeting of the Shareholders of the Company and class meetings of the relevant classes of the Shareholders of the Company (the "Company Shareholders Meeting") and has obtained the Requisite Shareholder Approval at such meeting, in each case, in accordance with its Charter Documents, the Companies Act and all other applicable Laws, and (d) the Company has delivered to Acquiror copies of the duly executed (i) written minutes evidencing the receipt of the Requisite Board Approval and (ii) written minutes evidencing the receipt of the Requisite Shareholder Approval.

WHEREAS, prior to the date of the Closing, the Company intends to effect an internal reorganization pursuant to the terms and conditions set forth in Exhibit F hereto, including, without limitation, separation and transfer of the Carve-out Business from the Company (the "Restructuring").

WHEREAS, Acquiror, Merger Sub and the Company desire to make certain representations, warranties, covenants and agreements, as more fully set forth herein, in connection with the Merger, the Restructuring and the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and other premises set forth herein, the mutual benefits to be gained by the performance thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the parties hereby agree as follows:

ARTICLE I
DESCRIPTION OF TRANSACTIONS

1.1. The Merger.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time and in accordance with Part XVI of the Companies Act, Merger Sub shall be merged with and into the Company pursuant to which the separate corporate existence of Merger Sub shall cease to exist and Merger Sub will be struck off the Register of Companies in the Cayman Islands, and the Company shall be the surviving company in the Merger continuing its corporate existence under the laws of the Cayman Islands as a wholly owned Subsidiary of Acquiror. The surviving company after the Merger is sometimes referred to hereinafter as the "Surviving Company."

(b) Articles; Directors and Officers, and Registered Office.

(i) Unless otherwise determined by Acquiror prior to the Effective Time, the memorandum and articles of association of the Surviving Company shall be in the form of the memorandum and

articles of association of Merger Sub as in effect immediately prior to the Effective Time, except that the name of the Surviving Company shall be "Ximalaya Inc." and all references therein to the authorized share capital of the Surviving Company shall be amended as necessary to correctly describe the authorized share capital of the Surviving Company as approved in the Plan of Merger.

(ii) Unless otherwise determined by Acquiror prior to the Effective Time, the directors and officers of the Surviving Company as of the Effective Time shall be the respective individuals who are directors and officers of Merger Sub immediately prior to the Effective Time until their successors have been duly elected, designated and qualified or until their earlier death, resignation or removal in accordance with the memorandum and articles of association of the Surviving Company.

(iii) Unless otherwise determined by Acquiror prior to the Effective Time, at the Effective Time, the registered office of the Surviving Company shall be the registered office as that of Merger Sub immediately prior to the Effective Time.

1.2. General Effects of the Merger. The Merger shall have the effects set forth in this Agreement and in the applicable provisions of the Companies Act. Without limiting the generality of the foregoing, and subject to the Companies Act and this Agreement, at the Effective Time, the rights, all of the property of every description including choses in action, and the business, undertaking, goodwill, benefits, immunities and privileges, of the Company and Merger Sub shall vest in the Surviving Company, and all debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Company.

1.3. Effects of the Merger on Securities of Merging Companies.

(a) Merger Sub Shares. At the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub, the Company, the Shareholders or any other Person, each ordinary share, par or nominal value US$0.0001 per share, of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable ordinary share, par or nominal value US$0.0001 per share, of the Surviving Company.

(b) Company Shares.

(i) General. Subject to Section 1.5 and Section 1.6 at the Effective Time, by virtue of the Merger and without any action on the part of Acquiror, Merger Sub, the Company, the Shareholders or any other Person, the Company Shares held by each Shareholder that are issued and outstanding as of immediately prior to the Effective Time (excluding the Cancelled Shares, which shall be treated in the manner set forth in Section 1.3(b)(ii), and, the Dissenting Shares, which shall be treated in the manner as set forth in Section 1.3(b)(iii)) shall be cancelled in exchange for the right to receive, without interest, the following:

(A) *Cash Consideration*: with respect to each such Shareholder, the total cash amount set opposite the name of such Shareholder in Schedule C (the "Cash Consideration" with respect to each such Shareholder), and

(B) *Stock Consideration*: with respect to each such Shareholder, the number of Acquiror Ordinary Shares calculated by multiplying (x) a percentage of the Acquiror Share Count (expressed to ten decimal places) as set forth opposite such Shareholder's name in Schedule C (the "Stock Consideration Percentage") and (y) the number of Acquiror Share Count, with the product rounded to an even whole number, such that any excess over the next lower even whole number that is less than one (1) share is disregarded (rounding down), and any excess that is greater than or equal to one (1) share is rounded up to the next higher even whole number (the resulting number, the "Stock Consideration" for such Shareholder, and together with the Cash Consideration, the "Merger Consideration" for such Shareholder).

provided, *that*, save as otherwise provided under Section 1.4 and Schedule **1.4**, (A) the aggregate amount of (1) the total Cash Consideration for all Company Shares that are issued and outstanding as of immediately prior to the Effective Time (excluding the Cancelled Shares and the Dissenting Shares), (2) the cash portion of the total Dissenting Baseline Merger Consideration with respect to all the Dissenting Shareholders, and (3) the ESOP Cash Consideration shall not exceed US$1,260,000,000, and (B) the aggregate number of Acquiror Ordinary Shares (1) issuable as total Stock Consideration with respect to all Company Shares that are issued and outstanding as of immediately prior to the Effective Time (excluding the Cancelled Shares and the Dissenting Shares), (2) represented by the stock portion of the total Dissenting Baseline Merger Consideration with respect to all the

Dissenting Shareholders, and (3) represented by the ESOP Stock Consideration shall not exceed 5.1986% of the Acquiror Share Count.

(ii) Cancelled Shares. At the Effective Time, by virtue of the Merger and without any action on the part of Merger Sub, the Company, the Shareholders or any other Person, each Company Share that is issued and outstanding and held by the Company as treasury shares or by any of its Subsidiaries as of immediately prior to the Effective Time ("Cancelled Shares") shall be cancelled without any consideration paid therefor.

(iii) Dissenting Shares. Notwithstanding any other provisions of this Agreement to the contrary and to the extent available under the Companies Act, any Company Shares that are issued and outstanding immediately prior to the Effective Time and with respect to which the holder thereof has validly exercised (and not effectively waived, withdrawn, forfeited, failed to perfect or otherwise lost) their rights to dissent from the Merger, or dissenter rights, in accordance with Section 238 of the Companies Act (each such holder, a "Dissenting Shareholder", and such shares, collectively, the "Dissenting Shares"), shall be cancelled and ceased to exist on the Effective Time and the Dissenting Shareholders shall not be entitled to the Merger Consideration set forth in Section 1.3(b)(i) and shall only be entitled to receive the payment of the fair value of such Dissenting Shares held by them in accordance with the provisions of Section 238 of the Companies Act and such rights as are provided by Section 238(7) of the Companies Act. The Company and Acquiror shall comply with Section 7.16 with respect to any claims relating to Dissenting Shares.

(c) Company Equity Incentive Plan; Outstanding Company Options and Company RSUs.

(i) Grant of Reserved Shares Prior to Closing. Acquiror acknowledges and agrees that any Company Shares reserved under the Company Equity Incentive Plans but ungranted as of the date of this Agreement may be granted to eligible employees or consultants of the Company and its Subsidiaries prior to Closing; *provided* that such grants shall (A) be made in a manner consistent with past practice, (B) comply with the applicable Company Equity Incentive Plans, and (C) be documented in writing; *provided, further,* that the Company shall provide Acquiror with written updates of such additional grants (together with copies of granting approvals and documentation) every six (6) months after the date hereof.

(ii) Termination of Company Employee Plans.

(A) At the Effective Time, the Company shall irrevocably (a) terminate the Company Employee Plans in accordance with their governing documents and the applicable Laws, and (b) cancel each Company Option and/or Company RSU that is outstanding, whether or not vested or exercised under any of the Company Employee Plans, and terminate any relevant award agreements, notices or other documentation with or to the ESOP Holders.

(B) On or prior to the Closing, the Company shall prepare, execute and effect proper amendments with the relevant trustees of each of Climber Trust and Altruism Trust, such that each of Climber Trust and Altruism Trust's administrator and authorized representative may be changed into Mr. YU Jianjun (余建军) ("Mr. Yu"), and deliver to Acquiror a true copy of deed of amendment as duly executed by the relevant trustees reflecting the foregoing.

(C) Within five (5) years following the Effective Time (the "Trust Survival Period"), Acquiror shall not, and shall cause the Surviving Company and each of their respective Affiliates not to, remove, replace or otherwise change Mr. Yu as administrator and authorized representative of the Climber Trust or Altruism Trust without the prior written consent of Mr. Yu, *provided*, that (a) all the fees and costs arising out of, or in connection with, the change of administrators, and the operations and performance of Climber Trust and Altruism Trust shall be solely borne and reimbursed by the Founder Parties, (b) within three (3) Business Days after the expiry of the Trust Survival Period, Mr. Yu shall provide Acquiror with a true copy of deed of termination for each of Climber Trust and Altruism Trust as duly executed and delivered by the relevant trustees, confirming that such trust is terminated and the Company shall be irrevocably and unconditionally released from any further liability related to such trust; and (c) the Founder Parties agree and acknowledge that notwithstanding anything to the contrary in the trust deed or other trust document of each of Climber Trust and Altruism Trust (the "Trust Documents"), the Indemnified Parties shall not bear any Liabilities or obligations under any of the Trust Documents, or any Contract to which Climber Trust or Altruism Trust is a party, and the Founder Parties shall pay in cash, indemnify and hold harmless the Indemnified Parties from and against, any and all Losses paid, incurred, suffered or sustained by any Indemnified Party, directly or indirectly, in connection with, resulting from or arising out of the operations and performance of each of Climber Trust and Altruism Trust, including, without limitation, any Claim raised by any

trustee of Climber Trust and Altruism Trust regarding distribution of any Merger Consideration, ESOP Cash Consideration, or ESOP Stock Consideration, as applicable. For the avoidance of doubt, the indemnification under this Section 1.3(c)(ii)(C) shall (i) include the obligation of the Founder Parties to make prompt cash payments to cover such Losses, and (ii) be subject to the limitations on indemnification set forth in Section 9.3.

(iii) ESOP Consideration.

(A) The holders of outstanding Company Options and/or Company RSUs (each, an "ESOP Holder") shall, in exchange for cancellation of their Company Options and Company RSUs at the Effective Time, (A) be paid, a cash payment in RMB equal to the aggregate amount of US$55,000,000 (collectively, the "ESOP Cash Consideration"), and (B) be issued, an aggregate number of Acquiror RSUs representing 0.1945167028% of the Acquiror Share Count (collectively, the "ESOP Stock Consideration", together with the ESOP Cash Consideration, the "ESOP Consideration"), in each case, subject to and in accordance with the terms, conditions and limitations as set forth in Schedule D. For the avoidance of doubt, the Company Shares registered in the name of Ximalaya Welfare Limited and/or Ark Trust (Hong Kong) Limited in the register of members of the Company (a true copy of the Company's register of members dated on the same date hereof, certified by the Company's Registered Office shall be provided to Acquiror on the date hereof, such register of members, the "Company ROM") shall be excluded from the outstanding Company Options and Company RSUs for purposes of this Section 1.3(c)(iii)(A) and shall instead be cancelled in consideration for the right to receive, without interest, the applicable Merger Consideration pursuant to Section 1.3(b), unless otherwise provided in Schedule D.

(B) The Company shall take all reasonable actions necessary to ensure that from and after the Effective Time, neither Acquiror nor the Surviving Company will be required to issue any share capital of Acquiror or the Company to any Person pursuant to the Company Equity Incentive Plans or in settlement of any Company Options and/or Company RSUs.

(C) Prior to the Closing (in no event later than the ESOP Spreadsheet being delivered to Acquiror in accordance with Section 2.4), the Company shall deliver written notice to each ESOP Holder and each ESOP Shareholder informing such holder of the effect of the Merger on their Company Options and/or Company RSUs.

1.4. Founder Contingent Shares. In addition to the Stock Consideration as specified in Section 1.3(b)(i)(B), the Founder Shareholders shall be entitled to receive, subject to the terms and conditions set forth herein, certain contingent Acquiror Ordinary Shares as earn-out consideration for the Transactions (the "Founder Contingent Shares") equal to up to 0.37% of the Acquiror Share Count, comprising (i) Performance-Linked Shares, the issuance of which is conditioned upon satisfaction of the agreed financial and operational metrics, and (ii) Deferred Shares, which shall be issued promptly following the first (1st) anniversary of the Closing Date. The defined terms, calculation mechanism and issuance conditions governing the Founder Contingent Shares are set out in further details in Schedule 1.4, which schedule is hereby incorporated into, and shall be deemed to form an integral part of, this Agreement.

1.5. Shareholder Status Questionnaire. Notwithstanding any provision herein to the contrary, no Shareholder shall be entitled to receive any portion of the Stock Consideration unless and until such Shareholder has delivered to Acquiror, in form and substance reasonably satisfactory to Acquiror, as the case may be, (i) a duly completed and executed Accredited Investor Questionnaire, or (ii) a duly completed and executed Non-U.S. Person Questionnaire, in each case properly certifying such Shareholder's qualification either as an Accredited Investor or as a Non-U.S. Person. The Company and Shareholder Representative shall, no later than twenty (20) Business Days prior to the Closing, deliver to Acquiror, all of the completed and executed Accredited Investor Questionnaire or Non-U.S. Person Questionnaire, as applicable, for each Shareholder who voted for the Merger in the Company Shareholders Meeting.

1.6. Fractional Shares. No fractional Acquiror Ordinary Shares shall be issued in connection with the Merger and no certificates or scrip representing fractional Acquiror Ordinary Shares shall be delivered upon the conversion of Company Shares pursuant to Section 1.3(b). No Person shall be entitled to receive or be deemed the owner of any fractional Acquiror Ordinary Share. All Acquiror Ordinary Shares issuable to any individual holder shall be aggregated on a holder-by-holder basis and the number of Acquiror Ordinary Shares issuable shall be rounded in accordance with Section 1.3(b)(i)(B).

1.7. Further Action. If at any time from and after the Effective Time, any further action is necessary to carry out the purposes of this Agreement and to vest the Surviving Company with the rights, the property of every description including choses in action, and the business, undertaking, goodwill, benefits, immunities and privileges of the Company and Merger Sub, the officers and directors of the Company, Acquiror and Merger Sub, are fully

authorized in the name of their respective companies or otherwise to take, and shall take, all such lawful and necessary action.

ARTICLE II
CLOSING AND CLOSING PAYMENTS

2.1.The Closing.

(a) Closing. Unless this Agreement is validly terminated pursuant to Section 8.1, the consummation of the Merger (the "Closing") shall be effected electronically by the mutual exchange of electronic signatures and requisite documents (including portable documents format (.pdf)), or at such other place or in such other manner as the Company and Acquiror may mutually agree, on the date that is twenty (20) Business Days following satisfaction or waiver (if permissible hereunder) of the conditions set forth in Section 2.2 (other than those conditions that by their nature are to be satisfied at the Closing, but subject to satisfaction or waiver (if permissible hereunder) of those conditions at the Closing), unless another time is mutually agreed upon in writing by Acquiror and the Company. The date upon which the Closing occurs shall be referred to herein as the "Closing Date."

(b) Effective Time. Subject to the provisions of this Agreement, on the Closing Date, Acquiror, Merger Sub and the Company shall execute a plan of merger in the form attached as Exhibit E hereto (the "Plan of Merger") and shall file, or cause to be filed, the Plan of Merger and any other documents required in accordance with the Companies Act to effect the Merger with the Registrar of Companies of the Cayman Islands as provided by Section 233 of the Companies Act. The Merger shall become effective on the Closing Date immediately upon the registration of the Plan of Merger by the Registrar of Companies of the Cayman Islands, or at such later time or on such later date as may be mutually agreed in writing by the Company and Acquiror and, in either case, as specified in or pursuant to the Plan of Merger in accordance with the Companies Act (the "Effective Time").

2.2.Closing Conditions.

(a) Mutual Conditions. The respective obligations of Acquiror, Merger Sub and the Company to effect the Merger shall be subject to the satisfaction, at or prior to the Effective Time, of the following conditions:

(i) Requisite Board Approval and Shareholder Approval. The Requisite Board Approval and Requisite Shareholder Approval (A) shall have been duly obtained and shall remain in full force and effect as of the Closing, and (B) shall not have been amended, modified, revoked, or otherwise impaired as of the Closing;

(ii) Regulatory Approvals. All consents, notices, waivers, approvals, orders, authorizations, registrations, declarations, or filings with any Governmental Entity (collectively, the "Governmental Approvals") necessary for the execution, delivery, and performance of this Agreement and any Transaction Documents shall have been obtained or completed and shall be in effect, which Governmental Approvals shall consist exclusively of (A) the PRC Merger Control Approvals, and (B) any additional Governmental Approvals expressly agreed in writing by the Acquiror and the Company prior to Closing;

(iii) No Legal Restraints. No Law or Order (whether temporary, preliminary or permanent) shall be in effect which has the effect of making the Merger illegal or otherwise prohibiting or preventing consummation of the Merger in accordance with the terms hereof; and

(iv) Escrow Agreement. Acquiror and Shareholder Representative shall have received the Escrow Agreement duly executed by the Company, the Shareholder Representative, Acquiror and the Escrow Agent, which shall reflect the key commercial terms expressly set forth in Schedule 2.3(b)(iii) of this Agreement, and no party shall unreasonably delay, condition, or withhold its approval of the final form of the Escrow Agreement.

(b) Additional Acquiror and Merger Sub Conditions. The obligations of Acquiror and Merger Sub to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of each of the following additional conditions, any of which may be waived in writing exclusively by Acquiror:

(i) Company Representations and Warranties.

(A) Unless otherwise provided under paragraph (B) below, the representations and warranties of the Company shall have been true, correct and complete on the date they were made and shall be true, correct and complete on and as of the Closing Date, as if made on and as of the Closing Date (other than any such representations and warranties of the Company made only as of a specified date, which shall be true,

correct and complete as of such date), except for any failures to be so true, correct and complete (without giving effect to any qualifications as to materiality or Company Material Adverse Effect or other similar qualifications contained therein) that would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(B) The Fundamental Representations with respect to the Company and the Material Subsidiaries shall have been true, correct and complete on the date they were made and shall be true, correct, and complete on and as of the Closing Date, as if made on and as of the Closing Date (other than any such representations and warranties of the Company made only as of a specified date, which shall be true, correct and complete as of such date) in all material respects (without giving effect to any qualifications as to materiality or Company Material Adverse Effect or other similar qualifications contained therein).

(ii) Company Covenants. The Company and Founder Parties shall have performed and complied in all material respects (without giving effect to any qualifications based on the word "material" or similar phrases (including "Company Material Adverse Effect") limiting the scope of such covenants and obligations) with all covenants and obligations under this Agreement required to be performed and complied with by the Company or the Founder Parties, as the case may be, prior to the Closing. The Company shall have delivered to Acquiror all certificates and other documents that it is required to deliver to Acquiror pursuant to this Agreement prior to the Closing, including the Payment Instruction Spreadsheet, Payment Spreadsheet, ESOP Spreadsheet and the Company Statement of Expenses.

(iii) No Triggering Action. No Triggering Action arising out of or relating to this Agreement or the Merger shall have been commenced or served by any Shareholder(s) and remain pending against Acquiror or any of its Affiliates, or against the Company or any of its Subsidiaries, or the respective Representatives of the foregoing parties, who, after disregarding any overlap in their respective share ownership, collectively hold more than ten percent (10%) or more of the total outstanding Company Shares entitled to vote at the Company Shareholders Meeting; *provided*, *however*, that, for the purpose of calculating such ten percent (10%) threshold, any Shareholder that has, on or prior to the Closing, executed and delivered the Deed of Undertaking or irrevocably withdrawn or finally settled its Triggering Action on terms that do not impose on Acquiror, the Company or any of their respective Affiliates, or the respective Representatives of the foregoing parties, any Liability, undertaking or payment (other than such portion of Merger Consideration attributable to such Shareholder in accordance with this Agreement) shall be disregarded, *provided*, further that this Condition shall be deemed satisfied if, after such exclusion, the aggregate ownership percentage of the remaining Shareholders continuing to pursue any such Triggering Action does not exceed the aforesaid ten percent (10%) threshold. For the avoidance of doubt, Dissenting Shares shall be included in the calculation of the ten percent (10%) threshold under this sub-section (iii).

(iv) No Company Material Adverse Effect. There shall not have occurred a Company Material Adverse Effect that is continuing.

(v) Deed of Undertaking. Acquiror shall have received the Deed of Undertaking duly executed by each Shareholder that votes in favor of the Merger at the Company Shareholders Meeting, which deed shall remain in full force and effect and shall not be amended, modified, revoked, or otherwise impaired as of the Closing.

(vi) Non-Competition, Non-Solicitation, Confidentiality and IP Agreement and New Employment Arrangements.

(A) Each of the non-competition and non-solicitation agreements in the form attached as Exhibit C (each, a "Non-Competition, Non-Solicitation, Confidentiality and IP Agreement"), duly executed and delivered by the Key Employees, CHEN Yuxin (陈宇昕) and [redacted], shall be in full force and effect and shall not have been revoked, rescinded, or otherwise repudiated by the respective signatories thereto.

(B) Each of the Key Employees shall have executed the Acquiror's standard employment documents (together, the "Key Employee Employment Agreements"), which shall be in full force and effect and shall not have been revoked, rescinded or otherwise repudiated by the respective signatories thereto, and no Key Employee shall have terminated his, her or their employment with the Company (or one of its Subsidiaries, as applicable) or expressed an intention or interest (whether formally or informally) in, or taken action toward terminating his, her or their employment with the Company (or one of its Subsidiaries, as applicable) at or prior to the Closing, or with the Surviving Company or Acquiror following the Closing.

(vii)Individual Waiver Letters and Welfare Waiver Letter.

(A) Acquiror shall have received the Individual Waiver Letters duly executed by: (i) current employees participating in the Global Plan representing both (x) no less than [redacted] of such current employees by number of headcount, and (y) no less than [redacted] of the total consideration payable to all current employees under the Global Plan; and (ii) former employees participating in the Global Plan representing no less than [redacted] of the total consideration payable to all such former employees under the Global Plan; *provided*, for purposes of this Section, that (I) employee status (whether current or former) shall be determined based on the status whether such employee remains to be employed by the Company or any of its Subsidiaries as of the date of this Agreement, and (II) the total consideration payable under the Global Plan shall include the amount of ESOP Cash Consideration, ESOP Stock Consideration and Merger Consideration attributable to the Global Plan pursuant to Section 1.3(b) and Section 1.3(c), and such letter shall remain in full force and effect and shall not be amended, modified, revoked, or otherwise impaired as of the Closing.

(B) Acquiror shall have received the Welfare Waiver Letter duly executed by Welfare on behalf of all ESOP Holders under the Legacy Plan and such letter shall remain in full force and effect and shall not be amended, modified, revoked, or otherwise impaired as of the Closing.

(viii)Closing Financial Metrics.

(A) The amount of the Closing Net Cash as of the Reference Date, as determined in accordance with the finalized and binding Pre-Closing Statement which remains valid, shall be no less than the Net Cash Closing Target; *provided*, *however*, that if the amount of the Closing Net Cash as of the Reference Date is at least the Net Cash Cure Target but less than one hundred percent (100%) of the Net Cash Closing Target (such deficiency, the "Net Cash Shortfall Amount"), the Founders shall have the right, but not the obligation, to cure the Net Cash Shortfall Amount before the Closing by irrevocably electing, at least three (3) Business Days before the Closing, to have an amount equal to the Net Cash Shortfall Amount offset, on a dollar-for-dollar basis, against the Cash Consideration otherwise payable to the Founder Shareholders upon Closing, with such offset allocated between the Founder Shareholders in accordance with their respective Founder Shareholder Pro Rata Portion; and, upon the satisfaction of the Net Cash Closing Target by the Founders' timely and full cure of the Net Cash Shortfall Amount, this condition shall be deemed satisfied for all purposes of this Agreement.

(B) The Closing Core Business Revenue, as determined in the Pre-Closing Statement, shall be no less than the Revenue Closing Target.

(C) The Closing Core Business Profit, as determined in the Pre-Closing Statement, shall be no less than the Profit Closing Target.

(ix) Company Closing Deliverables. The Company shall have delivered or cause to be delivered each of the closing deliverables set forth in Schedule 2.2(b).

(c) Additional Company Conditions. The obligations of the Company to effect the Merger shall be subject to the satisfaction at or prior to the Effective Time of each of the following additional conditions, any of which may be waived in writing exclusively by the Company:

(i) Acquiror Representations and Warranties.

(A) The representations and warranties of Acquiror and Merger Sub set forth in ARTICLE IV (other than Section 4.1 (*Organization and Standing*) and Section 4.2 (*Authority and Enforceability*), without giving effect to any qualifications as to materiality or Acquiror Material Adverse Effect or other similar qualifications contained therein, shall have been true and correct in all respects on the date they were made (except for the representations and warranties relating to Merger Sub, on the date of its incorporation) and shall be true and correct in all respects on and as of the Closing Date as though such representations and warranties were made on and as of such date (other than the representations and warranties of Acquiror and Merger Sub made only as of a specified date, which shall be true and correct in all respects as of such date), except where such failures to be so true and correct have not had, and would not reasonably be expected to have, individually or in the aggregate, an Acquiror Material Adverse Effect.

(B) The representations and warranties of Acquiror and Merger Sub in Section 4.1 (*Organization and Standing*) and Section 4.2 (*Authority and Enforceability*) without giving effect to any qualifications as to materiality or Acquiror Material Adverse Effect or other similar qualifications contained therein,

shall have been true and correct in all material respects on the date they were made (except for the representations and warranties relating to Merger Sub, on the date of its incorporation) and shall be true and correct in all material respects on and as of the Closing Date as though such representations and warranties were made on and as of such date (other than any such representations and warranties of Acquiror and Merger Sub made only as of a specified date, which shall be true and correct in all material respects as of such date).

(ii) Acquiror Covenants. Acquiror and Merger Sub shall have performed and complied in all material respects with all covenants and obligations under this Agreement required to be performed and complied with by them prior to the Closing.

(d) Company Closing Deliverables. At the Closing, the Company shall deliver to Acquiror the closing deliverables set forth in Schedule 2.2(b).

2.3.Payment of Merger Consideration.

(a) Payment Instruction Spreadsheet; Payment Spreadsheet. No later than twenty (20) Business Days prior to the Closing, the Company shall deliver to Acquiror a complete and accurate spreadsheet setting forth the payment instructions and certain other information with respect to each Shareholder (other than Dissenting Shareholders), in the form as set forth in Part I of Schedule 2.3(a) (the "Payment Instruction Spreadsheet"), and accompanied by documentation in support of the information set forth therein (it being understood that the bank account name of such Shareholder shall be consistent with the entity name of such Shareholder on the Company ROM). No later than three (3) Business Days prior to the Closing, the Company shall deliver to Acquiror a spreadsheet (the "Payment Spreadsheet", certified by the Shareholder Representative as true, complete and accurate as at the Closing) setting forth the following information with respect to each Shareholder (including each Dissenting Shareholder), in the form as set out in Part II of Schedule 2.3(a): (A) the name and address of such Shareholder, (B) the number, class and series of all Company Shares held by such Shareholder and the respective certificate numbers of all certificates evidencing all such shares, (C) whether such Shareholder is a Dissenting Shareholder and the number of shares that are Dissenting Shares and the Dissenting Baseline Merger Consideration attributable to such shares, (D) the Cash Consideration for such Shareholder pursuant to Section 1.3(b)(i)(A) (without deducting the Net Cash Shortfall Amount (if any)) and the Closing Cash Payment with respect to such Shareholder calculated in accordance with Section 2.3(b)(i), (E) the Stock Consideration that such Shareholder is entitled to receive in accordance with Section 1.3(b)(i)(B) and Section 2.3(b)(ii) (including the final number of Acquiror Ordinary Shares constituting such Shareholder's Stock Consideration), and solely with respect to each Founder Shareholder, as may be adjusted in accordance with Section 2.6(c), (F) whether such Shareholder is a Bulletin 7 Shareholder and the Bulletin 7 Escrow Amount attributable to such Shareholder in accordance with Section 2.3(b)(iii), and (G) the Pro Rata Portion and if applicable, the Founder Shareholder Pro Rata Portion of such Shareholder.

(b) Delivery of Merger Consideration.

(i) Cash Consideration; Closing Cash Payment. At the Closing, with respect to each Shareholder that is not a Dissenting Shareholder, subject to receipt by Acquiror of a duly executed Deed of Undertaking, Acquiror shall deposit, or cause to be deposited, with the Paying Agent, in immediately available funds, an amount of cash equal to:

(A) the aggregate Cash Consideration with respect to the Company Shares held by such Shareholder as of immediately prior to the Effective Time calculated pursuant to Section 1.3(b)(i); *minus*

(B) (with respect to each Founder Shareholder) an amount equal to the product of multiplying (x) the Net Cash Shortfall Amount pursuant to Section 2.2(b)(viii)(A), by (y) the Founder Shareholder Pro Rata Portion; *minus*

(C) (solely with respect to each Bulletin 7 Shareholder) an amount equal to Bulletin 7 Escrow Amount attributable to such Bulletin 7 Shareholder; *minus*

(D) (with respect to each Founder Shareholder) such amount reduced from the Cash Consideration to such Founder Shareholder as contemplated under Section 2.6(c)(ii), if any;

provided that no such deposits shall be required to be made with respect to any Dissenting Shares or Cancelled Shares (such amount calculated on the basis of the above formula in this Section 2.3(b)(i) being the "Closing Cash Payment"). The Paying Agent shall pay to each Shareholder that is not a Dissenting Shareholder the Closing Cash Payment payable to such Shareholder pursuant to the procedures set out in Section 2.3(c). To the extent the Merger

Consideration payable to a Founder Shareholder is reduced by (x) any Metrics Deficiency Recovery Amount attributable to such Founder Shareholder, and (y) any Net Cash Shortfall Amount attributable to such Founder Shareholder pursuant to Section 2.2(b)(viii)(A), Acquiror shall be deemed to have fully discharged its obligations to make such reduced portion of Merger Consideration to such Founder Shareholder.

(ii) Stock Consideration.

(A) Subject to the Merger becoming effective, on the first Business Day immediately following the Closing Date, Acquiror shall issue and deliver to each Shareholder (in the case of an ODI Shareholder, including its Affiliate designated in compliance with Section 7.15) the Stock Consideration of such Shareholder in accordance with Section 2.3(c), subject to receipt by Acquiror of (1) with respect to any Shareholder being a U.S. Person, the Accredited Investor Questionnaire duly completed and validly executed in accordance with the instructions thereto; (2) with respect to any Shareholder not being a U.S. Person, the Non-U.S. Person Questionnaire duly completed and validly executed in accordance with the instructions thereto; (3) with respect to any Shareholder who is not a Dissenting Shareholder, the duly executed Deed of Undertaking; and (4) with respect to ODI Shareholder, all those documents specified in Section 7.15. For the avoidance of doubt, Acquiror shall have no obligation to issue and deliver to a Shareholder its Stock Consideration until Acquiror receives the documents applicable to such Shareholder as described above. Notwithstanding any other provisions of this Agreement and solely for the purpose of Sections 2.3(b)(i) to 2.3(b)(ii) and Section 2.3(c), the term "Business Day" shall refer to each day on which banking institutions located in Hong Kong are open for general banking business.

(B) The Acquiror Ordinary Shares shall be issued in reliance upon Regulation D and Regulation S, as the case may be, and in a transaction that was not, and will not be, registered under the Securities Act. Acquiror is relying upon the truth and accuracy of, and the Shareholders' compliance with, the representations, warranties, agreements, acknowledgements and understandings of the Shareholders set forth in the Accredited Investor Questionnaire or Non-U.S. Person Questionnaire in order to determine the availability of such exemptions and the eligibility of the Shareholders to acquire the Acquiror Ordinary Shares.

(C) Each entry in the share register of Acquiror and if applicable, certificate, evidencing the Acquiror Ordinary Shares issued hereunder may bear one or all of the following legends or restrictive notation reflecting such restrictions:

(x) "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE. THIS SECURITY MAY NOT BE TRANSFERRED, SOLD, OFFERED FORSALE, PLEDGED OR HYPOTHECATED: IN THE ABSENCE OF (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT, (2) AN EXEMPTION OR QUALIFICATION UNDER APPLICABLE SECURITIES LAWS OR (3) DELIVERY TO THE ISSUER OF SUCH SECURITIES (THE "ISSUER") OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH REGISTRATION IS NOT REQUIRED. ANY ATTEMPT TO TRANSFER, SELL, PLEDGE OR HYPOTHECATE THIS SECURITY IN VIOLATION OF THESE RESTRICTIONS SHALL BE VOID.

THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO RESTRICTIONS ON TRANSFER SET FORTH IN A DEED OF UNDERTAKING, DATED AS OF [*], 2025, BY AND AMONG THE ISSUER AND THE HOLDER OF SUCH SECURITIES, AS AMENDED, INCLUDING, WHERE APPLICABLE, CERTAIN LIMITED PERMITTED TRANSFERS. A COPY OF SUCH DOCUMENT WILL BE FURNISHED WITHOUT CHARGE BY THE ISSUER TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

(y) Any legend required by the Blue Sky Laws of any state to the extent such Laws are applicable to such Acquiror Ordinary Shares issued hereunder.

(iii) Escrow Account. At the Closing, Acquiror shall transfer the Bulletin 7 Escrow Amount to the Escrow Agent to hold in the Bulletin 7 Escrow Account, under the terms of this Agreement and the Escrow Agreement. Upon deposit of the Bulletin 7 Escrow Amount with the Escrow Agent in accordance with the preceding sentences, Acquiror shall be deemed to have (x) discharged its obligation to pay such portion of the Merger Consideration in its corresponding amount of the Bulletin 7 Escrow Amount to each Bulletin 7 Shareholder; and (y) contributed, on behalf of each Bulletin 7 Shareholder, such Bulletin 7 Shareholder's corresponding amount of Bulletin 7 Escrow Amount to the Bulletin 7 Escrow Account. It is acknowledged and agreed that any compensation for the Escrow Agent's services calculated in accordance with the Escrow Agreement shall be borne by the Company.

(iv) Founder Indemnity Shares.

(A) *Security for Founder Obligations*. Acquiror shall reserve (but not issue) the Founder Indemnity Shares at Closing as partial security for the indemnification of Indemnified Parties for Losses under Section 9.2(a).

(B) *Dividend Equivalent Payments*. The Founder Indemnity Shares shall remain unissued and shall not confer any rights (including voting, dividend or beneficial ownership rights) until formally issued pursuant to Section 2.3(b)(iv). However, if Acquiror declares any dividend or distribution on Acquiror Ordinary Shares between the Closing Date and the applicable Issuance Date, at the same time of issuing any Founder Indemnity Shares, Acquiror shall pay the Founder Shareholders a cash amount equal to the dividends that would have been payable on their respective Founder Indemnity Shares had such shares been issued and outstanding during such period, *less* any pro rata reduction for Founder Indemnity Shares ultimately withheld (and not issued) to satisfy obligations of the Founder Parties hereunder.

(C) *Staggered Issuance Schedule*. On each anniversary of the Closing Date (each, an "Issuance Date"), the number of Acquiror Ordinary Shares equal to the greater of (x) zero (0), and (y) the result of (1) one-third (1/3) of the Founder Indemnity Shares, *minus* (2) the total Retention Shares (as defined below) corresponding to the total Claimed Indemnity Amount raised during the year immediately preceding such Issuance Date, shall be released and issued to the Founder Shareholders (allocated pro rata according to their Founder Shareholder Pro Rata Portion), subject to any pending or finalized offsets described in Section 2.3(b)(iv)(D), *provided* that, if the total Claimed Indemnity Amount raised during the year immediately preceding such Issuance Date exceeds one-third (1/3) of the Founder Indemnity Amount, the excess claimed amount shall be deemed raised in the immediately subsequent year for purposes of counting towards the then-applicable Claimed Indemnity Amount calculating Retention Shares under this sub-section (C), and this carry-forward mechanism shall apply successively to any subsequent excess claims; *provided further* that as a condition to such issuance, each Founder Party shall deliver to Acquiror either (i) a duly completed and executed Accredited Investor Questionnaire, or (ii) a duly completed and executed Non-U.S. Person Questionnaire, in each case properly certifying such Shareholder's qualification either as an Accredited Investor or as a Non-U.S. Person, no later than twenty (20) Business Days prior to the applicable Issuance Date. Acquiror acknowledges that such issued Founder Indemnity Shares shall not be subject to any contractual transfer restrictions imposed by Acquiror, except to the extent required under applicable Laws. Any portion of Founder Indemnity Shares offset against obligations of the Founder Parties hereunder pursuant to Section 2.3(b)(iv)(D) shall be permanently forfeited, with a corresponding reduction in the Founder Indemnity Amount.

(D) *Offset Mechanism for Reserved Shares*. The reserved Founder Indemnity Shares shall be subject to offset or withholding as follows:

(1) any amount for indemnification claims set forth in an Indemnification Claim Notice (collectively, the "Claimed Indemnity Amount") may be satisfied on a dollar for dollar basis and without set-off or deduction, by first withholding the corresponding portion of the Founder Indemnity Shares (calculated by dividing the Claimed Indemnity Amount by the Acquiror Share Price) and then after such claims are settled pursuant to Section 2.3(b)(iv)(E), permanently cancelling the release and issuance of such Founder Indemnity Shares allocated pro rata among the Founder Shareholders according to their Founder Shareholder Pro Rata Portion. If the Claimed Indemnity Amount equals or exceeds the total Founder Indemnity Amount, none of the Founder Indemnity Shares shall be issued; and

(2) If, at any time before an Issuance Date, any Claimed Indemnity Amount remains outstanding and not satisfied pursuant to Section 2.3(b)(iv)(D)(1), the portion of the Founder Indemnity Shares corresponding to such Claimed Indemnity Amount (calculated by dividing such Claimed Indemnity Amount by the Acquiror Share Price, the "Retention Shares") shall not be issued until the claim(s) underlying the Claimed Indemnity Amount are fully resolved. Within ten (10) Business Days following the final resolution: (i) if resolved in favor of the Founder Parties, the Retention Shares shall then be issued to the Founder Shareholders; and (ii) if resolved in favor of Acquiror or the Indemnified Parties, Acquiror shall permanently withhold from issuance the Retention Shares; *provided that*, with respect to each claim underlying the Claimed Indemnity Amount, (A) the number of Acquiror Ordinary Shares to be permanently withheld from issuance (the "Founder Cancelled Shares" for such claim) shall be recalculated by dividing the finally determined indemnity amount for such claim (the "Final Indemnity Amount" for such claim) by the Acquiror Share Price; (B) if the Final Indemnity Amount exceeds the original Claimed Indemnity Amount for such claim, Acquiror shall permanently withhold additional Acquiror Ordinary Shares corresponding to the difference (such additional shares to be deducted from the remaining Founder Indemnity Shares not yet issued); and (C) if the Final Indemnity Amount is less than the original Claimed Indemnity Amount for such claim, Acquiror shall release the excess Retention Shares (calculated by subtracting the Founder Cancelled Shares from the original Retention Shares) for issuance to the Founder Shareholders.

(E) *Definition of Outstanding Claims*. In the case of an indemnification claim, such claim shall be regarded as outstanding if an Indemnification Claim Notice with respect to that indemnification claim has been given by the Indemnified Parties to the Founder Parties in accordance with Section 9.5 and that indemnification claim has not been settled. For the purpose of this Section 2.3(b)(iv)(E), an indemnification claim shall be regarded as settled if:

(1) such indemnification claim is withdrawn in writing by the Indemnified Party;

(2) the Founder Parties and Acquiror so agree or deemed to agree in accordance with Section 9.5(b) or Section 9.5(c); or

(3) a final and binding arbitral award is issued following an arbitration proceeding commenced in accordance with Section 9.5(d) and Section 11.11.

(F) *Preservation of Remedies*. Nothing in this Section 2.3(b)(iv) limits any rights or remedies available to Indemnified Parties to recover any amount due to it in respect of any indemnification claim. To the extent that the Founder Indemnity Shares are insufficient to satisfy the Claimed Indemnity Amount, the Founder Parties shall be personally liable for the shortfall and, subject to the applicable limitation provisions of this Agreement, the Founder Parties shall pay Acquiror such shortfall within ten (10) Business Days following the final resolution of each such claim. In no event shall the Founder Indemnity Shares be considered as liquidated damages for any breach under this Agreement.

(c) Paying Agent; Share Registrar; Exchange Procedures.

(i) Payment of the Cash Consideration

(A) With respect to each Shareholder that is not a Dissenting Shareholder, subject to the Merger becoming effective, and subject to Acquiror's prior receipt of (1) a duly executed Deed of Undertaking, (2) in the case of any ODI Shareholder, appropriate documentary evidence confirming such ODI Shareholder's designated bank account as identified in the Payment Instruction Spreadsheet is a qualified foreign exchange capital account under the account title of Foreign Exchange Capital Account Settlement Account (资本项目结算账户) , or any other account of a similar nature permitted by the applicable Law of the PRC for receiving its Cash Consideration, and (3) the original certificate(s) representing such Shareholder's Company Shares (the "Company Share Certificate") (collectively, the "Exchange Documents"), within one (1) Business Day after the later of (x) the Closing Date or (y) the date when Acquiror receives all of the Exchange Documents with respect to such Shareholder, Acquiror shall cause Paying Agent to pay to such Shareholder, by wire transfer of immediately-available funds, a cash amount equal to such Shareholder's Closing Cash Payment; *provided*, that subject to the occurrence of the Closing and Acquiror's prior receipt of the Exchange Documents, if and only to the extent that the payment instructions with respect to a Shareholder are erroneous and/or incomplete in the Payment Instruction Spreadsheet such that the Paying Agent cannot effect the payment, no payment shall be initiated by the Paying Agent unless and until the following conditions are met: (x) the Shareholder Representative (and not any individual Shareholder)

provides Acquiror with full details of written payment instructions in respect of such Shareholder; and (y) five (5) Business Days have elapsed after Acquiror's receipt of such payment instructions from the Shareholder Representative.

(B) Within one (1) Business Day after the date of payment of the Closing Cash Payment by the Paying Agent to such Shareholder, Acquiror shall, or shall cause Paying Agent to, provide to the Shareholder Representative with the SWIFT MT103 for such payment.

(C) For clarity, if any Shareholder does not receive its Closing Cash Payment despite the issuance of the SWIFT MT103 due to any clerical error regarding such Shareholder contained in the Payment Instruction Spreadsheet, Acquiror shall not be deemed in breach of this Agreement if such Shareholder fails to provide the corrected information as required in the Payment Instruction Spreadsheet.

(D) Within three (3) Business Days after receiving the Payment Instruction Spreadsheet, Acquiror shall cause the Paying Agent to send a de minimis "penny test" to each Shareholder's account provided in the Payment Instruction Spreadsheet. If credit of that penny test is not confirmed within five (5) Business Days by any Shareholder (each, a "Unverified Shareholder"), Acquiror shall, and shall instruct the Paying Agent to, investigate and continue to use all reasonable efforts to facilitate clearance of payment to such Unverified Shareholder until two (2) Business Days before the Closing. To the extent the Paying Agent confirms the test payment cannot be cleared to arrive at any Unverified Shareholder's designated account, within one (1) Business Day after the Closing (subject to the Merger having been effective), Acquiror shall cause the Paying Agent pay such Unverified Shareholder's entire Closing Cash Payment to the Shareholder Representative's account stated in the Payment Instruction Spreadsheet, on behalf of and for the sole benefit of such Unverified Shareholder. Acquiror shall be deemed to have fully satisfied its obligation to pay such Unverified Shareholder so affected upon receipt of such Closing Cash Payment by the Shareholder Representative. The Shareholder Representative shall promptly consult with the affected Unverified Shareholder to identify and implement a lawful and practicable payment method, and arrange the onward payment of the relevant Closing Cash Payment to such Unverified Shareholder.

(ii) For avoidance of doubt, the failure of any particular Shareholder to furnish payment instruction or Exchange Documents shall not delay, invalidate or otherwise affect the payments of Closing Cash Payment to any other Shareholder, which shall proceed as set forth above.

(iii) With respect to each Shareholder entitled to receive Stock Consideration, subject to the Merger becoming effective, and subject to Acquiror's prior receipt of the Exchange Documents and a duly completed and executed Accredited Investor Questionnaire (for each Shareholder that is a U.S. Person) or Non-U.S. Person Questionnaire (for each Shareholder that is not a U.S. Person), in the case of any ODI Shareholder, the documents specified in Section 7.15 in addition to the Exchange Documents, Acquiror shall procure the Share Registrar to (A) update the register of members of Acquiror to reflect the issuance of the Stock Consideration to such Shareholder (or the ODI Shareholder Affiliate, where applicable) on the first (1st) Business Day immediately following the Closing Date (the "Stock Allotment Date"); (B) deliver an updated extract of the register of members, Certified by the Share Registrar, for such Shareholder (or the ODI Shareholder Affiliate, where applicable) to the Shareholder Representative on the Business Day immediately following the Stock Allotment Date; and (C) make available, for collection by the Shareholder Representative (or its duly authorized representative) at the Share Registrar's Hong Kong office, the original share certificates evidencing the Stock Consideration on the second (2nd) Business Day immediately following the Stock Allotment Date. For the avoidance of doubt, the failure of any particular Shareholder to deliver its Exchange Documents shall not delay, invalidate or otherwise affect the payment of Closing Cash Payment or issuance, registration or delivery of Stock Consideration to any other Shareholder pursuant to this Section. Any Company Share Certificates so surrendered shall be cancelled.

(iv) Lost, Stolen or Destroyed Certificates. In the event any Company Share Certificate shall have been lost, stolen or destroyed, the Paying Agent shall pay the Closing Cash Payment pursuant to Section 2.3(c)(i) in exchange for such lost, stolen or destroyed certificates, upon the making of an affidavit of that fact and an indemnity in such form and substance in accordance with the Charter Documents of the Company by the holder thereof; *provided*, that the name and information of such Shareholder in the affidavit and indemnity shall be consistent with the Company ROM.

(v) Transfers of Ownership. If any Merger Consideration is disbursed to a Person other than the Person whose name is reflected on the Company ROM (other than pursuant to Section 7.15), the Merger Consideration will be paid to the Person requesting such transfer upon delivery of evidence to the reasonable

satisfaction of Acquiror of such Person's entitlement of the relevant Company Share and that the person requesting such exchange will have paid to Acquiror or any agent designated by it any transfer or other Taxes required by reason of the payment of any portion of the Merger Consideration in any name other than that of the registered holder of the Company Share, or established to the satisfaction of Acquiror or any agent designated by it that such Tax has been paid or is not payable.

(vi) Paying Agent to Return Merger Consideration. At any time following the last day of the sixth (6) month following the Effective Time, Acquiror shall be entitled to require the Paying Agent to deliver to Acquiror or its designated successor or assign any portion of the Cash Consideration deposited with the Paying Agent pursuant to Section 2.3(c)(i) (the "Exchange Fund"), and any and all interest thereon or other income or proceeds thereof, not disbursed to the holders of Company Shares pursuant to Section 2.3(c), and thereafter the holders of Company Shares shall be entitled to look only to Acquiror (subject to the terms of Section 2.3(c)(vii) only) as general creditors thereof with respect to any and all cash amounts and Acquiror Ordinary Shares that may be payable to such holders of Company Shares pursuant to Section 1.3 upon the due surrender (or equivalent action) of such Company Shares and duly executed, applicable, Exchange Documents in the manner set forth in Section 2.3(b)(ii). No interest shall be payable in respect of any portion of the Exchange Fund delivered to Acquiror pursuant to the provisions of this Section 2.3(c) and which are subsequently delivered to the holders of Company Shares.

(vii) No Further Ownership Rights in Company Shares. The Merger Consideration (as reduced pursuant to Section 2.3(b)) paid in respect of the surrender (or equivalent action) for exchange of Company Shares in accordance with the terms of this Agreement shall be deemed to be full satisfaction of all rights pertaining to such Company Shares, and there shall be no further registration of transfers on the records of the Surviving Company of Company Shares which were outstanding immediately prior to the Effective Time. If, after the Effective Time, Company Share Certificates are presented to Acquiror or the Surviving Company for any reason, they shall be canceled and exchanged as provided in this ARTICLE II.

(viii) No Liability. Notwithstanding anything to the contrary in this Section 2.3(c)(viii), none of Acquiror, the Paying Agent, the Surviving Company, nor any party hereto shall be liable to any Person for any amount paid to a public official pursuant to any applicable abandoned property, escheat or similar law.

2.4 Payment of ESOP Consideration.

(a) ESOP Spreadsheet.

(i) No later than thirty (30) days prior to the Closing, the Company shall deliver to Acquiror a spreadsheet (the "ESOP Spreadsheet", in the form as set out in Schedule 2.4(a) and certified by the Company as true, complete and accurate as at the Closing) setting forth the following information with respect to each ESOP Holder or ESOP Shareholder under the Global Plan (each, a "Global ESOP Holder"), and accompanied by documentation reasonably satisfactory to Acquiror in support of the information set forth therein: (A) the name and address (including email address) of each Global ESOP Holder, (B) whether such Global ESOP Holder is a current or former employee or consultant of the Company and whether such Global ESOP Holder is a Key Employee, (C) the number of the Global Options or Global RSUs held by such Global ESOP Holder, (D) the portion of ESOP Cash Consideration allocated to each Global ESOP Holder, (E) the percentage of Acquiror Share Count represented by the number of Acquiror RSUs to be allocated to each Global ESOP Holder as his or her portion of ESOP Stock Consideration, and the vesting schedule of such Acquiror RSUs; (F) the status of Tax payment in connection with the ESOP Cash Consideration allocated to each Global ESOP Holder; and (G) whether the Global ESOP Holder has executed the Individual Waiver Letters.

(ii) No later than seven (7) Business Days prior to the Closing, Acquiror shall notify the Company in writing the estimated Acquiror Share Count, and the Company shall update the ESOP Spreadsheet such that the information provided as to limb (E) in the above Section 2.4(a)(i) shall be updated to reflect the specific number of Acquiror RSUs to be allocated to each Global ESOP Holder no later than six (6) Business Days prior to the Closing.

(b) ESOP Cash Consideration. The ESOP Cash Consideration shall be paid to the applicable ESOP Holders on or prior to the Closing Date in accordance with the terms and conditions set forth in Schedule D, subject to all applicable Tax withholding requirements.

(c) ESOP Stock Consideration. Subject to Acquiror's receipt and reasonable satisfaction of the ESOP Spreadsheet and supporting documentation pursuant to Section 2.4(a), Acquiror shall issue a grant notice,

electronically available through Acquiror's designated online platform, to each applicable ESOP Holder on the Stock Allotment Date, specifying the number and vesting period of the ESOP Stock Consideration for such ESOP Holder, in each case consistent with the data contained in the ESOP Spreadsheet. Such notice shall be delivered to the addresses specified for each ESOP Holder in the ESOP Spreadsheet.

2.5 Locked Box; No Leakage.

The Company warrants and undertakes to, and covenants with Acquiror that, except for Permitted Leakage, in the period from (and including) the Locked Box Date up to (and including) the Closing Date (such period being "Leakage Period"):

(a) no management charge or fee has been levied by any Leakage Party against the Company or any of its Subsidiaries and there has been no payment of any management, service or other fees or compensation from the Company or any of its Subsidiaries to, or for the benefit of, any Leakage Party;

(b) no share or loan capital or other equity interest of the Company or any of its Subsidiaries has been issued, redeemed, repurchased, returned or repaid to, or for the benefit of, any Leakage Party;

(c) no payments (whether in cash or in kind), offsetting of any principal, interest or other amount under any Indebtedness of the Company, loans or financial benefits have been made or granted and no assets, rights or other interests have been transferred to, or for the benefit of, any Leakage Party by the Company or any of its Subsidiaries;

(d) no dividend, cancellation or other distribution of profits or assets (whether in cash, securities, other property or in kind), or any bonus or other payment of any nature, has been or will be paid or declared or made by the Company or any of its Subsidiaries to or in favor of, any Leakage Party;

(e) no transaction has been or will be made between the Company or any of its Subsidiaries, on the one hand, and any Leakage Party, on the other hand;

(f) no amounts owed to the Company or any of its Subsidiaries by any Leakage Party have been or will be waived or forgiven;

(g) no assets, rights or other benefits have been or will be transferred, hypothecated or pledged by the Company or any of its Subsidiaries to any Leakage Party and no Lien has been or will be created over any of the assets of the Company or any of its Subsidiaries in favor of a Leakage Party;

(h) no incentive payments of any kind payable in connection with this Agreement and any Transaction Document or the transactions contemplated hereby and thereby have been paid or granted by the Company or any of its Subsidiaries to, or for the benefit of, any Leakage Party;

(i) no Liabilities have been (or have agreed to be) assumed, guaranteed, indemnified, or incurred by, and no Lien has been created over any asset, right or interest of the Company or any of its Subsidiaries in favor of, or for the benefit of, any Leakage Party;

(j) no counter-indemnity or other similar undertaking has been given in respect of any guarantee, indemnity, bond, letter of credit or other similar instrument by the Company or any of its Subsidiaries for the benefit of any Leakage Party;

(k) the Company has not nor has any of its Subsidiaries amended to the detriment of the Company or any of its Subsidiaries the terms of its borrowing or Indebtedness owed by it to any Leakage Party;

(l) no intercompany payables and/or receivables have been exchanged or paid between the Leakage Parties, on the one side, and the Company or any of its Subsidiaries, on the other side;

(m) the Company has not nor has any of its Subsidiaries waived of, released, discounted, failed or delayed in enforcing a claim of any kind or any proceeding against any Leakage Party; and

(n) the Company will not nor will any of its Subsidiaries acquire or be subject to any Liability for any Taxes which arise as a result of any of the matters set out in this Section 2.5 (whether or not actually received by the applicable Persons or in respect of which such Persons have benefited).

2.6 Pre-Closing Statement; Post-Closing Statement.

(a) Defined Terms. Capitalized terms that are used in this Section 2.6 and are not otherwise defined in this Agreement shall have the meanings given to them in Schedule 2.6(a) (*Definitions of Closing Financial Metrics and Deficiency Recovery Metrics*), which schedule is hereby incorporated into, and shall be deemed to form an integral part of this Agreement.

(b) Pre-Closing Statement.

(i) When the Company determines in good faith that all conditions in Section 2.2(a) and Section 2.2(b) (other than the conditions under Section 2.2(b)(viii)) have been satisfied or are reasonably expected to be satisfied, in any event no later than the last Condition Precedent (other than the conditions under Section 2.2(b)(viii)) being satisfied or waived pursuant to this Agreement, it shall deliver a written notice (the "Bring-Down Notice") to Acquiror and the Independent Accountant instructing the Independent Accountant to commence preparation of a pre-Closing statement (such statement, as revised to correct any manifest error, and/or as updated pursuant to this Section 2.6(b), the "Pre-Closing Statement"), *provided* that by the date of the Bring-Down Notice, the Company shall have prepared and made available to the Independent Accountant substantially all the financial documents and operating data necessary for the preparation of the Pre-Closing Statement. Acquiror and the Company shall jointly instruct in writing (the "Bring-Down Instruction") the Independent Accountant within five (5) Business Days after Acquiror's receipt of the Bring-Down Notice to commence the review and prepare the Pre-Closing Statement in accordance with this Section 2.6.

(ii) For the purpose hereof, the term " Independent Accountant" shall mean a firm of public accountants of national standing in the PRC mutually agreed between Acquiror and the Company in writing. Acquiror and the Company shall jointly execute an engagement letter with the Independent Accountant within ninety (90) days after the date of this Agreement, and the Independent Accountant's fees, costs and expenses in connection with this Agreement (including preparation of the Pre-Closing Statement, any updated Pre-Closing Statement and the Post-Closing Statement) shall be borne 50% by the Company and 50% by Acquiror. The Pre-Closing Statement shall:

(A) designate the "Reference Date" as the last calendar day of the month that is three (3) calendar months before the month in which the anticipated Closing Date falls (for illustration, if Closing is expected to occur on any date in May, the Reference Date shall be last calendar day of February);

(B) set out, as of, or for the periods ending on, the Reference Date, each of the Closing Financial Metrics, namely [redacted].

(C) set out, as of, or for the periods ending on, the Reference Date, each of the Deficiency Recovery Metrics, namely [redacted].

(D) state the resulting Weighted Combined Ratio;

(E) apply the same recognition and measurement policies and accounting treatment that Acquiror and its advisors employed in the financial due diligence review of the financial statements of the Company for the year of 2024 (the "Acquiror Methodology"); *provided*, that the Independent Accountant may not depart from the Acquiror Methodology without prior written consent of both the Company and Acquiror. If any such departure causes the value of any 2024 financial metric that corresponds to any Closing Financial Metric or Deficiency Recovery Metric in the Pre-Closing Statement to be lower than the figure previously provided by Acquiror based on its financial due diligence review process, such departure shall be deemed a "manifest error" under Section 2.6(b)(i), and the Company and Acquiror shall procure that the Independent Accountant promptly recalculate the metric using the Acquiror Methodology and issue a revised Pre-Closing Statement; and

(F) be delivered by the Independent Accountant to the Company and Acquiror within thirty (30) calendar days after the Independent Accountant's receipt of the Bring-Down Instruction and shall remain valid for ninety (90) calendar days after the Reference Date, subject to the update mechanism in Section 2.6(b)(iv).

(iii) the Company shall, and shall cause its Subsidiaries to, provide the Independent Accountant with reasonable access to books, records and personnel required to prepare the Pre-Closing Statement.

(iv) The Pre-Closing Statement remains valid for ninety (90) calendar days after the Reference Date (the " Validity Period"). If, at any time before the Closing, the Company reasonably determines that

the Closing is then expected to occur after the end of the Validity Period, the Company shall instruct the Independent Accountant to prepare an updated Pre-Closing Statement. The updated statement shall:

(A) use a new reference date being the last calendar day of the month that is three (3) calendar months before the month in which Closing is then scheduled to occur; *provided*, that such new reference date is not more than ninety (90) calendar days before that scheduled Closing Date; and

(B) be delivered by the Independent Accountant within thirty (30) calendar days after receipt of the instruction, whereupon it shall replace the earlier Pre-Closing Statement for all purposes of this Agreement (including the calculation of any of the Closing Financial Metrics or any of the Deficiency Recovery Metrics).

(C) The updated Pre-Closing Statement shall itself be subject to this Section 2.6(b)(iv) on the same basis, so that a further update will be required whenever Closing is again expected to fall outside the Validity Period.

(v) The Pre-Closing Statement shall be final, conclusive and binding upon the Company, Acquiror and the Founder Parties, and shall be used for determining the Closing Financial Metrics, the Deficiency Recovery Metrics and the resulting Weighted Combined Ratio.

(c) Adjustment of Founder Shareholders' Merger Consideration.

(i) Immediately after Acquiror notifies the Company of the Acquiror Share Count on the Share Count Notification Date, the Company shall calculate the Acquiror Share Price and the Metrics Deficiency Recovery Amount in accordance with the formula in Schedule 2.6(a), using the relevant metric values from the latest Pre-Closing Statement (together, the "Adjustment Amount").

(ii) The Adjustment Amount shall be translated into a number of Acquiror Ordinary Shares by dividing it by the Acquiror Share Price. The Stock Consideration otherwise issuable to the Founder Shareholders at the Closing shall be reduced by such number of Acquiror Ordinary Shares, with the reduction allocated between the Founder Shareholders in accordance with the Founder Shareholder Pro Rata Portion. To the extent the number of Acquiror Ordinary Shares so adjusted falls below zero pursuant to this Section 2.6(c), each Founder Shareholder's Cash Consideration shall be reduced by such amount using the following formula:

Adjustment Amount × Founder Shareholder Pro Rata Portion – Value of such Founder Shareholder's Stock Consideration (as determined based on the Acquiror Share Price)

(iii) The updated allocation, showing the reduced Stock Consideration and Cash Consideration (if any) for each Founder Shareholder, shall be set out in the Payment Spreadsheet. Deduction of the Adjustment Amount in this manner constitutes full and final settlement of the Founder Shareholders' obligations in respect of any Metrics Deficiency Recovery Amount, and no further payment or reimbursement shall be required after Closing.

(d) Post-Closing Statement.

(i) Within ten (10) Business Days after the Closing Date, Acquiror shall instruct the Independent Accountant to prepare a post-Closing statement (the "Post-Closing Statement") calculating (A) the Net Cash as of 11:59 p.m. (Hong Kong time) on the Closing Date, and (B) the Leakage Amount, if any, during the Leakage Period. The parties hereto shall provide the Independent Accountant with all information reasonably required for this purpose.

(ii) The Independent Accountant shall deliver the Post-Closing Statement to the Acquiror and the Founder Shareholders within thirty (30) calendar days after Closing.

(iii) The Post-Closing Statement shall be final, conclusive and binding on Acquiror and the Founder Shareholders.

(e) Post-Closing Adjustment Payment. Within thirty (30) days after the issuing of the Post-Closing Statement by the Independent Accountant, a single net cash settlement payment shall be determined and effected as follows:

(i) If the Net Cash as of the Closing Date, as determined in the Post-Closing Statement, (the "Final Closing Cash") is less than the Closing Net Cash set forth in the Pre-Closing Statement (the "Initial Closing Cash") (such shortfall, the "Net Cash Deficiency Amount"), then:

(A) In the case scenario where there has been a Net Cash Shortfall Amount deducted from the Cash Consideration paid to the Founder Shareholders at Closing, then each Founder Shareholder shall severally pay to Acquiror in immediately available funds (on a dollar-for-dollar basis) such amount as determined in accordance with the following formula:

FSPRP x (NCDA + LC)

where

"FSPRP" means such Founder Shareholder's Founder Shareholder Pro Rata Portion,

"NCDA" means the absolute value of the Net Cash Deficiency Amount, and

"LC" means the Leakage Amount as determined in the Post-Closing Statement.

(B) In the case scenario where no Net Cash Shortfall Amount has been deducted from the Cash Consideration paid to the Founder Shareholders at Closing, and the Final Closing Cash is less than the Net Cash Closing Target, then each Founder Shareholder shall severally pay to Acquiror in immediately available funds (on a dollar-for-dollar basis) such amount as determined in accordance with the following formula:

FSPRP x (LC + (NCCT - FCC))

where

"FCC" means the Final Closing Cash, and

"NCCT" means the Net Cash Closing Target.

(C) In the case scenario where no Net Cash Shortfall Amount has been deducted from the Cash Consideration paid to the Founder Shareholders at Closing, and the Final Closing Cash exceeds the Net Cash Closing Target, then each Founder Shareholder shall severally pay to Acquiror in immediately available funds (on a dollar-for-dollar basis) such amount as determined in accordance with the following formula:

FSPRP x LC

(ii) If the Final Closing Cash exceeds the Initial Closing Cash (such excess amount being the "Net Cash Surplus Amount") and there has been a Net Cash Shortfall Amount deducted from the Cash Consideration paid to the Founder Shareholders at Closing, then Acquiror shall pay to the Founder Shareholders (to be allocated based on the Founder Shareholder Pro Rata Portion) such amount ("Post-Closing True-up Amount") equivalent to:

(A) the Net Cash Shortfall Amount, if the Net Cash Surplus Amount is greater than the Net Cash Shortfall Amount, or

(B) the Net Cash Surplus Amount if the Net Cash Surplus Amount is no greater than the Net Cash Shortfall Amount,

in either case of sub-section (A) or (B) above, *minus* the Leakage Amount as determined in the Post-Closing Statement (if and only if the net balance of the Post-Closing True-up Amount after deducting the Leakage Amount remains to be a positive figure); *provided,* that the Founder Shareholders shall severally pay to Acquiror their respective Founder Shareholder Pro Rata Portion of such balance amount (if a positive figure) of Leakage Amount *minus* the Post-Closing True-up Amount.

(iii) If there is a positive Net Cash Surplus Amount and no Net Cash Shortfall Amount has been deducted from the Cash Consideration paid to the Founder Shareholders at Closing, then the Founder Shareholders shall severally pay to Acquiror its applicable Founder Shareholder Pro Rata Portion of the Leakage Amount as determined in the Post-Closing Statement.

(iv) For the avoidance of doubt, any Claim by Acquiror in respect of any amount payable by any Founder Party pursuant to this Section 2.6(e) shall not be subject to any provisions of ARTICLE IX other than Section 9.3(d)(iii).

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Subject to such exceptions as are Fairly Disclosed in the appropriate section, subsection or subclause of the disclosure schedule provided by the Company to Acquiror on the date of this Agreement (the "Disclosure Schedule") and expressly contemplated by this Agreement, the Company hereby represents and warrants to Acquiror and Merger Sub as follows, as of the date hereof and as of the Closing Date (unless any representation and warranty of the Company that address matters only as of a particular date in which case they shall be true and correct as of such date):

3.1. Organization and Good Standing.

(a) The Company is an exempted company duly incorporated, validly existing and in good standing under the Laws of the Cayman Islands. The Company has the requisite corporate power and authority to own, lease and operate its assets, rights and properties and to carry on its business as currently conducted. The Company is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character or location of its assets, rights or properties (whether owned, leased or licensed) or the nature of its business make such qualification or license material to the Company's business as currently conducted.

(b) Each Founder Shareholder is duly organized, validly existing and, to the extent applicable, in good standing under the Laws of the jurisdiction of its organization. Each Founder Shareholder has the requisite corporate power and authority to own, lease and operate its assets, rights and properties and to carry on its business as currently conducted. Each Founder Shareholder is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character or location of its assets, rights or properties (whether owned, leased or licensed) or the nature of its business make such qualification or license material to such Founder Shareholder's business as currently conducted.

(c) Each Founder is of sound mind and has full power and legal capacity to execute, deliver and perform his or her obligations under this Agreement and any other Transaction Document to which he/she is a party, and to consummate the Transactions and other transactions contemplated hereby and thereby.

(d) Each Subsidiary of the Company is duly organized, validly existing and, to the extent applicable, in good standing under the Laws of the jurisdiction of its organization and has the requisite power and authority to own, lease and operate all of its properties, rights and assets and to carry on its business as it is now being conducted in all material respects. Each Subsidiary of the Company is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the character or location of its assets, rights or properties (whether owned, leased or licensed) or the nature of its business make such qualification or license material to such Subsidiary's business as currently conducted.

(e) The Company has Made Available correct and complete copies of the currently effective Charter Documents of the Company and each of its Subsidiaries, each as amended to date. Such Charter Documents are in full force and effect. Except as expressly contemplated under Section 5.2(a), the board of directors and/or the shareholders of the Company or any of its Subsidiaries (as the case may be) has not approved or proposed, nor has any Person proposed, any amendment to any of the Charter Documents of the Company or any of its Subsidiaries Made Available by the Company. Neither the Company nor any of its Subsidiaries is in material violation of its Charter Documents.

3.2. Authority and Enforceability.

(a) The Company, each of its Subsidiaries and each of the Founder Shareholders have all requisite power and authority to enter into this Agreement and any Transaction Document to which it is a party and to consummate the Merger, the Restructuring and the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and any Transaction Document to which the Company, any of its Subsidiaries or any of the Founder Shareholders is a party and the consummation of the Transactions and the other transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company, its Subsidiaries and the Founder Shareholders and no further corporate action is required on the part of the Company, any of its Subsidiaries or Founder Shareholders to authorize this Agreement, the Plan of Merger, and any Transaction Document to which the Company or any of its Subsidiaries is a party or to consummate the Transactions or any other transactions contemplated hereby and thereby.

(b) The Requisite Shareholder Approval and the Requisite Board Approval (which shall include at least the approval of (i) the majority of votes of the directors of the Company, and (ii) the majority of the

Investor Directors) are the only votes and approvals that are required to be obtained by the Company or any of its Subsidiaries under applicable Law and their respective Charter Documents (x) to legally execute and adopt this Agreement and the Plan of Merger and to approve and consummate the Transactions, (y) to waive the application of a Liquidation Event (as defined in the Company Articles) as set out in Section 2 of Schedule A of the Company Articles, and (z) to waive the application of a Liquidation Event (as defined in the Company Articles) or any such similar event as set out in the relevant Contracts to which the Company or any of its Subsidiaries is a party.

(c) This Agreement and each of the Transaction Documents to which the Company, any of its Subsidiaries or any of the Founder Parties is a party have been duly executed and delivered by the Company, each of its applicable Subsidiaries and each of the Founder Parties (or will be so duly executed and delivered prior to the Effective Time) and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute (or will constitute) the valid and binding obligations of the Company, each of its applicable Subsidiaries and each of the Founder Parties enforceable against it in accordance with their respective terms, subject to (x) Laws of general application relating to bankruptcy, insolvency, moratorium, the relief of debtors and enforcement of creditors' rights in general, and (y) rules of law governing specific performance, injunctive relief, other equitable remedies and other general principles of equity (the "Enforceability Limitations").

3.3.Governmental Approvals. (a) No consent, notice, waiver, approval, Order or authorization of, or registration, declaration or filing with any Governmental Entity, is required by the Company, any of its Subsidiaries or any of the Founder Parties in connection with the execution, delivery and performance of this Agreement and any Transaction Document to which the Company, any of its Subsidiaries or any of the Founder Parties is a party or the consummation of the Merger, the Restructuring or any other transactions contemplated hereby and thereby, except for (i) the filing of the Plan of Merger and other documents required under the Companies Act with the Registrar of Companies of the Cayman Islands and the publication of notification of the Merger in the Cayman Islands Government Gazette pursuant to the Companies Act, and (ii) the authorization, approval or consent of the Governmental Entities as set forth on Section 2.2(a)(ii) (*Regulatory Approval*).

3.4.Conflicts. (a) The execution and delivery by the Company, any of its Subsidiaries or any of the Founder Parties of this Agreement and any Transaction Document to which the Company, any of its Subsidiaries or any of the Founder Parties is a party, and the consummation of the Transactions or any other transaction contemplated hereby and thereby, will not (a) conflict with or result in any violation of any provision of the currently effective Charter Documents of the Company, any of its Subsidiaries, or any of the Founder Shareholders, as amended, (b) subject to obtaining the consents as specifically and accurately set out in Section 7.3(a) of the Disclosure Schedule, conflict with or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under, or result in the creation of a Lien on any property or asset of the Company, any of its Subsidiaries or any of the Founder Parties pursuant to, any currently effective Contract to which the Company, any of its Subsidiaries or any of the Founder Parties is a party, or by which any of their respective properties, rights or assets (whether tangible or intangible) are bound, or (c) conflict with or result in any violation of any Law or Order applicable to the Company, any of its Subsidiaries or any of the Founder Parties or any of their respective properties or assets (whether tangible or intangible), except in each of limbs (b) and (c) with respect to the Company and its Subsidiaries, for any such conflicts, violations, breaches, defaults, or other occurrences that, individually or in the aggregate, would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

3.5.Capital Structure.

(a) Section 3.5(a) of the Disclosure Schedule contains a true, accurate and complete list setting out the detailed information of the issued and authorized share capital of the Company for each class.

(b) The Company Preferred Shares are convertible on a one-share-for-one-share basis into Company Ordinary Shares, subject to the terms of the Company's Charter Documents. The Company Shares are held by the Persons and in the amounts as specifically and accurately set out in Section 3.5(b) of the Disclosure Schedule, which further sets forth for each such Person the number of shares held, class and/or series of such shares, the number of the applicable share certificates representing such shares and the domicile country of such Persons. All outstanding Company Shares are duly authorized, validly issued, fully paid, non-assessable and are free and clear of all Liens, and except as expressly set out in the Company's Charter Documents, are not subject to preemptive rights created by applicable Laws, the Charter Documents, or any Contract to which the Company is a party or by which it is bound. There does not exist any pending or, to the Knowledge of the Company, threatened Action or Order that may affect the equity structure of the Company as specifically and accurately listed in Section 3.5(b) of the Disclosure Schedule.

(c) All outstanding Company Shares have been issued or repurchased (in the case of shares that were outstanding and repurchased by the Company) in compliance with all applicable Laws, the Charter Documents and all Contracts or documents to which the Company is a party, and were issued, transferred and repurchased (in the case of shares that were outstanding and repurchased by the Company) in accordance with any right of first refusal or similar right or limitation Known to the Company. All outstanding Company Options have been issued or repurchased (in the case of shares that were outstanding and repurchased by the Company) in compliance with all applicable Laws, the Charter Documents and all Contracts or documents to which the Company is a party in all material respect, and were issued, transferred and repurchased (in the case of shares that were outstanding and repurchased by the Company) in accordance with any right of first refusal or similar right or limitation Known to the Company. No Shareholder has exercised any right of redemption, if any, provided in the Charter Documents of the Company with respect to the Company Preferred Shares, and the Company has not received notice that any Shareholder intends to exercise such rights. There are no declared or accrued but unpaid dividends with respect to any Company Shares. Other than the Company Shares set out in Section 3.5(b) of the Disclosure Schedule, the Company has no other capital shares authorized, issued or outstanding.

(d) Except for the Company Equity Incentive Plans and the Wonder Education Tech Limited Global Share Plan adopted by Wonder Tech Limited, neither the Company nor any of its Subsidiaries has ever adopted, sponsored or maintained any stock option plan, any plan or Contract providing for equity-related compensation to any person (whether payable in shares, cash or otherwise), or any other Company Employee Plan, and remains in effect. Each of the Company Equity Incentive Plans has been duly authorized, approved and adopted by the Company's board of directors and the Shareholders and is in full force and effect. Section 3.5(d) of the Disclosure Schedule sets out true, accurate, complete and up-to-date information, with respect to each Company Equity Incentive Plans, (i) the number of Company Shares reserved under such Company Equity Incentive Plan for issuance to employees and directors of, and consultants to the Company that are (x) issuable upon the exercise of outstanding unexercised Company Options, and (y) remain available for future grant; (ii) the number of Company Shares issued under such Company Equity Incentive Plan, (iii) the holding vehicle of such Company Equity Incentive Plan, (iv) the number of participants of such Company Equity Incentive Plan, and (v) the allocation of ESOP Cash Consideration, ESOP Stock Consideration and Merger Consideration corresponding to such Company Equity Incentive Plan. Each Company Option and Company RSUs has been duly and validly authorized by the Company's board of directors as of the applicable date of grant, including approval of the exercise price of such Company Option, the methodology for determining such exercise price and the substantive terms of the Company Option. The exercise price per share of each Company Option granted to a U.S. citizen, if applicable, is at least equal to the fair market value of Company Ordinary Shares on the date such Company Option was granted within the meaning of Section 409A of the Code and as determined in a manner consistent with the requirements of Section 409A of the Code. No Company Options have been retroactively granted or the exercise price of any such Company Option determined retroactively in a material contravention of applicable Law.

(e) The terms of the Company Equity Incentive Plans and the applicable award agreements evidencing each Company Option and Company RSUs permit the treatment of such Company Option and Company RSUs as provided in this Agreement, without the consent or approval of the holders of such securities, the Shareholders or otherwise. True and complete copies of all forms of the agreements and instruments that is currently effective relating to or issued under the Company Equity Incentive Plans have been Made Available and such forms have not been amended, modified or supplemented. Except as otherwise contemplated in this Agreement, no holder of Company Options has the ability to early exercise any Company Options for Company Shares under the Company Equity Incentive Plans or any other Contract relating to such Company Options.

(f) Except as set out in Section 3.5(f) of the Disclosure Schedule, there are neither (i) any outstanding loan or Indebtedness involving, on the one hand, the Company and/or any of its Subsidiaries and on the other hand, any of their Affiliates, and any of the shareholders, former or current employees, officers and directors of the Company, its Subsidiaries and their respective Affiliates, nor (ii) any Contract entered into by and between the aforementioned parties, in each case except for those entered into in the ordinary course of business, on arm's-length terms and consistent with the past practices of the Company or such Subsidiary.

(g) No bonds, debentures, notes or other indebtedness of the Company or any of its Subsidiaries (i) having the right to vote on any matters on which Shareholders and/or shareholders of any of such Subsidiaries may vote (or which is convertible into, or exchangeable for, securities having such right) or (ii) the value of which is in any way based upon or derived from capital or voting stock of the Company and/or any of its Subsidiaries, are issued or outstanding as of the date of this Agreement.

(h) Except for the Company Options and Company RSUs, there are no options, warrants, calls, rights, convertible securities or Contracts of any character, to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound obligating the Company or any of its Subsidiaries to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any capital shares or other Equity Securities of the Company or any of its Subsidiaries or obligating the Company or any of its Subsidiaries to grant, extend, accelerate the vesting of, change the price of, otherwise amend or enter into any such option, warrant, call, right or Contract. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or other similar rights with respect to the Company or any of its Subsidiaries (whether payable in shares, cash or otherwise). Except as contemplated hereby or as specifically and accurately set out in Section 3.5(h) of the Disclosure Schedule, there are no voting trusts, proxies, act-in-concert or other Contracts with respect to the voting stock of the Company or any of its Subsidiaries, and there are no Contract to which the Company or any of its Subsidiaries is a party relating to the registration, sale or transfer (including Contract relating to rights of first refusal, co-sale rights or "drag-along" rights) of any Company Shares or any Equity Securities of the Subsidiary. As a result of the Merger in accordance with this Agreement, Acquiror will be the sole record and beneficial holder of all issued and outstanding Company Shares and all rights to acquire or receive any Company Shares.

(i) To the Knowledge of the Company, other than the transactions contemplated herein, there is no event, circumstance or condition, that has resulted in, or that will or would reasonably be expected to result in, any Liability of the Company or any of its Subsidiaries to any current, former or alleged holder of securities of the Company or any of its Subsidiaries in such Person's capacity (or alleged capacity) as a holder of such securities.

(j) Except as set forth in Section 3.5(j) of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has taken any corporate action, commenced preparatory work, or engaged third-party advisors (including but not limited to underwriters, legal counsel, or auditors) in connection with a proposed public offering of its Equity Securities in any jurisdiction on any stock exchange. There has been no submission of draft registration statements, prospectuses, or equivalent documents currently effective to any securities regulatory authority (including but not limited to the Hong Kong Stock Exchange, or equivalent bodies in other jurisdictions), nor any confidential pre-filing communications with such authorities relating to a potential initial public offering.

3.6. Subsidiaries.

(a) Section 3.6(a) of the Disclosure Schedule sets out a true, correct and complete list of (i) all the Subsidiaries of the Company, and (ii) all the Equity Investee of the Company, together with (A) the jurisdiction of organization or formation of each such Subsidiary or Equity Investee, (B) the percentage of the outstanding issued shares, issued share capital or registered capital, as the case may be, of each such Subsidiary or Equity Investee owned or otherwise held by the Company or such Subsidiary, (C) all the other record owners of each such Subsidiary, and (D) all the other record owner of each such Equity Investee.

(b) Except as set out in Section 3.6(a) of the Disclosure Schedule, (i) all outstanding Equity Securities have been issued or repurchased (in the case of Equity Securities that were outstanding and repurchased by such Subsidiary of the Company) in compliance with applicable Laws, the Charter Documents and all applicable Contracts or documents to which any Subsidiary of the Company is a party, and were issued, transferred and repurchased (in the case of shares that were outstanding and repurchased by such Subsidiary of the Company) in accordance with any right of first refusal or similar right or limitation Known to the Company; (ii) the Company is the direct or indirect sole record and beneficial owner, free and clear of all Liens, of the outstanding Equity Securities held by it in its Subsidiaries; (iii) none of the Subsidiaries are variable interest entities or potential variable interests entities (including implicit variable interest entities); and (iv) neither the Company nor any of its Subsidiary have any material ownership or other material economic interest by Contract otherwise, in any variable interest entity.

(c) Except as set out in Section 3.6(a) of the Disclosure Schedule, (A) there are no other corporations, associations, or other Persons that are legal entities that are material to the business of the Company and its Subsidiaries, taken as a whole, through which the Company and its Subsidiaries conduct business, and (B) neither the Company nor any of its Subsidiaries owns or Controls, directly or indirectly, any Equity Securities of any Person, nor does the Company or any of its Subsidiaries have any obligation, or have made any commitment, to acquire any Equity Securities of any Person or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any Person.

(d) Neither the Company nor its Subsidiaries is subject to or exposed to any actual liability, obligation, or pending or, to the Knowledge of the Company, threatened Action, in respect of any such minority investments.

(e) Except as set out in Section 3.6(e) of the Disclosure Schedule, all outstanding Equity Securities of each Subsidiary and Equity Investee held by the Company or its Subsidiaries has been duly and validly issued, obtained or subscribed for, free and clear of all Liens, and duly paid in accordance with the Charter Documents of such Subsidiary and Equity Investee and is non-assessable, and all the registered capital of the Subsidiaries and Equity Investee incorporated in the PRC has been fully paid up and is non-assessable. No Equity Securities of any Subsidiary or any Equity Securities of any Equity Investee held by the Company or its Subsidiaries was issued or subscribed for in violation of the preemptive rights of any Person, terms of any Charter Document or any applicable Law, by which such Subsidiary or Equity Investee, as the case may be, at the time of issuance or subscription was bound.

(f) To the extent applicable, all amounts payable by the Company and/or its Subsidiaries for the share repurchase or redemption conducted by the Company and/or its Subsidiaries prior to the date of this Agreement have been duly paid by the Company and/or its Subsidiaries.

(g) Neither the Company nor any of its Subsidiaries has or has ever had any place of business or branch or permanent establishment or fixed assets outside its jurisdiction of incorporation.

(h) Section 3.6(h) of the Disclosure Schedule sets out a true, complete and accurate list of the Subsidiaries that (i) do not conduct any activity or operation, (ii) do not have any assets, except for a direct or indirect equity interest in any other Subsidiaries or Equity Investees, (iii) do not have any directors, officers, employees, consultants, advisors, or other service providers (other than directors and/or officers to whom it has never had any Liabilities or obligations whatsoever), (iv) is not party to any Contract, except for its Charter Documents, or (v) do not have any Liabilities, other than the maintenance of its existence and the ownership of assets and incurrence of Liabilities ancillary thereto.

3.7. Historical Transfer, Financing and Restructuring.

(a) With respect to any transfer or issuance of the Equity Securities of the Company or any of its Subsidiaries and any of the reorganizations, restructurings (including business restructurings or business adjustments), recapitalizations, or similar corporate actions undertaken by the Company or any of its Subsidiaries, in which the Company or any of its Subsidiaries or any Founder Party acts as party, in each case, before the date of this Agreement (each, a "Historical Equity Change"):

(i) each Historical Equity Change was duly authorized, approved, and implemented in accordance with (A) all applicable Laws, (B) the Charter Documents of the Company and/or its applicable Subsidiaries in effect at the relevant time, and (C) any contractual obligations binding on the Company and/or its Subsidiaries; and each Historical Equity Change does not conflict with or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under, or result in the creation of a Lien on any property or asset of the Company or any of its Subsidiaries pursuant to, any Contract or Charter Documents (including those then in effect) to which the Company or any of its Subsidiaries is a party, or by which any of their respective properties, rights or assets (whether tangible or intangible) are bound in all material aspects;

(ii) all filings, registrations, consents, approvals, or notifications required under applicable Law in connection with each Historical Equity Change have been made, obtained, or completed; and all the applicable Taxes (including applicable Taxes under Bulletin 7, income tax, stamp duty, capital gains tax, and withholding tax) in connection with such Historical Equity Change have been fully paid or properly accrued in material respect, and no Governmental Entity has asserted or, to the Knowledge of the Company, threatened any claim for unpaid Taxes, penalties, or interest in connection therewith;

(iii) Except as set out in Section 3.7(a)(iii) of the Disclosure Schedule, neither the Company, its Subsidiaries, the Founder Parties, nor any of their officers, directors, employees, agents, consultants or representatives acting on behalf of the Company and/or its Subsidiaries, make any representations, warranties, or covenants to any Shareholder or other third Persons (including tax basis compensation, or indemnification for tax liabilities) under any applicable Contracts in connection with each Historical Equity Change;

(iv) there are no outstanding contractual or statutory obligations arising from any Historical Equity Change that could result in the creation of a Lien on any property or asset of the Company or any of its Subsidiaries, including any unresolved shareholder claims or contingent payments; and

(v) there is no Action pending or, to the Knowledge of the Company, threatened, against any of the Company or any of its Subsidiaries (whether such Actions are from then shareholders or securityholders of the Company or any of its Subsidiaries) or any of their shareholders, directors, officers or employees, with respect to any Historical Equity Change, and no event or circumstance Known to the Company that would be reasonably expected to form a basis for any such Action.

(b) The Company has Made Available correct and complete copies of all material terms, conditions, and consequences of each Historical Equity Change.

3.8. Company Financial Statements; Internal Financial Controls.

(a) Section 3.8 of the Disclosure Schedule sets out the following (collectively, the "Financial Statements"):

(i) The unaudited consolidated balance sheet of the Company and its Subsidiaries as of December 31, 2022, December 31, 2023 and December 31, 2024 (the most recent of which, the "Balance Sheet"), and

(ii) the related unaudited consolidated statements of income, changes in equityholders' interests and cash flows for each of the fiscal years ended on December 31, 2022, December 31, 2023 and December 31, 2024, including in each case any notes thereto.

(b) The Company has engaged an independent external auditor and duly completed the audit process for the unaudited consolidated balance sheet of the Company and its Subsidiaries as of December 31, 2022, and December 31, 2023 and the related unaudited consolidated statements of income, changes in equityholders' interests and cash flows for each of the fiscal years then ended respectively, which have been truly, fully, accurately disclosed in the draft registration statements, prospectuses, or equivalent documents submitted by the Company to the applicable securities regulatory authorities, including the auditor's unqualified opinion in accordance with IFRS. The Financial Statements (including notes thereto) are correct and complete in all material respects, are consistent with the books and records of the Company and its Subsidiaries and have been prepared in accordance with IFRS, consistently applied throughout the periods involved. The Financial Statements fairly present, in all material respects, the assets and liabilities, sales actually made in the ordinary course, valid claims to receivables as to which full performance has been rendered by the Company and its Subsidiaries, a full record of all the inventory, and other financial condition and results of operations of the Company and its Subsidiaries as of the respective dates and for the periods indicated therein, and are not misleading in any material respect and neither materially overstate the value of the assets nor materially understate the liabilities of the Company and its Subsidiaries as at the dates to which they were drawn up and do not materially overstate the profits of the Company and its Subsidiaries in respect of the periods to which they relate. No financial statements of any Person other than the Company and its Subsidiaries are required by IFRS, to be included in the Financial Statements of the Company and its Subsidiaries.

(c) The Company and its Subsidiaries maintain and, since December 31, 2021, have maintained a system of internal accounting controls, internal controls over material financial reporting and disclosure controls and procedures adequate to ensure (i) that books, records and accounts accurately and fairly reflect, in reasonable detail, the transactions and dispositions of the assets of the Company and its Subsidiaries, (ii) that the integrity of their financial statements is maintained and (iii) that access to assets is permitted only in accordance with management's general or specific authorizations. Since December 31, 2021, none of the Company, its Subsidiaries, the Company's board of directors or the audit committee of the Company Board has received any written notification of any (A) "significant deficiency" in the internal controls over financial reporting of the Company and its Subsidiaries, (B) "material weakness" in the internal controls over financial reporting of the Company and its Subsidiaries or (C) fraud, that involves management or other employees of the Company and its Subsidiaries who have a significant role in the internal controls over financial reporting of the Company and its Subsidiaries.

(d) Since December 31, 2021, neither the Company nor any of its Subsidiaries or any of their respective Representatives has received any complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any of its Subsidiaries or their respective internal accounting controls, including any complaint, allegation, assertion or claim

that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, in each case which set forth allegations of circumstances that if determined to be true, would be material to the Company and its Subsidiaries, taken as a whole.

(e) None of the Liabilities of any the Company and its Subsidiaries are guaranteed by or subject to a similar contingent obligation of any other Person. Neither the Company nor any of its Subsidiaries have guaranteed or become subject to a similar contingent obligation in respect of the Liabilities of any other Person. Except as set out in Section 3.8(e) of the Disclosure Schedule, there are no outstanding letters of credit, surety bonds or similar instruments of the Company, any of its Subsidiaries, or any Founder Party in connection with or relating to the business, properties or assets of the Company and its Subsidiaries.

(f) To the Knowledge of the Company, there are no debts arising since the December 31, 2024 and still outstanding at the Closing which are unrecoverable in the ordinary course of business except for those already accurately accounted for as bad debt provisions in the Financial Statements. All of the receivables of the Company and its Subsidiaries are, in the aggregate and to the Knowledge of the Company, collectible in the ordinary course of business. No material counter claims, defenses, offsetting claims or adjustments with respect to the receivables of the Company and its Subsidiaries are pending or threatened in writing. All of the receivables of the Company and its Subsidiaries relate solely to sales of goods or services to customers of the Company and its Subsidiaries or otherwise the ordinary course of business at arm's length basis and consistent with past practices.

3.9. No Undisclosed Liabilities. Neither the Company nor any of its Subsidiaries has any Liability, indebtedness, obligation, expense, claim, deficiency, guaranty or endorsement of any type, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with IFRS), except for those which (a) have been specifically reflected and adequately reserved and disclosed in the Balance Sheet, (b) have arisen in the ordinary course of business consistent with past practices since December 31, 2024 and prior to the date of this Agreement, which are not material in amount or significance (none of which is a Liability for breach of contract, breach of warranty, tort, infringement, violation of Law, misappropriation, or that relates to any cause of action, claim or lawsuit), or (c) that are executory performance obligations arising under Contracts to which the Company is a party or otherwise bound (that do not result from a breach or default thereunder). Except as specifically and accurately set out in the Balance Sheet or Section 3.9 of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has any outstanding Indebtedness as of the Locked Box Date. Neither the Company nor any of its Subsidiaries has received any notice from any Person of an intention to require repayment of any Indebtedness before the stated date of its maturity or to enforce any security given in relation to such Indebtedness, and there are no circumstances which will, or, to the Knowledge of the Company, might give rise to such a notice or of any contravention of or default in any of the terms of any such Indebtedness. There has not occurred any event of default or any other event or circumstance which would entitle any Person to call for early repayment under any agreement relating to any Indebtedness or to enforce any security given by the Company or any of its Subsidiaries (or, in either case, any event or circumstance which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute such an event or circumstance).

3.10. No Changes. Since the December 31, 2024, (a) the Company and its Subsidiaries have operated in the ordinary course of business, in all material respects and consistent with past practices, and (b) no Company Material Adverse Effect has occurred or arisen.

3.11. Tax Matters.

(a) Tax Returns and Payments. Each Tax Return with respect to any and all income and other material Taxes concerning or attributable to the Company or any of its Subsidiaries (the "Company Returns"): (i) has been duly filed on or before the applicable due date (including any extensions of such due date), and (ii) has been prepared in all material respects accurately and completely and in compliance with all applicable Laws. All Taxes required to be paid by the Company or its Subsidiaries (whether or not shown on a Company Return) have been timely paid. The Company has delivered or Made Available to Acquiror accurate and complete copies of all Company Returns for the past three taxable years. Neither the Company nor any of its Subsidiaries has paid, or will become liable to pay, any fine, penalty, surcharge or interest in relation to Tax. All records which the Company and/or any of its Subsidiaries is required to keep for the Tax purpose have been kept and available for inspection at the premises of the Company and/or its Subsidiaries in all material respects. All costs and expenses recorded in the Financial Statements and Books and Records of the Company and each of its Subsidiaries are supported by valid documentation legally recognized for tax deduction purposes, and such deductions have been properly recorded and claimed in accordance with applicable Laws. All declared tax losses of the Company and each if its Subsidiaries are accurate in

amount, duly filed within the applicable statutory time period, and remain valid for carryforward purposes under the applicable Laws during the corresponding reporting periods.

(b) Reserves for Payment of Taxes. The Financial Statements fully accrue all material Liabilities for Taxes with respect to all periods through the dates thereof in accordance with IFRS. The Company or each of its Subsidiaries, as the case may be, will establish, in the ordinary course of business and consistent with its past practices, adequate reserves in accordance with IFRS for the payment of all Taxes for the period from December 31, 2023 through the Closing Date. Neither the Company nor any of its Subsidiaries has incurred any Liability for Taxes since December 31, 2023 outside of the ordinary course of business.

(c) Audits; Claims. No Company Return has ever been examined or audited by any Governmental Entity to the Company's Knowledge. Neither the Company, any of its Subsidiaries nor any representative thereof has received from any Governmental Entity any: (i) written notice indicating an intent to open an audit or other review, (ii) written request for information related to Tax matters, or (iii) written notice of deficiency or proposed Tax adjustment, other than those than have been fully paid, resolved or satisfied. No extension or waiver of the limitation period applicable to any Company Returns has been granted by or requested from the Company or any of its Subsidiaries (other than as a result of any extension to file a Tax Return that is automatically granted). No Action is pending, or to the Knowledge of the Company, threatened in writing against the Company or any of its Subsidiaries in respect of any Tax. There are no Liens for Taxes upon any Equity Securities, property or assets of the Company or any of its Subsidiaries except Liens for current Taxes not yet delinquent or that are being contested in good faith and with respect to which adequate reserves for payment have been established in the Financial Statements.

(d) Legal Proceedings; Etc. With respect to all Tax periods with unexpired applicable statutes of limitations, neither the Company nor any of its Subsidiaries has been delinquent in the payment of any Tax, and there are no unsatisfied Liabilities for Taxes with respect to any notice of deficiency or similar document received by the Company or any of its Subsidiaries with respect to any Tax (other than Liabilities for Taxes asserted under any such notice of deficiency or similar document which are being contested in good faith by the Company or a Subsidiary and with respect to which adequate reserves for payment have been established).

(e) Tax Indemnity Agreements. Neither the Company nor any of its Subsidiaries has ever been a party to any Tax sharing, indemnification, allocation or similar agreement or arrangement nor does the Company or any of its Subsidiaries owe any amount under such an agreement or arrangement, in each case other than any such agreement or arrangement not primarily related to Taxes and entered into in the ordinary course of business.

(f) No Other Jurisdictions for Filing Tax Returns. There are no jurisdictions in which the Company or any of its Subsidiaries is required to file a Tax Return or to which the Company or any of its Subsidiaries is required to pay Taxes other than the jurisdictions in which the Company or such Subsidiary has filed Tax Returns or paid Taxes, as applicable. Neither the Company nor any of its Subsidiaries is subject to Tax in any country other than its country of incorporation or formation by virtue of having employees, a permanent establishment or other place of business in that country. No claim has ever been made in writing by a Governmental Entity in a jurisdiction where the Company or any of its Subsidiaries does not file Tax Returns that the Company or such Subsidiary, as applicable, is or may be subject to taxation by that jurisdiction.

(g) Tax Rulings and Incentives. Except as set out in Section 3.11(g) of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has entered into any arrangement (including "rulings") in writing with any Tax authority. The Company and each Subsidiary are in compliance in all material respects with the terms and conditions of any such Tax exemption, Tax holiday or other Tax reduction agreement or order of other special regime with regard to the payment of Taxes applicable to the Company or any of its Subsidiaries (a "Tax Incentive"), and the consummation of the transactions contemplated by this Agreement will not have any adverse effect on the continued validity and effectiveness of any such Tax Incentives. No submissions made to any Governmental Entity in connection with obtaining Tax Incentive contained any material misstatement or material omission that would have affected the granting of such Tax Incentive. As of the date of this Agreement, no suspension, revocation or cancellation of any such Tax Incentive is pending or, to the Company's Knowledge, threatened.

(h) Transfer Pricing. The Company and each Subsidiary is in material compliance in all respects with all applicable transfer pricing laws, including the execution and maintenance of contemporaneous documentation substantiating the transfer pricing practice and methodology.

(i) Withholding. Each of the Company and its Subsidiaries: (i) has materially complied with all applicable Laws relating to the payment, reporting and withholding of Taxes (including withholding of Taxes in

relation to the arrangement under Company Employee Plan and withholding and timely paying over to the proper Governmental Entities of Taxes required to be withheld from employee wage, consulting compensation , and services compensation to third party individuals under all applicable Laws), and (ii) has timely filed all withholding Tax Returns.

(j) Representations for fictitious transactions. Neither of the Company nor any of its Subsidiaries has entered into or been engaged in any transaction which is artificial, fictitious or whose dominant purpose or one of the dominant purposes was the avoidance or deferral of or reduction in a liability for Tax.

(k) Accounting. The Company uses the accrual method of accounting for all Tax purposes.

(l) Tax Registration. (m) Each of the Company and any of its Subsidiaries has, in accordance with applicable Law, duly registered with the relevant Governmental Entity, obtained and maintained the validity of all national and local tax registration certificates and complied in all material respects with all requirements imposed by such Governmental Entities.

3.12. Real Property.

(a) Section 3.12(a) of the Disclosure Schedule sets out the address and description of each Owned Real Property, including with respect to the Owned Real Property in the PRC, the particulars of the property ownership certificate for each Owned Real Property. With respect to each Owned Real Property: (i) the relevant Subsidiary of the Company has good and marketable title, validly granted use rights or ownership rights, as applicable, to such Owned Real Property, free and clear of all Liens, except Permitted Liens, (ii) no Subsidiary of the Company has leased or otherwise granted to any person the right to use or occupy such Owned Real Property or any portion thereof, (iii) there are no outstanding options, rights of first offer or rights of first refusal to purchase such Owned Real Property or any portion thereof or interest therein, and (iv) the relevant Subsidiary of the Company is the only party in possession of such Owned Real Property. None of the Company or its Subsidiaries is a party to any Contract, agreement or option to purchase any material real property or interest therein. The Company and the relevant Subsidiary of the Company has complied in all material respects with all of the terms and conditions of, and all of its obligations under, the relevant real property purchase contract in relation to any Owned Real Property owned by it, and none of the Company or its Subsidiaries has been subject to any fine or other penalty imposed by any Governmental Entity which has not been paid. The Owned Real Property remains in conformity in all material respects with all applicable building codes and standards, fire prevention, safety, planning or zoning Law.

(b) Section 3.12(b) of the Disclosure Schedule sets out a list of all leases, lease guaranties, subleases, or other Contracts for the leasing, use or occupancy of, or otherwise granting a right in or relating to the Leased Real Property, including the applicable street address of such real property, the name of the lessor, licensor, sublessor, master lessor and/or lessee the date and term of the lease, license, sublease or other occupancy right, the rental payable thereunder, deposits made or received, and all amendments, terminations and modifications thereof (such real property, the "Leased Real Property" and such real property agreements, the "Lease Agreements").

(c) The Company has Made Available to Acquiror true, accurate and complete copies of all Lease Agreements. The Lease Agreements Made Available are valid, binding and enforceable in accordance with their respective terms, and have not been breached. The Lease Agreements were entered into at an arm's length basis with their respective landlord.

(d) The Company and the applicable Subsidiaries have good and valid real property interest in their respective each parcels of Leased Real Property in accordance with the respective Lease Agreements, and such interests are free and clear of Liens, other than Permitted Liens. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, the execution and delivery of this Agreement by the Company does not, and the consummation of the transactions contemplated hereby will not, result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or materially impair the rights of the Company or any of its Subsidiaries or alter the rights or obligations of the sublessor, lessor or licensor under, or give to others any rights of termination, amendment, acceleration or cancellation of any Lease Agreement, or otherwise adversely affect the continued use and possession of the Leased Real Property for the conduct of business as presently conducted. The Company or any of its Subsidiaries currently occupies all of the Leased Real Property for the operation of its business. There are no other parties occupying, or with a right to occupy, the Leased Real Property. Neither the Company nor any of its Subsidiaries owes brokerage commissions or finders' fees with respect to any such Leased Real Property. The Company and each of its Subsidiaries has performed all of its obligations under any termination agreements pursuant to which it has terminated

any leases, subleases, licenses or other occupancy agreements for real property that are no longer in effect and has no continuing Liability with respect to such terminated agreements. The Leased Real Property is in good operating condition and repair, free from structural, physical and mechanical defects, is maintained in a manner consistent with standards generally followed with respect to similar properties, and is structurally sufficient and otherwise suitable for the conduct of the Company's business. Neither the operation of the Company or any of its Subsidiaries on the Leased Real Property nor, to the Company's Knowledge, such Leased Real Property, including the improvements thereon, violate in any material respect any applicable building code, zoning requirement or statute relating to such property or operations thereon, and any such non-violation is not dependent on so-called non-conforming use exceptions. There is no pending and neither the Company nor any of its Subsidiaries has received written notice of any proposed condemnation proceeding with respect to any Leased Real Property. The Company and its Subsidiaries are in peaceful and undisturbed possession of their respective Leased Real Property, and to the Company's Knowledge, there are no contractual or legal restrictions that preclude or restrict the ability of the Company or any of its Subsidiaries to use such Leased Real Property for the purposes for which it is currently being used.

3.13.Title to Assets. (a) Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, the Company and each of its Subsidiaries has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all other properties and assets (excluding Owned Real Property, Leased Real Property and Intellectual Property Rights), real, personal and mixed, used or held for use in its business, free and clear of any Liens, except Permitted Liens. The material items of tangible property and assets owned or leased by the Company or any of its Subsidiaries (i) are adequate and suitable for the conduct of the business of the Company and its Subsidiaries as currently conducted and as currently contemplated to be conducted, and (ii) in good operating condition, regularly and properly maintained, subject to normal wear and tear.

(b) The business of the Company and its Subsidiaries (after excluding the Carve-Out Business and Carve-Out Equity) shall, as of the Closing Date (i) constitute all assets, operations and contractual rights necessary to operate such business as a going concern; and (ii) are adequate, sufficient and suitable to maintain operations in substantially the same manner and at substantially the same financial performance (with respect to such business) as conducted from the Locked Box Date to the Closing Date.

3.14.Intellectual Property.

(a) Company Products. Section 3.14(a) of the Disclosure Schedule sets out a true, correct and complete list of all Company Products by name and version number (if any) (*provided*, for clarity, such list need not detail the Technology included in Company Products).

(b) Registered IP. Section 3.14(b) of the Disclosure Schedule sets out a true, correct and complete list of (i) all Registered IP owned or purported to be owned by, filed or registered in the name of, or applied for by the Company or one of its Subsidiaries ("Company Registered IP"), indicating for each item the registered owner, filing date, expiration date, registration and/or application number and the applicable filing jurisdiction, (ii) all Domain Names registered in the name of or transferred to the Company or any of its Subsidiaries, indicating for each item the applicable registrar and the registration renewal date, (iii) any proceedings or Actions to which the Company or any of its Subsidiaries is a party relating to the validity, enforceability, scope, ownership or infringement of any Company Owned IP, and (iv) any actions, to the Knowledge of the Company, that must be taken by the Company or its Subsidiaries within one hundred and eighty (180) days of the date hereof with respect to the Company Registered IP, including the payment of any registration, maintenance or renewal fees or the filing of any documents, applications or certificates. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, each item of Company Registered IP is currently in compliance with all formal legal requirements (including payment of filing, examination and maintenance fees that may become due as of the Closing Date, and proofs of use, and recordations of assignments) and, is subsisting and unexpired, and to the Knowledge of the Company, valid and enforceable (or, in the case of applications, applied for). Neither the Company nor any of its Subsidiaries has failed to take any action (including failure to disclose any information) that would limit the validity, scope or enforceability of any items of Company Registered IP. All documents and certificates currently due for filing in connection with such Company Registered IP have been filed with the relevant patent, copyright, trademark authorities or other Governmental Entities, in each case, that are necessary for the purposes of maintaining such Company Registered IP. To the maximum extent provided for by, and in accordance with applicable Laws, the Company and its Subsidiaries have recorded each assignment of Registered IP to the Company or any of its Subsidiaries by a third Person that is Company Registered IP with each relevant Governmental Entity.

(c) Transferability of Company Owned IP. All Company Owned IP is fully transferable, alienable and licensable by the Company, or any of its Subsidiaries without restriction (except with respect to any Permitted Liens) and without payment of any kind to any third Person and without approval of any third Person, including any Governmental Entity.

(d) Title to and Enforceability of Company Owned IP. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, the Company or one of its Subsidiaries is the sole and exclusive owner of each item of the Company Owned IP, including Company Registered IP, free and clear of any Liens, other than Permitted Liens. None of the Company Owned IP is subject to any restriction on its assignment, novation, or licensing to Acquiror or any of its Subsidiaries or their respective Affiliates after the Closing. The Company or one of its Subsidiaries has the sole and exclusive right to bring a claim or suit against a third party for infringement, misappropriation, dilution, unauthorized use, any conflict with, or any violation of the Company Owned IP. Except as set out in Section 3.14(d) of the Disclosure Schedule, neither the Company nor any of its Subsidiaries have (i) transferred ownership of any Intellectual Property Rights that is or was material to the Company and/or its Subsidiaries' business, (ii) granted any exclusive license of or exclusive right to use, or authorized the retention of any exclusive rights to use or joint ownership of, any Intellectual Property Right that is or was Company Owned IP, to any other Person or (iii) permitted the Company's rights in any Intellectual Property Right that is or was Company Owned IP and material to the Company and/or its Subsidiaries' business to lapse or enter into the public domain.

(e) Licenses In and Licenses Out.

(i) No Licenses In or Licenses Out is currently being, or has at any time been, breached by the Company or any of its Subsidiaries, or, to the Knowledge of the Company, by any other party thereto. All licensed Intellectual Property Right under the Licenses In (the "Company Licensed IP") are being used by the Company and any of its Subsidiaries strictly within the scope of authorization (including field-of-use, territory, duration, and permitted purposes) in accordance with the applicable Licenses In, with no deviations or unauthorized expansions. No third-party claims alleging misuse or overstepping of Company Licensed IP have been asserted or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries. To the Knowledge of the Company, all Company Licensed IP is free and clear of any Liens.

(ii) Except as set out in Section 3.14(e)(ii) of the Disclosure Schedule, none of the Licenses In imposes any restriction on (i) the Company or any of its Subsidiary on its assignment of, novation of or sublicensing the Company Licensed IP (to the extent such Licenses In grant the Company or any of its Subsidiaries the right to assign, novate or sublicense) to Acquiror or any of its Subsidiaries or their Affiliates after the Closing; or (ii) Acquiror's, any of its Subsidiaries' or their Affiliates' ability to use the Company Licensed IP (including the use of such Company Licensed IP through or on any channel or platform owned or operated by Acquiror or any of its Subsidiaries or their Affiliates) (to the extent such Licenses In grant the Company or any of its Subsidiaries the right to assign, novate or sublicense).

(iii) To the Knowledge of the Company, no circumstances exist which would give rise to any breach of any Licenses In or Licenses Out or to any Licenses In or Licenses Out being terminated, suspended, varied or revoked without the Company or its relevant Subsidiary's consent (other than termination without cause upon notice in accordance with the terms of the agreement). The Licenses In and Licenses Out will not be adversely affected by the Transactions contemplated by this Agreement or any Transaction Document.

(iv) To the Knowledge of the Company, all fees, royalties or other amounts due to be paid by or to the Company or any of its Subsidiaries in respect of any Licenses In or Licenses Out have been paid in a timely manner.

(v) Accurate and complete copies of the Company's and its Subsidiaries' Standard Inbound Agreements and Standard Outbound Agreements have been Made Available to Acquiror.

(f) Validity and Enforceability. The Company and its Subsidiaries have no Knowledge of any facts or circumstances that would render any Company IP invalid or unenforceable. The Company and its Subsidiaries have not received written, or to the Knowledge of the Company, oral notice of any official actions or other notices from any Governmental Entity that any of the subject matters or claims of pending applications for registration constituting any of such Company IP are unregistrable or subject to cancellation. Except as set out in Section 3.14(s) of the Disclosure Schedule, no item of Company IP or any Company Product is subject to any proceeding, Action or outstanding decree, order, judgment or settlement or other agreement or stipulation that restricts in any manner the

Company's or its applicable Subsidiary's ability to use, provide, transfer, assign or license, or may affect the validity, use or enforceability of, such Company IP or Company Product.

(g) Infringement by the Company. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, the operation of the business of the Company and its Subsidiaries as previously conducted and as currently conducted, as currently contemplated to be conducted by the Company and its Subsidiaries, including the design, development, use, import, branding, advertising, promotion, marketing, manufacture, provision, delivery, sale and licensing out of any Company IP or Company Product, has not and does not infringe, misappropriate, dilute, constitute unauthorized use of, conflict with or otherwise violate, when conducted in substantially the same manner by Acquiror or the Surviving Company following the Closing, any Intellectual Property Rights of any Person, violate any right of any Person (including rights to privacy or publicity) or constitute unfair competition or trade practices pursuant to the Laws of any jurisdiction. Neither the Company nor any of its Subsidiaries have received notice from any Person claiming that any of the foregoing has occurred nor, to the Knowledge of the Company, is there any basis therefor. Neither the Company nor any of its Subsidiaries have received any notice from any Person claiming that the Company or any of its Subsidiaries requires a license to any Intellectual Property Rights used by the Company or any of its Subsidiaries. Except as otherwise required under a Standard Outbound Agreement and set out in Section 3.20 of the Disclosure Schedule, neither the Company nor any of its Subsidiaries have any obligation to warrant, indemnify, reimburse, or hold harmless any Person, with respect to the infringement or misappropriation of, or conflict with, the Intellectual Property Rights of any third Person, or with respect to any Company IP or Company Product.

(h) No Third Party Infringement. Except as specifically set out in Section 3.20 of the Disclosure Schedule, neither the Company nor or any of its Subsidiaries has (i) brought any Actions, suits, arbitrations or other adversarial proceedings before any arbitral tribunal or any other Governmental Entity against any Person with respect to any Company IP, or (ii) provided notice to any Person that such Person has infringed, misappropriated, conflicted with or is infringing, misappropriating or conflicting with any Company IP.

(i) Effect of Transactions and Restrictions on Business. Neither the execution, delivery or performance of this Agreement or any Transaction Document, nor the Transactions contemplated hereby and thereby, will, with or without notice or the lapse of time, result in: (i) Acquiror or any of its Affiliates or the Company or any of its Subsidiaries granting to any third party any right to or with respect to any Intellectual Property Rights or Technology owned by, or licensed to, any of them, (ii) Acquiror or any of its Affiliates or the Company or any of its Subsidiaries being bound by, or subject to, any non-compete or other restriction on the operation or scope of their respective businesses, (iii) Acquiror or any of its Affiliates or the Company or any of its Subsidiaries being obligated to pay any royalties or other material amounts, or offer any discounts, to any third party in excess of those payable by, or required to be offered by, any of them, respectively, in the absence of this Agreement or any other Transaction Document or the Transactions contemplated hereby and thereby, or (iv) the release, disclosure or delivery of any Company Source Code by or to any escrow agent or other Person.

(j) Protective Measures. The Company and each of its Subsidiaries has taken all reasonable efforts to protect the Company IP, including the Know-How and Trade Secrets, and all the former and current employees having access to such Company IP are bearing relevant confidentiality obligations within their terms of employment and will be continuously bound by such confidentiality obligations within a certain time limit upon the termination of their employment.

(k) Proprietary Information Agreements. The Company and its Subsidiaries have taken reasonable steps to protect the Company's and its Subsidiaries' rights in Protected Information (including those provided by any other person directly or indirectly to the Company or any of its Subsidiaries) including requiring each Person, including former or current founders, partners, employees, consultants and contractors with access to such Protected Information to execute a binding confidentiality agreement, and to the Knowledge of the Company, there has been no loss of, unauthorized access to or disclosure of any such Protected Information. Without limiting the foregoing, the Company and its Subsidiaries have obtained from any former or current founders, partners, employees, consultants or contractors a valid and enforceable proprietary information, confidentiality and assignment agreement sufficient to irrevocably assign any Intellectual Property Rights and Technology developed by such founder, partner, employee, consultant or contractor for the Company or its Subsidiaries (or otherwise involved in or contributed to such development) to the Company or its Subsidiaries. In the case of Patents, such assignment by any individual who is an inventor under such Patent has been recorded with the relevant Patent authorities in the applicable jurisdiction or jurisdictions. No current or former founders, partners, employees, consultants, or contractors of the Company and

its Subsidiaries, have retained or are entitled to any rights in any Intellectual Property Rights or Technology developed by such founder, partner, employee, consultant or contractor for the Company or its Subsidiaries, including, without limitation, any license rights or economic interests, and no payments are due and no founder, partner, employee, consultant or contractor has any rights to receive any payments with respect to such Intellectual Property Rights or Technology. To the Knowledge of the Company, no current or former founder, partner, employee, consultant or contractor of the Company or its Subsidiaries whose duties or responsibilities are material to the Company and its Subsidiaries' businesses is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any judgment, decree or order of any court, administrative agency or Governmental Entity, or any other restriction that would materially interfere with his, her or their best efforts to carry out his, her or their duties for the Company or its Subsidiaries, or to promote the interests of the Company or its Subsidiaries in their current businesses, or that would conflict with such businesses.

(l) No Government Funding. No government funding, facilities or resources of a university, college, other educational institution or research center or funding from third parties was used in the development of any Company Owned IP. No Governmental Entity, university, college, other educational institution or research center has any claim or right in or to any Company Owned IP. No current or former founder, partner, employee, consultant or independent contractor of the Company or its Subsidiaries who was involved in, or who contributed to, the creation or development Company Owned IP, has performed services for the government, a university, college or other educational institution, or a research center, during a period of time during which such founder, partner, employee, consultant or independent contractor was also performing services for the Company or any of its Subsidiaries, where such performance would limit Company's or its Subsidiaries' ownership of or rights in such Company Owned IP.

(m) Open Source Software.

(i) Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, the Company and its Subsidiaries have not used, incorporated, modified, hosted, distributed or otherwise linked to any Open Source Software, in whole or in part, in any manner that would or could (A) require the disclosure or distribution of any Company Source Code (other than the Open Source Software itself), (B) require the licensing of any Company Source Code or any portion of any Company Source Code for the purpose of making derivative works, in each case other than the Open Source Software itself, (C) grant, or require the Company or any of its Subsidiaries to grant, any patent license, non-assertion covenant, or other rights under any Company Owned IP or the right to decompile, disassemble, reverse engineer or otherwise derive the source code or underlying structure of any Company Source Code; or (D) impose any restriction on the consideration to be charged for the marketing, licensing, distribution or otherwise making available of any Company Source Code.

(ii) With respect to any Open Source Software from which any part of any Company Product (to the extent such Company Product is Company Owned IP) is derived or that is used by or in such Company Products, the Company and its Subsidiaries have been and are in compliance with the applicable Open Source License, including any notice and attribution requirements.

(n) Company Source Code. Neither the Company or any of its Subsidiaries nor any Person acting on its or their behalf has disclosed, delivered or licensed to any escrow agent or other Person, or agreed to disclose, deliver or license to any escrow agent or other Person, any Company Source Code except for disclosures to Employees and contractors pursuant to agreements that prohibit use and disclosure except in the performances of services to the Company or one of its Subsidiaries. No event has occurred, and no circumstance or conditions exists, that (with or without notice or lapse of time or both) will, or could reasonably be expected to, result in the delivery, license or disclosure of any Company Source Code to any third party. Without limiting the foregoing, neither the execution nor performance of this Agreement nor the consummation of any of the transactions contemplated within will result in a release from escrow or other delivery to a third party of any Company Source Code.

(o) Contaminants. All Company Products and the Technology used to deliver all Company Products (in each case to the extent they are Company Owned IP), are free of Contaminants. The Company and its Subsidiaries use industry standard measures, which measures are no less than reasonable, to prevent the introduction of Contaminants into such Company Products and such Technology used to deliver Company Products.

(p) No Spyware or Malware. The Company and its Subsidiaries have used commercially reasonable efforts to ensure that none of the Company Products (including Technology used to deliver or make available all Company Products) performs the following functions without the knowledge and consent of the owner

or user of a computer system, to the extent such knowledge and consent are required by applicable Law: (i) collects Private Information stored on the computer system, (ii) interferes with the owner's or an authorized user's control of the computer system, (iii) changes or interferes with settings, preferences or commands already installed or stored on the computer system without the knowledge of the owner or an authorized user of the computer system, (iv) changes or interferes with data that is stored, accessed or accessible on any computer system in a manner that obstructs, interrupts or interferes with lawful access to or use of that data by the owner or an authorized user of the computer system, (v) causes the computer system to communicate with another computer system, or other device, without the authorization of the owner or an authorized user of the computer system, or (vi) installs a computer program that may be activated by a third party without the knowledge of the owner or an authorized user of the computer system.

(q) Systems. The computer, information technology and data processing systems, facilities and services used by the Company and its Subsidiaries, including all Software, hardware, networks, communications facilities, platforms and related information technology systems and services used by the Company and its Subsidiaries (collectively, "Systems"), where applicable, are reasonably sufficient for the existing needs of the Company and its Subsidiaries, including as to capacity, scalability and ability to process current and reasonably anticipated peak volumes in a timely manner, and are in good working condition to effectively perform all operations necessary for the operation of the Company and its Subsidiaries and the provision of the Company Products. Except as set out in Section 3.14(q) of the Disclosure Schedule, all Systems, other than Software licensed to the Company or one of its Subsidiaries pursuant to a valid and enforceable Contract, are owned and operated by and are pursuant to the control of the Company or one of its Subsidiaries. The Company and its Subsidiaries have reasonable disaster recovery and security plans, procedures and facilities appropriate for its and their business and have taken reasonable steps designed to safeguard the availability, security and integrity of the Systems owned by the Company or any of its Subsidiaries or otherwise within the operational control of the Company or any of its Subsidiaries or, to the Company's Knowledge, owned by any third party and used by the Company or any of its Subsidiaries, and the data and information stored on the Systems owned by the Company or any of its Subsidiaries or otherwise within the operational control of the Company or any of its Subsidiaries or, to the Company's Knowledge, on the Systems owned by any third party and used by the Company (including from infection by Contaminants and from unauthorized access).There have been no unauthorized intrusions or breaches of the security of the Systems owned by the Company or, to the Company's Knowledge, the Systems owned by any third party and used by the Company. The Company and its Subsidiaries have implemented all reasonably necessary security patches or upgrades that are generally available for the Systems owned by the Company or any of its Subsidiaries or otherwise within the operational control of the Company or any of its Subsidiaries or, to the Company's Knowledge, owned by any third party and used by the Company. Each of the Company and its Subsidiaries has complied with System-related Laws in all material aspects, including refraining from engaging in any unfair competition practices.

(r) Generative AI. Each of the Company and its Subsidiaries uses all Generative AI Tools in compliance with the applicable license terms, consents, agreements and Laws in all material respects. None of the Company or any of its Subsidiaries has included and does include any sensitive Personal Data, Trade Secrets or material Protected Information of the Company, or and its Subsidiaries, or of any third Person under an obligation of confidentiality by the Company or any of its Subsidiaries, in any prompts or inputs into any Generative AI Tools, except in cases where such Generative AI Tools do not use such information, prompts or services to train the machine learning or algorithm of such tools or improve the services related to such tools. All data used for training Generative AI Tools has been obtained through legally binding agreements, public domain resources or other legitimate sources, or otherwise in compliant with applicable Laws. None of the Company or any of its Subsidiaries has used Generative AI Tools to develop any material Company Owned IP that the Company intended to maintain as proprietary in a manner that it believes would materially affect the Company's ownership or rights therein.

(s) User Uploaded Intellectual Property. Except as set out in Section 3.14(s) of the Disclosure Schedule, to the Knowledge of the Company, none of the Company or its Subsidiaries has interfered with, infringed upon, misappropriated or violated any Intellectual Property Rights of third parties due to its use of User Uploaded Intellectual Property, or has received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation in any material aspects, that remains pending before a court, arbitral tribunal, or other competent Governmental Entity.

(t) Sufficiency. The Company and each of its Subsidiaries owns, is licensed to use or otherwise has sufficient rights (including but not limited to the rights of development, maintenance, licensing and sale) to the Company IP necessary and sufficient to conduct its business (including the Business) (x) as currently conducted by the Company and/or such its Subsidiaries, and (y) as contemplated to be conducted and will immediately

to be launched. All Intellectual Property Rights used by the Company or its Subsidiaries for their business (including the Business) is either legally and beneficially owned by the Company or any of its Subsidiaries or lawfully used with the consent of the owner under a Licenses In.

3.15. Data Privacy and Data Protection.

(a) The Company, its Subsidiaries, and the Company Products comply with all applicable Company Privacy Policies, applicable Privacy Requirements, and all applicable filings, registrations and certifications made with respect to such Privacy Requirements. The Company and its Subsidiaries, as part of the development, delivery, hosting, operation, or provision of Company Products and conduct of the business, have not engaged or authorized any third parties to engage on the Company's behalf, in the sale or disclosure of Private Information or in any cross-border data transfers, including transfers of Private Information, in violation of applicable Laws. Section 3.15(a) of the Disclosure Schedule sets out the Company Privacy Policy currently in effect. All Company Privacy Policies have been Made Available. The Company and each of its Subsidiaries has publicly posted its Company Privacy Policy on its publicly available websites and other applications that collect Private Information in a manner readily available to visitors and user in compliance with all Privacy Requirements. To the Knowledge of the Company, no disclosures made or contained in any Company Privacy Policy have been materially inaccurate, misleading or deceptive in violation of any Privacy Requirements, and all Company Privacy Policies have been established, implemented and maintained in accordance with Privacy Requirement and all other applicable Laws.

(b) Neither the Company nor any of its Subsidiaries has suffered any breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorized disclosure of, or access to any Personal Data. Neither the Company nor any of its Subsidiaries has engaged in any sale, purchase, or exchange of Personal Data to or from any third parties, data brokers, or unverified entities.

(c) No Group Company has transferred any Personal Data to countries or regions outside the PRC.

(d) No algorithms shall be deployed or used to engage in automated decision-making based on Personal Data that results in unreasonable differential treatment of individuals in transaction terms, including pricing or other conditions.

(e) The execution, delivery and performance of this Agreement and any Transaction Document, the consummation of the Transactions hereby and thereby (including the Merger), and the disclosure and transfer (including cross-border transfers) of all Private Information maintained by or for the Company and its Subsidiaries to Acquiror or one of its Subsidiaries is compliant with all Privacy Requirements and Company Privacy Policies.

(f) To the Knowledge of the Company, the Company and its Subsidiaries do not have any requests that are binding under any Privacy Requirement from individuals seeking to exercise data protection rights under Privacy Requirements that have not been satisfied in compliance with the time periods set forth under applicable Law. Except as set out in Section 3.15(f) of the Disclosure Schedule , the Company and its Subsidiaries do not collect or receive Private Information covered by any Privacy Requirement in, or in connection with the administration or provision of, the Company Products that is considered sensitive data under any Privacy Requirements.

(g) There is not and has not been any complaint to, or any audit, proceeding, investigation (formal or informal), claim, or Action of or against, the Company or any of its Subsidiaries, by any private party or any Governmental Entity, international or domestic, with respect to their actual or alleged violation of any Privacy Requirements or the violation of any Person's rights relating to privacy, data protection, or data security rights by or for the Company or any of its Subsidiaries. To the Knowledge of the Company, there are no facts or circumstances that could constitute a reasonable basis for such Action. There has been no Order issued to the Company or any government or third party settlement to which the Company is a party imposing or resulting in any limitation or restriction upon, or requirement applicable to, any collection, storage, hosting, use, disclosure, transmission, transfer (including cross-border transfers), disposal, possession, interception, other processing or security of any Private Information by or for the Company or any of its Subsidiaries.

(h) The Company has taken reasonable steps, including implementing, and monitoring compliance with, adequate measures with respect to technical and physical security, designed to protect the information technology systems used in connection with its operations and designed to ensure that all data, technology and Private Information is protected against loss and against unauthorized access, use, modification, disclosure or other misuse (and where applicable data protection Laws do not determine such measures, pursuant to industry

standard), including implementing reasonable disaster recovery and security plans and procedures. The Company and its Subsidiaries have reasonable and appropriate security plans, policies, procedures, and measures in place designed to protect all Private Information collected, maintained, stored, transmitted, or otherwise processed by or for the Company or any of its Subsidiaries against loss and against unauthorized or accidental access, use, alteration, destruction, damage, modification, disclosure, processing, or other misuse. There has been no material loss, damage, or unauthorized or accidental access to, acquisition, use, alteration, destruction, damage, modification, disclosure, or other processing of, or other misuse of, Private Information. The Company and each of its Subsidiaries has obtained written agreements from all subcontractors or other service providers to which it has given or permitted access to such Private Information that bind the subcontractor or other service provider to similar restrictions and conditions that apply to the Company or such Subsidiary with respect to such Private Information and are or have been binding upon the Company or such Subsidiary under any Privacy Requirement, that contain all provisions required by applicable Privacy Requirements, and that bind such subcontractor or other service provider to implement reasonable and appropriate means for protecting such Private Information.

3.16. Material Contracts.

(a) "Material Contracts" shall mean, as of the date of this Agreement, in each subpart that corresponds to the subsection listed below, any currently effective Contract (x) to which the Company or any of its Subsidiaries is a party, (y) by which the Company or any of its Subsidiaries or any of their assets is or may become bound or under which the Company or any of its Subsidiaries has, or may become subject to, any obligation, or (z) under which the Company or any of its Subsidiaries has or may acquire any right or interest:

(i) That is with a Top IP Partner;

(ii) Pursuant to which the Company or any of its Subsidiaries is bound to or has committed to provide any Company Product to any third party on a most favored nation basis or similar terms;

(iii) Pursuant to which the Company or any of its Subsidiaries is bound to, or has committed to provide or license, any Company Product to any third party on an exclusive basis (including, for the avoidance of doubt, on an exclusive basis even as to such Company or such Subsidiary) or to acquire or license any product or service on an exclusive basis from a third party (including, for the avoidance of doubt, on an exclusive basis even as to such third party);

(iv) That imposes any restriction on the right or ability of the Company or any of its Subsidiaries (or that would purport to limit the freedom of Acquiror or any of its Affiliates): (A) to engage in any business practices, (B) to compete with any other Person or to engage in any line of business, market or geographic area, or to sell, license, manufacture or otherwise distribute any of its Technology, Intellectual Property Rights, or Company Products, (C) to solicit the employment of, or hire, any potential employees, consultants or independent contractors, (D) to acquire any product, property or other asset (tangible or intangible), or any services, from any other Person, to sell any product or other asset to or perform any services for any other Person or to transact business or deal in any other manner with any other Person; or (E) to develop or distribute any Software or Technology;

(v) That is a data processing agreement or any other Contract primarily relating to privacy or data protection obligations in connection with the collection, use, disclosure, storage, access or other processing of Personal Data that is Customer Data by or for the Company or any of its Subsidiaries in connection with the development, delivery, hosting, operation, or provision of Company Products (excluding ordinary-course functionality of the Company's or its Subsidiaries' public-facing website);

(vi) That contains any right of first refusal, right of first offer, right of first negotiation or similar provision;

(vii) That grants any right to any Person to obtain Control of the Company or any of its Subsidiaries;

(viii) That is a Company IP Contract, other than any Standard Inbound Agreements or Standard Outbound Agreements;

(ix) That provides for the development of any Intellectual Property Rights or Technology, independently or jointly, by or for the Company or any of its Subsidiaries, other than any contracts with Employees or consultants in substantially the form of the Employee Proprietary Information Agreement or the Consultant Proprietary Information Agreement;

(x) (A) providing for the lease, license or rental to the Company or any of its Subsidiaries of any facility where the information technology systems or other computer equipment used to operate or provide Company Products is located or (B) providing for the lease, license or rental of any such information technology systems or equipment (or the provision of related services) to the Company or any of its Subsidiaries;

(xi) Any Contract for the purchase, lease, license or rental of equipment in excess of [redacted] on a one-time or annual basis;

(xii)That is a collective bargaining agreement, side letter or similar Contract, including any Contract with any union, works council or similar employee representative body;

(xiii)That is an Employee Agreement, other than any at-will employment or services agreement providing no requirement for a termination notice period, severance or other post-termination benefits (other than benefits continuation coverage required by Law);

(xiv)That grants any change of control, retention, severance or termination pay or benefits (in cash, equity or otherwise) to any Employee;

(xv)That is with a professional employer organization, employee leasing company, staffing agency, employer of record, payroll company or other similar Person or that otherwise providers human resource functions or services to the Company or any of its Subsidiaries;

(xvi)That is a Lease Agreement;

(xvii)Relating to capital expenditures and involving future payments in excess of [redacted] with respect to any project or series of projects;

(xviii)Relating to the settlement of any Action where (A) the settlement amount, or (B) the waived amount (it being specified that waived amount refers to the difference between the original claim amount and the settlement amount), individually or in aggregate, exceeds [redacted];

(xix)Relating to (A) the disposition or acquisition of material assets or any interest in any Person or business enterprise (other than pursuant to any Standard Inbound Agreement or Standard Outbound Agreement) or (B) the acquisition, issuance or transfer of any securities of any Person, including, without limitation, acquisition of any Equity Securities in any Subsidiaries of the Company (other than the wholly owned Subsidiaries of the Company) and Equity Investees (including but not limited to (x) any form of investment agreements (whether equity, debt, project-based or fund investment, irrespective of shareholding percentage), (y) any shareholders' agreement, joint venture agreement or partnership agreement (including limited partnership agreements), and (z) any ancillary agreements governing investment structuring, governance rights or economic interest allocation);

(xx)Relating to any mortgages, indentures, guarantees, loans or credit agreements, security agreements or other Contracts or instruments relating to Indebtedness or extension of credit or the creation of any Lien other than Permitted Liens with respect to any Equity Securities or any asset of the Company or any of its Subsidiaries;

(xxi)Involving or incorporating any guaranty, pledge, performance or completion bond, indemnity or surety arrangement;

(xxii)Creating or relating to any partnership or joint venture or any sharing of revenues, profits, losses, costs or Liabilities;

(xxiii)Relating to the purchase or sale of any product or other asset by or to, or the performance of any services by or for, any Interested Party;

(xxiv)Constituting or relating to any (A) prime contract, subcontract, letter contract, purchase order or delivery order executed or submitted to or on behalf of any Governmental Entity or any prime contractor or higher-tier subcontractor, or under which any Governmental Entity or any such prime contractor or subcontractor otherwise has or may acquire any right or interest, (B) quotation, bid or proposal submitted to any Governmental Entity or any proposed prime contractor or higher-tier subcontractor of any Governmental Entity or (C) Governmental Preferential Arrangement;

(xxv)That is a hedging, futures, options or other derivative Contract;

(xxvi)That is not based on arms-length terms and conditions;

(xxvii)That is a Control Document;

(xxviii)That is with any investment banker, broker, advisor or similar party, or accountant, legal counsel or other Person retained by the Company or any of its Subsidiaries in connection with this Agreement and the transactions contemplated hereby;

(xxix)That is the annual top five (5) distribution agreements determined by channel membership revenue of each calendar year during the period from January 1, 2022 to December 31, 2024;

(xxx)That is a membership sales agreement entered into with the top three (3) PRC telecom carrier channels;

(xxxi)That is a pre-installed mobile application cooperation agreement which is currently effective;

(xxxii)That is a license or cooperation agreement with automobile manufacturers, including without limitation [redacted];

(xxxiii)That is with any S-tier audiobook hosts as of the date of this Agreement;

(xxxiv)That is a Voting Undertaking Letter; and

(xxxv)That contemplates or involves: (A) the payment or delivery of cash or other consideration by the Company or any of its Subsidiaries to a third party in an amount or having a value in excess of [redacted] or its equivalent in other currencies in the aggregate (excluding pursuant to any Contract with Employees or contractors of the Company or its Subsidiaries); or (B) the performance of services by the Company or any of its Subsidiaries in exchange for the payment or delivery of cash or other consideration in an amount or having a value in excess of [redacted] or its equivalent in other currencies in the aggregate.

(b) Section 3.16(b) of the Disclosure Schedule specifically and accurately sets out, and the Company has Made Available true, correct and complete copies of, the following Contracts (including all amendments thereto), in each subpart that corresponds to the subsection listed below, (x) to which the Company or any of its Subsidiaries is a party, (y) by which the Company or any of its Subsidiaries or any of their assets is or may become bound or under which the Company or any of its Subsidiaries has, or may become subject to, any obligation, or (z) under which the Company or any of its Subsidiaries has or may acquire any right or interest and (aa) under which the contract value exceeds [redacted] in the case of contracts described in subsections (iii) through (v) below:

(i) That is the top twenty (20) contracts with the customers of the Company or any of its Subsidiaries determined by revenue during the period from January 1, 2022 to December 31, 2024;

(ii) That is the top thirty (30) contracts with the suppliers of the Company or any of its Subsidiaries determined by cost and expenses during the period from January 1, 2022 to December 31, 2024;

(iii) Pursuant to which the Company or any of its Subsidiaries is bound to or has committed to provide any Company Product to any third party on a most favored nation basis or similar terms;

(iv) Pursuant to which the Company or any of its Subsidiaries is bound to, or has committed to provide or license, any Company Product to any third party on an exclusive basis (including, for the avoidance of doubt, on an exclusive basis even as to such Company or such Subsidiary);

(v) That imposes any restriction on the right or ability of the Company or any of its Subsidiaries (or that would purport to limit the freedom of Acquiror or any of its Affiliates): (A) to engage in any business practices, (B) to compete with any other Person or to engage in any line of business, market or geographic area, or to sell, license, manufacture or otherwise distribute any of its Technology, Intellectual Property Rights, or Company Products, (C) to solicit the employment of, or hire, any potential employees, consultants or independent contractors, (D) to acquire any product, property or other asset (tangible or intangible), or any services, from any other Person, to sell any product or other asset to or perform any services for any other Person or to transact business or deal in any other manner with any other Person; or (E) to develop or distribute any Software or Technology;

(vi) That is a Control Document;

(vii)That is with a Top IP Partner; and

(viii)In respect of any Contract as set out in Section 3.16(b) of the Disclosure Schedule, that requires consent from the other parties thereto for the change of control of the Company or any of its Subsidiaries,

any Transaction contemplated in this Agreement or any other transactions contemplated in other Transaction Document;

(c) Material Contract is valid and in full force and effect and is enforceable by the Company or any of its Subsidiaries in accordance with its terms, subject to the Enforceability Limitations. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, neither the Company nor any of its Subsidiaries has or is alleged to have violated or breached, or committed any default under, any Material Contract, and, to the Knowledge of the Company, no other Person has violated or breached, or committed any default under, any such Contract. Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole, no event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time) will, or could reasonably be expected to: (i) result in a violation or breach of any of the provisions of any Material Contract on the part of the Company or any of its Subsidiaries, (ii) give any Person the right to declare a default or exercise any remedy under any Material Contract, (iii) give any Person the right to accelerate the maturity or performance of any Material Contract; (iv) give any Person the right to cancel, terminate or modify any Material Contract; or (v) result in the creation of any Lien upon any of the properties or assets of the Company and/or any of its Subsidiaries. Since December 31, 2021, neither the Company nor any of its Subsidiaries has received any notice regarding any actual or possible violation or breach of, or default under, any Material Contract. Neither the Company nor any of its Subsidiaries has waived any of its material rights under any Material Contract. No Person is renegotiating, or has a right pursuant to the terms of any Material Contract to renegotiate, any amount paid or payable to the Company or any of its Subsidiaries under any Material Contract or any other material term or provision of any Material Contract. No Person has threatened to terminate or refuse to perform its obligations under any Material Contract (regardless of whether such Person has the right to do so under such Contract). There is no Action (i) pending or, to the Knowledge of the Company, threatened, against any of the Company or any of its Subsidiaries, or (ii) by the Company or its Subsidiaries that is currently pending or that either the Company or any of its Subsidiaries currently intends to initiate, in each case, with respect to any Material Contract.

(d) Control Documents.

(i) The Control Documents collectively and exclusively enable the Company to, (A) exercise full and effective control over all material aspects of the business operations, financial decisions and asset disposition of the Domestic Company, Wonder Shanghai, and Tianbo since its incorporation respectively, and (B) consolidate 100% of the financial conditions and results of operations of the Domestic Company, Wonder Shanghai, and Tianbo with those of the Company in accordance with IFRS, without any portion of the economic benefits of the Domestic Company, Wonder Shanghai, and Tianbo being excluded from such consolidation. Each party to the Control Documents has the legal right, power and authority (corporate and other) to enter into and perform its obligations under each Control Document to which it is a party and has taken all necessary corporate action to authorize the execution, delivery and performance of, and has authorized, executed and delivered, each Control Document to which it is a party.

(ii) Each Control Document is in proper legal form under applicable Law of the PRC, is in full force and effect, and represents the legal, valid and binding obligations of the parties named therein enforceable thereof against each of the parties thereto in the PRC without further action by any of them, subject to the Enforceability Limitations.

(iii) All consents required in connection with the Control Documents have been made or unconditionally obtained in writing, and no such consent has been withdrawn or is subject to any condition precedent, which has not been fulfilled or performed.

(iv) No party to any Control Document is in breach or default in the performance or observance of any of the terms or provisions of such Control Document, and none of the parties to any Control Document has sent or received any communication regarding termination of or intention not to renew any Control Document, and no such termination or non-renewal has been threatened by any of the parties thereto to the Company's Knowledge.

(e) Section 3.16(e) of the Disclosure Schedule sets out all necessary notices, consents, waivers and approvals of parties to any Material Contracts disclosed in the Section 3.16(b) of the Disclosure Schedule as are required thereunder in connection with the Transactions, or for any such Material Contract to remain in full force and effect without limitation, modification or alteration after the Effective Time so as to preserve all rights of, and benefits

to, the Company and its Subsidiaries, as the case may be, under such Material Contracts from and after the Effective Time.

(f) Failure to obtain any necessary notice, consent, waiver or approval of parties to any Contracts (x) to which the Company or any of its Subsidiaries is a party, (y) by which the Company or any of its Subsidiaries or any of their assets is or may become bound or under which the Company or any of its Subsidiaries has, or may become subject to, any obligation, or (z) under which the Company or any of its Subsidiaries has or may acquire any right or interest, in each case, as are required thereunder

(i) in connection with the Transactions, or

(ii) to keep any such Contract remain in full force and effect without limitation, modification or alteration after the Effective Time so as to preserve all rights of, and benefits to, the Company and its Subsidiaries, as the case may be, under such Contracts from and after the Effective Time,would not, individually or in the aggregate, reasonably be expected to be materially adverse to the Company and its Subsidiaries, taken as a whole.

3.17.Employee Benefit Plans and Employee Agreements.

(a) Disclosure of Company Equity Incentive Plans. The Company has Made Available true, correct and complete copies, to the extent applicable, of the following: (i) all documents embodying each Company Equity Incentive Plan and each Employee Agreement (if the Employee Agreements use the same form, then the form of such Employee Agreements) including all amendments thereto and all related trust or other funding documents, (ii) if the Company Equity Incentive Plan is funded, the most recent annual and periodic accounting of Company Equity Incentive Plan assets, (iii) all material written agreements and contracts relating to each Company Equity Incentive Plan, (iv) all written communications material to any Employee or Employees relating to any Company Equity Incentive Plan and any proposed Company Equity Incentive Plan, in each case, relating to any amendments, terminations, establishments, increases or decreases in compensation, benefits, acceleration of payments or vesting schedules or other events which would result in any Liability to the Company or any of its Subsidiaries, (v) all correspondence to or from any Governmental Entity relating to any Company Equity Incentive Plan, and (vi) all registration statements, annual reports and prospectuses prepared in connection with each Company Equity Incentive Plan, if applicable. To the Knowledge of the Company, there is no fact, condition, or circumstance since the date the documents were provided in accordance with the foregoing, which would materially affect the information contained therein. Neither the Company nor any of its Subsidiaries has made any plan or commitment to establish any new Company Employee Plan or Employee Agreement under new Company Employee Plan, to modify any form of the Company Equity Incentive Plan or Employee Agreement (except to the extent to conform any such Company Equity Incentive Plan or Employee Agreement to the requirements of any applicable Law, in each case as previously disclosed to Acquiror in writing, or as required by this Agreement), or to enter into any Company Employee Plan or Employee Agreement under such new Company Employee Plan.

(b) Employee Plan Compliance. Except as set out in Section 3.22(f) of the Disclosure Schedule, the Company and each Subsidiary has, in all material respects, performed all obligations required to be performed by them under, is not in material default or violation of, and the Company and each of its Subsidiaries has no Knowledge of any default or violation by any other party to, any Company Equity Incentive Plan or any Employee Agreement, and each Company Equity Incentive Plan and Employee Agreement has been established, implemented and maintained in accordance with its terms and in material compliance with all applicable Laws (including but not limited to SAFE Rules and Regulations and applicable Tax Laws). There are no Actions or suits pending or, to the Knowledge of the Company, threatened or reasonably anticipated (other than routine claims for benefits) against any Company Equity Incentive Plan or any Employee Agreement or against the fiduciaries or assets of any Company Equity Incentive Plan and Employee Agreement. True, complete and accurate copies of each Company Equity Incentive Plan and Employee Agreement, together with all related trust or other funding documents (including those regarding Altruism Trust, Climber Trust and Scaler Trust) have been Made Available to Acquiror, and each of them can be amended, terminated or otherwise discontinued before or after the Effective Time in accordance with its terms, without Liability to Acquiror, the Company or any of its Subsidiaries (other than those required by applicable Law, or other than ordinary administration expenses or with respect to benefits, other than bonuses, commissions or amounts under other compensation plans, that were previously earned, vested or accrued under Company Equity Incentive Plans and Employee Agreements prior to the Effective Time). There are no audits, inquiries or proceedings pending or, to the Knowledge of the Company, threatened in writing by any Governmental Entity with respect to any Company Equity Incentive Plan and Employee Agreement. Except as set out in Section 3.17(b) of the Disclosure Schedule,

neither the Company nor any of its Subsidiaries is subject to any penalty with respect to any Company Equity Incentive Plan or Employee Agreement under applicable Laws. The Company and each of its Subsidiaries have timely made all contributions and other payments required by and due under the terms of each Company Equity Incentive Plan or Employee Agreement.

(c) No Post-Employment Obligations. No Company Equity Incentive Plan or Employee Agreement provides, or reflects or represents any Liability to provide, post-termination or retiree or post-employment life insurance, health or other employee welfare benefits to any person for any reason, and neither the Company nor any of its Subsidiaries has ever represented, promised or contracted to any Employee (either individually or to Employees as a group) or any other person that such Employee(s) or other person would be provided with any such life insurance, health or other employee welfare benefits, except to the extent required by applicable Law.

(d) Effect of Transaction. Neither the execution and delivery of this Agreement or any Transaction Documents, nor the consummation of the Transactions contemplated hereby and thereby (alone or in connection with additional or subsequent events) or any termination of employment or service in connection therewith will (i) result in any compensatory payment or benefit (including severance, golden parachute, bonus or otherwise), becoming due to any Employee or Service Provider (other than payment of ordinary course wages to Employees or ordinary course compensation to current Service Providers, in each case, for services performed for the Company or any of its Subsidiaries in the ordinary course of business), (ii) result in any forgiveness of indebtedness, (iii) increase the amount or value of any compensation or benefits otherwise payable or required to be provided to any Employee or Service Provider, or (iv) result in the acceleration of the time of payment, vesting of funding of any such compensation or benefits, except for acceleration and the compensation payable to the ESOP Holders as contemplated by this Agreement.

3.18. Employment Matters.

(a) Except to the extent that disclosure would not be permitted under applicable Laws, including applicable privacy Laws, the Company and each of its Subsidiaries has Made Available to Acquiror a true and complete list of, as of the date hereof, (i) all Employees that are employed at or above P9 or M4 (the "Core Employee") and current natural person or sole member Service Providers (either by name or identification number) with the name of the legal employer, engaging company or professional employer organization of each, and the country, state, and city in which the individual normally works, (ii) the position (or description of services for Service Providers), date of hire, supervisor (as applicable), current annual rate of compensation (or with respect to employees or service providers compensated on an hourly or per diem basis, the hourly or per diem rate of compensation), including any bonus (target, maximum and any amounts paid for the current year), contingent or deferred compensation, accrued vacation and paid time off, and estimated or target annual incentive compensation of each such person, (iii) visa, work permit and residency status and the type of visa or work permit, (iv) with respect to any Employees on a leave of absence, the date the leave commenced, the reason for the leave and the expected date of return to work of such Employee, and (v) full or part-time status, as such list may be updated in accordance with this Agreement (the "Employee and Service Provider List"). The Company and each of its Subsidiaries has entered into written employment contracts with all of its Employees pursuant to the requirements of the applicable Laws, and all of the Employees are employed by the Company and such Subsidiary. None of the current Core Employees provides services to any Person other than the Company and its Subsidiaries (whether pursuant to an employment relationship, consultancy arrangement or otherwise). None of the current Core Employees is currently bound by any restrictive covenant entered into with a former employer or any other business or undertaking. To the Knowledge of the Company, no current Core Employee intends to terminate his, her or their employment for any reason, other than in accordance with any employment arrangements as may be provided for in this Agreement.

(b) Compliance with Employment Laws. The Company and each of its Subsidiaries is in material compliance with all applicable national, provincial, and local laws, rules and regulations respecting employment, including employment practices, terms and conditions of employment, worker classification and classification of independent contractors, tax withholding, social insurances (including Social Security Fund), plant closings and change in operations, prohibited discrimination, equal employment, fair employment practices, sexual harassment, meal and rest periods, leaves of absence, immigration status (including eligibility to work), collective bargaining, COVID-19 measures, employee safety and health, remote working, worker's compensation or other similar arrangement under applicable Law, wages (including overtime wages and expense reimbursements), compensation, hours of work, and employee termination (actual or constructive), and in each case, with respect to current and former employees of the Company and its Subsidiaries: (i) has withheld and reported in all material

respects all amounts required by Law or by agreement to be withheld and reported with respect to wages, salaries, reimbursements, Social Security Fund, and other payments to employees, (ii) is not liable for any material arrears of wages, severance pay, Social Security Fund, or any Taxes or any penalty for failure to comply with any of the foregoing, and (iii) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any governmental authority, with respect to unemployment compensation benefits, social security (including Social Security Fund), social welfare benefits or other benefits or obligations for the employees (other than routine payments to be made in the normal course of business and consistent with past practice). Except as set out in Section 3.18(b) of the Disclosure Schedule, to the Knowledge of the Company, there are no Actions, suits or administrative matters pending, threatened or reasonably anticipated against the Company, any of its Subsidiaries, or any of their Employees relating to any applicant, Employee, Service Provider, Employee Agreement or Company Equity Incentive Plan (including Employee's entitlement under the Company Equity Incentive Plan). There are no pending, or, to the Knowledge of the Company, threatened, or reasonably anticipated claims or actions against the Company or any of its Subsidiaries under any worker's compensation policy. Neither the Company nor any of its Subsidiaries is party to a conciliation agreement, consent decree or other agreement or order with any Governmental Entity with respect to employment practices. In the past five years, neither the Company nor any of its Subsidiaries has been a party to a settlement agreement with a current or former employee that relates primarily to allegations of sexual harassment or sexual misconduct. The services provided by each of the Company's and the Subsidiaries' Employees are terminable at the will of the Company and its Subsidiaries and any such termination would result in no Liability to the Company or any of its Subsidiaries (other than ordinary administration expenses or with respect to benefits, other than bonuses, commissions or amounts under other compensation plans, that were previously earned, vested or accrued under Company Equity Incentive Plans prior to the Effective Time). Section 3.18(b) of the Disclosure Schedule sets out all Liabilities of the Company or any of its Subsidiaries to any Employee, that result from the termination by the Company, Acquiror or any of their Subsidiaries of such Employee's employment or provision of services. Neither the Company nor any of its Subsidiaries has direct or indirect Liability with respect to any misclassification of (a) any person as a Service Provider or an independent contractor rather than as an employee, (b) any employee leased from another employer or engaged through a professional employer organization or other employment related service provider or (c) any employee currently or formerly classified as exempt from overtime wages. The Company and any of its Subsidiaries have properly engaged all Service Providers through professional employer organizations, staffing firms, or other similar arrangements in compliance with Law. Except as required by applicable Laws, neither the Company nor any of its Subsidiaries has or maintains applicable employee benefit plan, employee pension plan, medical insurance, or life insurance to which the Company or any of its Subsidiaries contributed or is obligated to contribute thereunder for current or former employees of the Company or any of its Subsidiaries.

(c) Labor. No strike, slowdown, concerted refusal to work overtime, or work stoppage against the Company or any of its Subsidiaries has occurred in the past three years, is pending, or, to the Knowledge of the Company, is threatened. The Company has no Knowledge of any activities or proceedings of any labor union, works council, or other employee representative body to organize or represent any Employees. Except as set out in Section 3.18(c) of the Disclosure Schedule, no Actions have occurred in the past three years, or are pending, or, to the Knowledge of the Company, threatened relating to any labor matters involving any current or former employee, including charges of unfair labor practices. Neither the Company nor any Subsidiary is presently, nor has it been in the past, a party to, or bound by, any collective bargaining agreement, agreement with any works council, agreement with any employee representative body or similar Contract with respect to current or former employees and no such agreement is being negotiated by the Company or any of its Subsidiaries. There is no union, works council, or employee representative body, which, pursuant to applicable Law or agreement, must be notified, consulted or with which negotiations need to be conducted in connection with the transactions contemplated by this Agreement.

(d) No Interference or Conflict. To the Knowledge of the Company, no Shareholder, director, officer, Key Employee of the Company or any of its Subsidiaries is obligated under any Contract, subject to any judgment, decree, or order of any court or administrative agency that would interfere with such person's efforts to promote the interests of the Company or any of its Subsidiaries or that would interfere with the Company's business. Neither the execution nor delivery of this Agreement, nor the carrying on of the Company's business as presently conducted or proposed to be conducted nor any activity of such officers, directors, Core Employees, Service Providers or consultants in connection with the carrying on of the Company's business or any of its Subsidiaries' businesses as presently conducted or proposed to be conducted will, to the Knowledge of the Company, conflict with or result in a breach of the terms, conditions, or provisions of, or constitute a default under, any Contract under which any of such officers, directors, Core Employees, or consultants is now bound.

3.19.Governmental Authorizations. Each consent, license, permit, grant or other authorization issued by a Governmental Entity (a) pursuant to which the Company or any of its Subsidiaries currently operates or holds any interest in any of their respective properties, or (b) which is required for the operation of the Company's or any of its Subsidiaries' business as currently conducted or contemplated to be conducted the holding of any such interest (collectively, "Company Authorizations") has been issued or granted to the Company or any of its Subsidiaries, as the case may be, except where the failure to be issued or granted with any of the Company Authorizations, would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. The Company Authorizations are in full force and effect and constitute all Company Authorizations required to permit the Company and its Subsidiaries to operate or conduct their respective businesses or hold any interest in their respective properties or assets and none of the Company Authorizations is subject to any term, provision, condition or limitation which may adversely change or terminate such Company Authorizations by virtue of the completion of the Transaction contemplated by this Agreement or any Transaction Document except where the failure to hold or to comply with, or the suspension or cancellation of, or failure to be valid or to be in full force and effect of, any of the Company Authorizations, would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole. All Company Authorizations were applied for and obtained in material compliance with all applicable Laws. The Company and any of its Subsidiaries has been and is in compliance with the terms and conditions of the Company Authorizations. Neither the Company nor any of its Subsidiaries has received any letter or notice from any Governmental Entity notifying the Company or any of its Subsidiaries of the revocation of any Governmental Authorizations issued to it for non-compliance or remedial actions in respect of the activities carried out directly or indirectly by the Company or any of the Subsidiaries.

3.20.Litigation and Action. Since December 31, 2021, except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, there has been no Action of any nature pending, or to the Knowledge of the Company, threatened, against the Company, any of its Subsidiaries, their respective properties and assets (tangible or intangible) or any of their respective officers or directors (in their capacities as such), nor to the Knowledge of the Company, any reasonable basis therefor, in each case. There is no Action of any nature pending or, to the Knowledge of the Company, threatened, against any Person who has a contractual right or a right pursuant to the applicable Law (including the Companies Act) to indemnification from the Company related to facts and circumstances existing prior to the Effective Time. Neither the Company nor any of its Subsidiaries is a current party or is currently subject to the provisions of any Order (including administrative directives, compliance notices, rectification orders or any other communication from any Governmental Entity identifying the alleged violation of the statutory obligations or prescribing enforcement measures in respect of the operations or activities carried out directly or indirectly by the Company or any of its Subsidiaries). Except as set out in Section 3.20 of the Disclosure Schedule, there is no Action by the Company or its Subsidiaries that is currently pending or that either the Company or any of its Subsidiaries currently intends to initiate. There has been no Action of any nature pending, or to the Knowledge of the Company, threatened, between the Company or any of its Subsidiaries on the one hand, and any current or former directors, officers or if applicable, supervisors of the Company or any of its Subsidiaries on the other hand; nor to the Knowledge of the Company, any reasonable basis therefor, in each case.

3.21.Insurance. Section 3.21 of the Disclosure Schedule sets out as of the date of this Agreement all material insurance policies of the Company or any of its Subsidiaries, including the type of coverage, the carrier, the amount of coverage, the term and the annual premiums of such policies. Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole: (a) there is no claim by the Company or any of its Subsidiaries pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed, (b) there is no pending claim of which its total value (inclusive of defense expenses) would reasonably be expected to exceed the policy limits, (c) all premiums due and payable under all such policies and bonds have been paid, (or if instalment payments are due, will be paid if incurred prior to the Closing Date) and the Company and its Subsidiaries are otherwise in material compliance with the terms of such policies and bonds (or other policies and bonds providing substantially similar insurance coverage), (d) such policies and bonds (or other policies and bonds providing substantially similar coverage) have been in effect since its inception and remain in full force and effect, and (e) the Company does not have any Knowledge or reasonable belief of threatened termination of, or premium increase with respect to, any of such policies. None of the Company nor any Affiliate of either has ever maintained, established, sponsored, participated in or contributed to any self-insurance plan.

3.22.Compliance with Laws.

(a) General. The Company and each Subsidiary has complied with, and is not in violation of, any Law applicable to the Company or any of its Subsidiaries, to the conduct of the business or operations of the

Company or any of its Subsidiaries, or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except for any Laws as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole.

(b) Sanctions and Export Control Laws. The Company and each Subsidiary has at all times conducted its exports and re-exports, imports, sales or transfers of any goods, technologies, or software and services in compliance with all applicable Trade Restrictions in countries in which the Company and all Subsidiaries conducts business. Without limiting the foregoing, (i) the Company and each of its Subsidiaries has obtained, and is in compliance with, all required licenses, license exceptions and other permits, consents, notices, waivers, approvals, Orders, authorizations, registrations, declarations and filings with any Governmental Entity required under Trade Restrictions for all exports, re-exports, imports, sales, transfers, and other transactions, and neither the Company or any of its Subsidiaries (nor to the Company's Knowledge any Person acting on behalf of any of the foregoing) has knowledge of any facts or circumstances which (with or without the receipt of notice) may constitute or result in a violation by the Company or any of its Subsidiaries of any Trade Restrictions, (ii) neither the Company or any of its Subsidiaries nor any of their directors, officers, Core Employees, (in each case acting in their capacity as such), nor to the Knowledge of Company or any of its Subsidiaries, any consultants or other Persons acting on behalf of the Company or any of its Subsidiaries, has at any time (A) engaged in any transaction, including but not limited to the sale, purchase, import, export, re-export or transfer of products or services, either directly or indirectly, involving any Sanctioned Territories or Sanctioned Parties, (B) otherwise done business or been a party to or beneficiary of, or had any interest in, any franchise, license, management or other Contract with any Person in any Sanctioned Territories or who is a Sanctioned Party, or (C) been a party to any investment, deposit, loan, borrowing or credit arrangement or involved in any other financial dealings, either directly or indirectly with any Person involving the Sanctioned Territories or who is a Sanctioned Party, in each case unless permitted, excepted, exempted, or specifically or generally authorized.

(c) Sanctioned Parties. Neither the Company or any of its Subsidiaries, nor any of their directors, officers, Core Employees or, to the Company's Knowledge consultants, or other Persons acting on behalf of the Company or any of its Subsidiaries is a Sanctioned Party.

(d) Compliance Enforcement. The Company and its Subsidiaries have not (i) conducted any internal review or investigation related to potential or alleged violations of Anti-Corruption Laws or Trade Restrictions, (ii) made any voluntary disclosure to any governmental entity with respect to a possible violation of the Anti-Corruption Laws or Trade Restrictions, or (iii) been subject to any actual or threatened government prosecution, enforcement, investigation, subpoena or other inquiry related to potential non-compliance with the Anti-Corruption Laws or Trade Restrictions.

(e) Export Control Classifications. Section 3.22(e) of the Disclosure Schedule sets out the true, correct and complete export control classifications applicable to the Company's products, services, software and technologies.

(f) SAFE Compliance. Except as set out in Section 3.22(f) of the Disclosure Schedule, the Company, its Subsidiaries, the Founders, the directors, officers and if applicable, supervisors of the Company and any of its Subsidiaries, the direct or indirect holder of Company Options and/or the Company RSU, have complied with all applicable SAFE Rules and Regulations in all material aspects and have obtained all requisite Approvals required under the SAFE Rules and Regulations, including those SAFE Rules and Regulations relating to the direct or indirect holding of Equity Securities in the Company, the transactions contemplated in this Agreement or any Transaction Documents, and such Approvals have been duly and lawfully obtained and are in full force and effect, and to the Knowledge of the Company, there exist no grounds on which any such Approval may be cancelled or revoked or any Subsidiaries of the Company or its legal representative may be subject to liability or penalties for misrepresentations or failures to disclose information to the issuing SAFE. None of the Company, its Subsidiaries, the Founder, the direct or indirect holder of Company Options and/or the Company RSU, and/or any Affiliate of any of such Persons has received any written inquiries, notifications, Orders or any other forms of correspondence from SAFE with respect to any actual or alleged non-compliance with the SAFE Rules and Regulations.

(g) Anti-Corruption Compliance. Neither the Company nor any of its Subsidiaries (including any of their officers, directors, agents, distributors, employees or other Person associated with or acting on their behalf) has, directly or indirectly, taken any action which would cause it to be in violation applicable Anti-Corruption Laws. Neither has the Company or its Subsidiaries (including any of their officers, directors, agents, distributors, employees or other Person associated with or acting on their behalf) used any corporate funds for unlawful contributions, gifts,

entertainment or other unlawful expenses relating to political activity, made, offered or authorized any improper payments to (i) foreign or domestic Government Officials, or to any Person under circumstances where the Person carrying out such activity knew or had reason to know that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, whether directly or indirectly, or made, offered or authorized any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment, or provided anything of value, whether directly or indirectly for the purpose of (A) influencing any act or decision of such Government Official in his official capacity, (B) inducing such Government Official to do or omit to do any act in relation to his lawful duty, (C) securing any improper advantage or (D) inducing such Government Official to influence or affect any act or decision of any Governmental Entity, in each case, in order to assist the Person carrying out such activity in obtaining or retaining business for or with, or in directing business to, any Person or (ii) to any Person (including employees), with the intention of influencing or rewarding such Person for acting in breach of an expectation of good faith, impartiality or trust, or which it would otherwise be unlawful for the recipient to accept. In the past five years, the Company has not conducted an internal investigation into, or become aware of any allegations related to, corruption, bribery, money laundering, or related conduct by or related to the Company or its Subsidiaries. The Company and each of its Subsidiaries has, and has caused each of their Affiliates and any of their respective directors to (i) cease all of its or their respective activities, as well as (ii) take remediate actions in relation to any violation of any Anti-Corruption Laws. The Company has established sufficient internal controls and procedures to ensure compliance with applicable Anti-Corruption Laws and has Made Available all of such documentation.

(h) Environmental Laws. The Company and its Subsidiaries (i) have complied with all Environmental Laws, (ii) have all Company Authorizations related to environmental matters ("Environmental Permits") required for the operation of the Company's or any of its Subsidiaries' business and all such Environmental Permits are in full force and effect, (iii) have not received on or prior to the date of this Agreement any notice or other communication relating to any alleged claim, violation of, or Liability under any Environmental Law, (iv) have not disposed of, emitted, discharged, handled, stored, transported, used or released any Hazardous Materials, distributed, sold or otherwise placed on the market Hazardous Materials or any product containing Hazardous Materials, arranged for the disposal, discharge, storage or release of any Hazardous Materials, or exposed any employee or other individual to any Hazardous Materials so as to give rise to any Liability or corrective or remedial obligation under any Environmental Laws, (v) have not entered into any agreement that may require it to guarantee, reimburse, pledge, defend, hold harmless or indemnify any other party with respect to Liabilities arising out of Environmental Laws or the Hazardous Materials related activities of the business, and (vi) have delivered to Acquiror all Environmental Permits, and all environmental reports, assessments, audits, and records in the Company's or its Subsidiaries' possession or control. Except in compliance with Environmental Law and in a manner that would not reasonably be expected to result in Liability to the Company or any of its Subsidiaries, no Hazardous Materials are present in, on, or under any property, including the land and improvements, groundwater and surface water thereon, that has been owned, leased or used at any time by the Company or any of its Subsidiaries.

(i) Loan Assistance Business. Neither the Company nor any of this Subsidiaries has engaged in any illegal fundraising activities and/or online lending information intermediary business that constitute violation or non-compliance under the applicable Laws.

(j) Live-streaming Business. No Company Product permits or facilitates interactive game features involving any mechanism deemed to constitute gambling activities as defined under applicable Laws (including PRC Criminal Law). No live streaming content disseminated through the Company Products contains gambling activities, involves pornographic or any other content prohibited by applicable Laws or violates any anti-money laundering Laws.

3.23. IP Partner.

(a) Section 3.23(a) of the Disclosure Schedule sets out a true, complete and correct list of the following Person (each such Person and any of its Affiliates, a "Top IP Partner"):

(i) top ten (10) copyright partners for the audiobook business as determined by membership revenue in fiscal year of 2024;

(ii) top two (2) copyright partners for the xiangsheng (or crosstalk) and pingshu business as determined by membership revenue in fiscal year of 2024;

(iii) top ten (10) copyright partners for the podcast business as determined by membership revenue in fiscal year of 2024;

(iv) the annual top ten (10) copyright partners determined by children and juvenile membership revenue of each calendar year during the period from January 1, 2022 to December 31, 2024;

(v) material copyright partners for the parenting education business, which includes but not limited to [redacted]; and

(vi) material hosts / copyright partners for the children content, including but not limited to [redacted].

(b) Neither the Company nor any of its Subsidiaries have received notice, nor does the Company have Knowledge, that any Top IP Partner intends to cancel or otherwise materially and adversely modify its relationship with the Company or any of its Subsidiaries (whether related to payment, price or otherwise) on account of the transactions contemplated by this Agreement or otherwise. None of the Company nor its Subsidiaries is currently engaged in any material renegotiation with any Top IP Partner related to such Top IP Partner's relationship or Contract with the Company or its Subsidiaries. No Top IP Partner has, during the past twelve (12) months, requested a material price increase from the Company or its Subsidiaries, other than a de minimis price increase.

3.24.Interested Party Transactions. Except as set out in Section 3.24 of the Disclosure Schedule, no formal or current officer (including the Founders), director, supervisor, nor, to the Knowledge of the Company, any shareholder of the Company or any of its Subsidiaries (nor, to the Knowledge of the Company, any Affiliate of any of such Persons, or any trust, partnership or corporation in which any of such Persons has or has had an interest) (each, an "Interested Party"), has or has had, directly or indirectly, (i) any interest in any Person which furnished or sold, or furnishes or sells, services, products, Technology or Intellectual Property Rights that the Company or any of its Subsidiaries furnishes or sells, or proposes to furnish or sell, or (ii) any interest in any Person that purchases from or sells or furnishes to the Company or any of its Subsidiaries, any goods or services, or (iii) any interest in, or is a party to, any Contract to which the Company or any of its Subsidiaries is a party; *provided, however*, that ownership of no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation shall not be deemed to be an "interest in any Person" for purposes of this Section 3.24. To the Company's Knowledge, there are no Contracts with regard to contribution or indemnification between or among any of the Shareholders. All transactions pursuant to which any Interested Party has purchased any services, products, Technology or Intellectual Property Rights from, or sold or furnished any services, products, Technology or Intellectual Property Rights to, the Company or any of its Subsidiaries have been on an arms-length basis on terms no less favorable to the Company or any of its Subsidiaries than would be available from an unaffiliated party.

3.25.Books and Records. (a) The minute books and resolutions of the Company and each of its Subsidiaries since their respective incorporations have been Made Available, are complete and up-to-date and have been maintained in accordance with sound and prudent business practice. Except as would not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole, (a) the minutes of the Company and each of its Subsidiaries contain true, correct and complete in all material respects records of all actions taken, and summaries of all meetings held, by the respective Shareholders and the Board of Directors of the Company and each of its Subsidiaries (and any committees thereof) since the time of incorporation of the Company and each of its Subsidiaries, as the case may be, (b) the Company and each of its Subsidiaries has made and kept business records, financial books and records, personnel records, ledgers, sales accounting records, Tax records and related work papers and other books and records (collectively, the "Books and Records") that are true, correct and complete in all material respects and accurately and fairly reflect, in all material respects, the business activities of the Company and each of its Subsidiaries, and (c) the Company and each of its Subsidiaries has not engaged in any material transaction, maintained any bank account or used any corporate funds except as reflected in its normally maintained Books and Records. At the Closing, the minute books and other Books and Records will be in the possession of the Company and its Subsidiaries.

3.26.Brokers. Except as specifically and accurately set out in Section 3.26 of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has incurred, nor will it incur, directly or indirectly, any Liability for brokerage or finders' fees or agents' commissions, fees related to investment banking or similar advisory services or any similar charges in connection with the Agreement or any transaction contemplated hereby, nor will Acquiror or the Surviving Company incur, directly or indirectly, any such Liability based on arrangements made by or on behalf of the Company.

3.27.Banking Relationships. Section 3.27 of the Disclosure Schedule sets out a complete and accurate list, as of April 30, 2025, of the name and location of each bank, brokerage or investment firm, savings and loan or similar financial institution in which the Company or any of its Subsidiaries has an account, safe deposit box or other

arrangement, the account numbers, account balances of the most recent account statements, and the names of all Persons authorized to draw on or who have access to such accounts, safe deposit boxes or other arrangements. There are no outstanding powers of attorney executed by or on behalf of the Company or any of its Subsidiaries.

3.28. Power of Attorney.

(a) Except as specifically and accurately set out in Section 3.28(a) of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has given any Person a power of attorney, or any other authority which is still effective or has not been revoked, by which such Person may enter into any contract or give any commitment or do anything on its behalf (other than any authority to employees to enter into routine trading contracts in the normal course of their duties).

(b) Except as set out in Section 3.28(b) of the Disclosure Schedule, neither the shareholders nor any directors of the Company and/or its Subsidiaries has (i) given any Person a power of attorney or similar arrangement, or any other authority which is still effective or has not been revoked, or (ii) entered into acting-in-concert or similar arrangement with any Person, each purports to regulate, control or otherwise affect the voting of their Equity Securities or voting as a director in the shareholders meeting or in the meeting of the board of directors (as the case may be) of the Company and/or its Subsidiaries.

3.29. Insolvency etc.

(a) No bankruptcy or reorganization proceedings, whether voluntary or involuntary, are pending or threatened against the Company and/or its Subsidiaries, nor are the Company and/or its Subsidiaries contemplating any such proceedings, under the bankruptcy laws and/or receivership or similar applicable Laws.

(b) No administrator, receiver or administrative receiver has been appointed in respect of the whole or any part of the assets or undertaking of the Company and/or its Subsidiaries.

(c) No voluntary arrangement, compromise or similar arrangement with creditors has been proposed, agreed or sanctioned in respect of the Company and/or its Subsidiaries.

(d) Each the Company and/or its Subsidiaries is not insolvent or unable to pay its debts as they fall due.

(e) So far as the Company is Known, no circumstances exist which are likely to give rise to the occurrence of any events or circumstances described in the Sections 3.29(a) to 3.29(d).

3.30. Government Subsidies.

(a) Except as specifically and accurately set out in Section 3.30 of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has applied for or entered into any grant, incentive, subsidy, allowance or other benefit-conferring arrangement relating to investment attraction, preferential treatment or financial support, whether written, oral or de facto, with any Governmental Entity, quasi-governmental body or any other Person Controlled by Governmental Entities (including but not limited to state-owned enterprises and government-guided funds) (the "Governmental Preferential Arrangement").

(b) The Company and each Subsidiary are in compliance in all material respects with the terms and conditions of any Governmental Preferential Arrangement.

(c) The execution, delivery and performance of and compliance with the terms of this Agreement and any of the Transaction Document and the consummation of the Transactions (including the Merger and the Restructuring) contemplated hereby and thereby shall not (i) render the Company or any of its Subsidiaries liable to refund or repay the whole or part of any investment or other grant, subsidy or allowance received under the Governmental Preferential Arrangement or impose other adverse effect on the Company or any of its Subsidiaries; (ii) cause any pending application for grant, subsidy or allowance made by the Company or any of its Subsidiaries under the Governmental Preferential Arrangement to be denied, delayed, reduced or revoked; or (iii) have any adverse effect on the continued validity and effectiveness of any Governmental Preferential Arrangement.

(d) All applications for Governmental Preferential Arrangement, which have been made or are reflected in the Balance Sheet, have been correctly made and no refunds and no interest or penalties regarding such refunds are or will be due in respect of such Governmental Preferential Arrangement.

3.31.Related Businesses.

(a) Except as set out in Section 3.31(a) of the Disclosure Schedule, none of the Founders (i) owns, directly or indirectly, any Equity Securities of any Person (including but not limited to ownership through proxy arrangements, nominee holdings, trust instruments, equity incentive pools, employee or consultant stock ownership plans or other similar contractual or beneficial ownership arrangements), except for the ownership of no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, (ii) have any obligation, or have made any commitment, to acquire any Equity Securities of any Person or to provide funds to or make any investment (in the form of a loan, capital contribution or otherwise) in any Person, except for situations that would result in the ownership of no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation, or (iii) holds any position or provides any service (including but not limited to acting as a director, officer, partner, legal representative, agent, advisor, independent contractor, consultant, employee, or de facto management) in any capacity whatsoever, whether compensated or not, to or for any Person other than the Company or its Subsidiaries.

(b) None of the Founders is, on his / her own account or in conjunction with or on behalf of any Person, concerned or interested, directly or indirectly, whether as shareholder, director, partner, legal representative, agent or otherwise: (i) engaged in, or materially interested in any business (a) that is of a similar nature to or competitive with that carried on by the Company and its Subsidiaries (including the Business), or (b) that is a supplier, partner or otherwise has a trading relationship with the Company or any of its Subsidiaries; (ii) holding, controlling, or materially benefiting from any assets, Contracts, or operations that are necessary for the business (including the Business) of the Company or any of its Subsidiaries; (iii) a party to any side agreements, special arrangements, or understandings (whether written or oral) with the Company or any of its Subsidiaries, including but not limited to repurchase agreements, valuation adjustment mechanisms (including, without limitation, buyback, redemption, earn-outs or put/call options), non-compete obligations, or other similar arrangements; or (iv) involved in any activity or relationship that (x) results in the commingling of assets, accounts, personnel, or operations between such Founder and the Company or any of its Subsidiaries; or (y) has given rise to, or could reasonably lead to, any dispute, claim, or Action between such Founder and the Company or any of its Subsidiaries.

3.32.CFIUS and Reverse CFIUS.

(a) Section 3.32(a) of the Disclosure Schedule sets out a true, accurate, and complete response to the questionnaire therein, contains no omissions that would render such response misleading, and truly and fairly presents the Company's operations, financial condition, and legal status.

(b) Neither the Company nor any of the Subsidiaries engages in any activities utilizing or involving semiconductors and microelectronics, quantum information technologies or artificial intelligence that (i) designs any integrated circuit; (ii) fabricates any integrated circuit; (iii) packages any integrated circuit; or (iv) develops any AI system that is (A) designed to be used for any military end use (e.g., for weapons targeting, target identification, combat simulation, military vehicle or weapons control, military decision-making, weapons design (including chemical, biological, radiological, or nuclear weapons), or combat system logistics and maintenance); or government intelligence or mass-surveillance end use (e.g., through incorporation of features such as mining text, audio, or video; image recognition; location tracking; or surreptitious listening devices); (B) intended by the covered foreign person or joint venture to be used for any of the following: (w) cybersecurity applications; (x) digital forensics tools; (y) penetration testing tools; or (z) the control of robotic systems; or (C) trained using a quantity of computing power greater than 10^23 computational operations (e.g., integer or floating-point operations).

3.33.Secured Creditors. (a) The Company has no fixed or floating security interests that are or will be outstanding as at the Effective Time.

3.34.No Material Indebtedness. The Founder Parties possesses, or has access to, the necessary financial resources to enable themselves to provide the indemnifications to Acquiror the due and punctual performance and observance by the Founder Parties of all the obligations in accordance with the terms of this Agreement and any Transaction Document. None of the Founder Parties has any outstanding material Liabilities (whether contingent, absolute or otherwise) exceeding [redacted], individually or in aggregate.

3.35.Notice from Opposing Shareholders. The Company has Made Available to Acquiror the full, accurate and up-to-date details of (i) all notices of objection, notices of dissent, demands for appraisal or demands for fair value or written offers under Section 238 of the Companies Act received by the Company prior to the Company Shareholders Meeting, as well as attempted withdrawals of such notices or demands or offers (if any), and (ii) all

notices received by the Company prior to the date of this Agreement from any other Opposing Shareholders and any other information in relation to such Opposing Shareholders.

3.36. Disclosure. No representation or warranty of the Company contained in this Agreement and no information or materials in writing provided by the Company to Acquiror in connection with the negotiation or execution of this Agreement or any agreement contemplated hereby contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The financial forecasts or forward-looking statements in any business plans or other materials that the Company has made available to Acquiror have been prepared in good faith and based on reasonable assumptions of the Company. All information, documents requested by Acquiror in writing and furnished in writing by the Company or the representatives of the Company (including without limitation, the key financial figures of the Company and its Subsidiaries included in the management accounts as of and for the period ended Locked Box Date and provided to Acquiror during the due diligence conducted by Acquiror for the purpose of the transactions contemplated under this Agreement) are true, accurate and complete in all material aspects, and there is no intentional concealment. There are no facts or documents that cause or could be reasonably expected to be material to the Company and its Subsidiaries, taken as a whole, that have not been disclosed to Acquiror.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF ACQUIROR AND MERGER SUB

Each of Acquiror and the Merger Sub hereby represents and warrants to the Company as follows, as of the date hereof (except for the representations and warranties relating to Merger Sub, as of the date of its incorporation) and as of the Closing Date:

4.1 Organization and Standing. Each of Acquiror and Merger Sub is an exempted company with limited liability duly organized, validly existing and in good standing under the Laws of the Cayman Islands. Merger Sub was formed solely for the purpose of engaging in the transactions contemplated by this Agreement and Merger Sub has no assets, Liabilities or obligations of any nature other than those incident to its formation and pursuant to the transactions contemplated by this Agreement and prior to the Effective Time, will not have engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

4.2 Authority and Enforceability.

(a) Each of Acquiror and Merger Sub has all requisite corporate power and authority to enter into this Agreement and any Transaction Document to which it is a party and to consummate the Merger and the transactions contemplated hereby and thereby. The execution and delivery by each of Acquiror and Merger Sub of this Agreement and any Transaction Document to which it is a party and the consummation of the Merger and the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate and other action on the part of Acquiror and Merger Sub and no further corporate or other action is required on the part of Acquiror or Merger Sub to authorize this Agreement, the Merger, and any Transaction Document to which it is a party or to consummate the Merger and the transactions contemplated hereby and thereby.

(b) This Agreement and any Transaction Document to which Acquiror and Merger Sub are parties have been duly executed and delivered by Acquiror and Merger Sub and constitute the valid and binding obligations of Acquiror and Merger Sub, enforceable against each of Acquiror and Merger Sub in accordance with their respective terms, subject to the Enforceability Limitations.

4.3 Non-contravention. The execution and delivery by Acquiror and Merger Sub of this Agreement and any Transaction Document to which Acquiror and/or Merger Sub a party, and the consummation of the transactions applicable to Acquiror and Merger Sub pursuant to this Agreement, will not conflict with or result in any violation of or default under (with or without notice or lapse of time, or both) or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under (a) any provision of the memorandum and articles of association of Acquiror or Merger Sub, (b) any contract to which Acquiror or Merger Sub is a party that is material to Acquiror and Merger Sub, taken as a whole or (c) any Law or Order applicable to Acquiror and Merger Sub or any of their properties or assets (whether tangible or intangible), except in the case of limbs (b) or (c) above, for such conflicts, violations, defaults, terminations, cancellations, modifications or accelerations which would not reasonably be expected to have, individually or in the aggregate, an Acquiror Material Adverse Effect on Acquiror's or Merger Sub' ability to consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement in a timely manner.

4.4 SEC Filings.

(a) Acquiror has filed with or furnished to the SEC all reports, schedules, forms, statements, prospectuses, registration statements and other documents required by applicable Law to be filed or furnished by Acquiror since December 31, 2021 (collectively, together with any exhibits and schedules thereto and other information incorporated by reference therein in accordance with applicable SEC regulations, the "Acquiror SEC Documents"). No other Subsidiary of Acquiror is required to file any report, schedule, form, statement, prospectus, registration statement or other document with the SEC.

(b) As of its filing date (and as of the date of any amendment), each Acquiror SEC Document complied, and each Acquiror SEC Document filed subsequent to the date of this Agreement will comply, in all material respects with the applicable requirements of the Securities Act, the Exchange Act and other applicable Law, as the case may be.

(c) Each of the consolidated financial statements of Acquiror included in Acquiror SEC Documents (including, in each case, any notes thereto) was prepared in accordance with IFRS applied on a consistent basis throughout the periods indicated (except as may be indicated in notes thereto or, in the case of unaudited statements, as permitted by the rules and regulations of the SEC) and each fairly presented, in all material respects, the consolidated financial position, the results of operations, cash flows and changes in shareholders' equity of Acquiror and its Subsidiaries as and at the respective dates thereof and for the respective periods indicated therein (subject, in the case of unaudited interim statements, to normal year-end audit adjustments).

4.5 Governmental Approvals. (a) No consent, waiver, approval, Order or authorization of, or registration, declaration or filing with, any Governmental Entity, is required by, or with respect to, Acquiror or Merger Sub in connection with the execution and delivery of this Agreement and any Transaction Document to which Acquiror or Merger Sub is a party or the consummation of the Merger or any other transactions contemplated hereby and thereby, except for (a) the filing of the Plan of Merger and other documents required under the Companies Act with the Registrar of Companies of the Cayman Islands and the publication of notification of the Merger in the Cayman Islands Government Gazette pursuant to the Companies Act, (b) compliance with any applicable requirements of the Securities Act, the Exchange Act, or any other applicable securities laws and the rules and regulations, (c) compliance with the rules and regulations of the NYSE and the HKSE, (d) the authorization, approval or consent of the Governmental Entities as set forth in Section 2.2(a)(ii) (*Regulatory Approval*), and (e) such other consents, waivers, approvals, orders, authorizations, registrations, declarations and filings which, if not obtained or made, would not reasonably be expected to have an Acquiror Material Adverse Effect on Acquiror's or Merger Sub' ability to consummate the Transactions in accordance with the terms of this Agreement.

4.6 Merger Consideration. Acquiror has access to sufficient capital resources to pay the Merger Consideration that is payable in cash hereunder.

ARTICLE V

CONDUCT OF COMPANY BUSINESS

5.1 Conduct of Company Business. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, except to the extent that Acquiror shall otherwise consent in writing, the Company shall (i) conduct the business of Company and its Subsidiaries in the usual, regular and ordinary course and in substantially the same manner as heretofore conducted, (ii) subject to Sections 7.12 and 7.13, pay all Taxes and file all Pre-Closing Tax Returns of the Company and its Subsidiaries when due in a manner consistent with the past practices of the Company and its Subsidiaries, unless otherwise required by applicable Law, (iii) pay or perform all other obligations of the Company and its Subsidiaries when due (including the timely withholding, collecting, remitting and payment of all Taxes required under Law), (iv) operate in compliance with all Privacy Requirements and other applicable Laws relating to cybersecurity and privacy protection, including Personal Data and network security requirements, (v) to the extent requested by Acquiror based on any third-party assessment report commissioned by Acquiror, use commercially reasonable efforts to implement recommended remedial actions with respect to the Company's and its Subsidiaries' apps and platforms regarding privacy protections, *provided*, *however*, that the Company shall not be obligated to implement any material, substantive changes to such apps or platforms before the Closing without the mutual written consent of the Company and Acquiror, and (vi) to the extent consistent with such business, use commercially reasonable efforts to preserve intact the present business organizations of the Company and its Subsidiaries, keep available the services of the present officers and Employees of the Company and its Subsidiaries, preserve the assets (including intangible assets) and properties of the Company

and its Subsidiaries and preserve the relationships of the Company and its Subsidiaries with customers, suppliers, licensors, licensees, and others having business dealings with them, all with the goal of preserving unimpaired the goodwill and ongoing businesses of the Company and its Subsidiaries at the Effective Time.

5.2 Restrictions on Company Activities. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Effective Time, except as (i) expressly contemplated by this Agreement, including the Restructuring, and (ii) specifically set forth in Schedule 5.2, the Company shall not (and shall ensure that none of its Subsidiaries shall), without the prior written consent of Acquiror:

(a) cause or permit any modification, amendment or change to the Charter Documents of the Company or any of its Subsidiaries, except for (i) any amendment to Section 3.1(a)(B) of Schedule A of the Company's Articles to postpone the applicable triggering date to any redemption rights, or (ii) any amendment to the articles of association of the Subsidiaries solely for the purpose of updating the filed information of any PRC Subsidiary with SAMR, *provided* that such amendment shall exclude (A) any reduction of registered capital of any Subsidiary of the Company (except for reductions arising from underpaid registered capital by applicable shareholders of such Subsidiary), (B) any transfer, pledge or encumbrance of the Equity Securities that are directly or indirectly owned by the Company in any of its Subsidiaries (including, for the avoidance of doubt, any transfer, pledge or encumbrance of Equity Securities held by nominee shareholders in the Domestic Company and Tianbo) (except for any pledge or encumbrance of such Equity Securities that secures the Interest-Bearing Indebtedness of the Company or any of its Subsidiary), or (C) any change, replacement or appointment of any PRC Subsidiary's director, manager, supervisor or legal representative with any Person who is not a current employee of the Company or any of its Subsidiaries or director, manager, supervisor or legal representative as nominated by other minority shareholder of such Subsidiary of the Company (*provided*, *however*, that this limb (C) shall not apply if the Company has notified Acquiror in writing in advance of such change, replacement or appointment);

(b) declare, set aside, or pay any dividends on or make any other distributions (whether in cash, stock or property) in respect of any Company Shares or the capital shares of its Subsidiaries, or split, combine or reclassify any Company Shares or the capital shares of its Subsidiaries or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for Company Shares or the capital shares of its Subsidiaries, or directly or indirectly repurchase, redeem or otherwise acquire any Company Shares or the capital shares of its Subsidiaries (or options, warrants or other rights convertible into, exercisable or exchangeable for Company Ordinary Shares or the capital shares of its Subsidiaries), except for forfeitures of unvested Company Options or Company RSU upon a termination of employment or service with any Employee or Service Provider pursuant to the respective underlying award agreements in effect on the date hereof;

(c) issue, grant, deliver, sell, or otherwise dispose of, or authorize or propose the issuance, grant, delivery, sale of, or otherwise disposal of, or purchase or propose the purchase of, any Equity Securities of the Company, any of its Subsidiaries or any Equity Investee; or enter into, or authorize or propose to enter into, any Contract of any character obligating any of the Company or any of its Subsidiaries to issue, grant, deliver, purchase, sell, or otherwise dispose of, any such Equity Securities (including any action to initiate or prepare public offering of any Company Share or the capital share of any of the Subsidiaries of the Company), except for (x) the issuance of any Equity Securities of any of the Company's Subsidiaries to the Company or any of its other Subsidiaries, (y) the issuance of Company Shares pursuant to the exercise of Company Options or vesting of Company RSU under the Company Equity Incentive Plans, in each case, outstanding as of the date of this Agreement pursuant to the underlying award agreements, or (z) the disposal of any Equity Securities in any Equity Investee by the Company or any of its Subsidiaries, *provided* that the total transaction value for such disposal in aggregate shall not exceed[redacted] (as determined on the basis of an appraised valuation issued by a qualified PRC appraisal firm or the incurred or committed transaction amount of such Equity Securities);

(d) form, or enter into any commitment to form, a Subsidiary, or acquire, or enter into any commitment to acquire, any corporation, association, joint venture, partnership or other business entity or division thereof, individually or cumulatively in a series of transactions related to the same matter or project, at the total transaction value exceeding [redacted] (whether determined based on an appraised valuation issued by a qualified PRC appraisal firm or based on the incurred or committed investment amount);

(e) make or agree to make any capital expenditure or commitment (including, without limitation, any capital expenditure or commitment on investment, copyrights, major fixed assets or intangible assets), individually or cumulatively in a series of transactions related to the same matter or project, in excess of [redacted] (based on the incurred or committed amount), except for which is set out in paragraph (e) of Schedule 5.2;

(f) without prejudice to the restrictions under Section 5.2(c), acquire or dispose of any assets of the Company or any of its Subsidiaries or any business enterprise or division thereof, individually or cumulatively in a series of transactions related to the same matter or project, at the total transaction value exceeding [redacted] (as determined on the basis of an appraised valuation issued by a qualified PRC appraisal firm or the incurred or committed transaction amount of such asset);

(g) (i) save as otherwise provided under Section 5.2(f), sell or assign to any Person or enter into any Contract to sell or assign to any Person any rights to any Company Owned IP, or allow any material Company Owned IP to expire or lapse, (ii) save as otherwise provided under Section 5.2(e), buy or license any Technology or Intellectual Property Right of any third party (other than under Standard Inbound Agreements), (iii) license any Company Products or Company IP to third parties other than under Standard Outbound Agreements, or agreements with auto OEMs or content adaptation providers that authorize development of derivative works and products, (iv) enter into any material distributor, reseller, sales representative, marketing, or similar agreement, (v) amend, modify, or extend any agreement for the license, sale, or other distribution of Company Products or Company Owned IP (other than amendments, extensions, or modifications to Standard Inbound Agreements or Standard Outbound Agreements) that would materially reduce the Company's or any of its Subsidiaries' rights or materially increase its obligations, (vi) enter into any Contract with respect to the development of any Technology or Intellectual Property Right on behalf of the Company or any of its Subsidiaries with a third party (other than agreements with employees, contractors or other contributors in the ordinary course of business), (vii) save as otherwise required for the purpose of obtaining the requisite consent or amendment of any Key Copyright Agreement pursuant to Section 7.3 and Schedule 1.4, materially change pricing or royalties charged by the Company or any of its Subsidiaries to, or the compensation or other amounts payable to, the Company's or any of its Subsidiaries' customers or licensees, or the pricing or royalties set or charged by Persons who have licensed Technology or Intellectual Property Rights to the Company or any of its Subsidiaries by more than [redacted] in any rolling twelve-month period, other than temporary promotional discounts consistent with past practice; or (viii) amend the license applicable to any Company Owned IP such that the Company Owned IP becomes subject to an Open Source License; *provided*, *however*, that with respect to the actions described in limbs (iv) through (vii) (inclusive), the restrictions set forth in this Section 5.2(g) shall apply only to any Contract or arrangement that has a contract value in excess of [redacted], determined on an individual basis.

(h) issue or sell any debt securities (excluding the incurrence or draw-down of Interest-Bearing Indebtedness by the Company or any of its Subsidiaries), or create a Lien (other than a Permitted Lien or any Lien granted to secure Interest-Bearing Indebtedness) over any asset of the Company or any of its Subsidiaries;

(i) (x) make any loan to, or purchase debt securities of, or guarantee any Indebtedness of, any individuals (except for advances to employees for reasonable business travel and expenses in the ordinary course of business consistent with past practice), or (y) make any loan to any Person other than individuals exceeding [redacted] individually or [redacted] in the aggregate or purchase debt securities of any Person or guarantee any Indebtedness of any Person;

(j) commence or settle any Action or threat of any Action by or against the Company or any of its Subsidiaries or relating to any of their businesses, properties, rights or assets (other than (i) ordinary course collection efforts for accounts receivable owed by a third party, (ii) any Action to enforce the terms of this Agreement or any Transaction Document, and (iii) those that do not (w) involve the payment by any party thereto of monetary damages in excess of [redacted] individually or [redacted] in the aggregate, (x) involve any Governmental Entity, and (y) relate to any Tax), *provided* that any claims by Opposing Shareholders shall be governed by Section 7.16);

(k) pay, discharge, release, waive or satisfy any claims, rights or Liabilities that are material in nature, other than the payment, discharge or satisfaction in the ordinary course of business of Liabilities reflected on the Balance Sheet or incurred in the ordinary course of business after the Locked Box Date;

(l) adopt or change accounting methods or practices (including any change in depreciation or amortization policies or rates or any change to practices that would impact the methodology for recognizing revenue) other than as required by IFRS or any applicable Law;

(m) make, change, or revoke any Tax election, adopt or change any Tax accounting method, enter into any closing agreement in respect of Taxes, settle or compromise any Tax claim or assessment, consent to any extension or waiver of the limitation period applicable to any Tax claim or assessment, request any Tax ruling, enter into any Tax sharing or similar agreement or arrangement (other than any such agreement not primarily related

to Taxes entered into in the ordinary course of business), surrender any right to claim a material refund of Taxes, or amend any Tax Return, in each case, except as required by any applicable Law;

(n) except as required by the terms of any Company Equity Incentive Plan or Employee Agreement or any applicable Law, (i) establish, adopt, amend or terminate any Company Equity Incentive Plan, or any plan, program, policy, practice, contract, agreement or other arrangement that would be a Company Equity Incentive Plan if in effect on the date of this Agreement, other than expirations and renewals in the ordinary course of business, (ii) enter into any new material engagement with any professional employer organization or other similar service provider, (iii) increase the level of compensation payable or to become payable to any Employee or Service Provider, or make any other change that would result in increased cost to the Company to the salary, wage rate, employment status, title or other compensation (including equity based compensation) payable or to become payable by the Company or any of its Subsidiaries to any Employee or Service Provider, other than any increases or changes made in the ordinary course of business at an arm's length basis consistent with past practice, (iv) make any declaration, payment, commitment or obligation of any kind for the payment (whether in cash, equity or otherwise) of any severance payment or other change in control payment, termination payment, bonus, special remuneration or other additional salary or compensation (including equity based compensation) to any Employee or Service Provider other than (x) any such severance payments required by applicable Law in connection with the termination of employment; or (y) any other payments, bonuses, remuneration, compensation or other incentives made in the ordinary course of business at an arm's length basis consistent with past practice, or (v) terminate, other than for cause or due to permanent disability, or hire, any Employee or Service Provider with an aggregate annual cash compensation of [redacted] or more;

(o) create any new labor union or other employee representative body that was not recognized by the Company or its Subsidiaries prior to the date of this Agreement, except as required by applicable Law;

(p) waive, release, amend or knowingly fail to enforce the restrictive covenant obligations of any Employee or Service Provider except for immaterial changes made in the ordinary course that do not have, and would not reasonably be expected to have, a material adverse effect on the Company or its Subsidiaries;

(q) send any written communications (including electronic communications) to Employees or Service Providers regarding this Agreement or the transactions contemplated hereby or make any representations or issue any communications to Employees that are inconsistent with this Agreement or the transactions contemplated thereby, including any representations regarding continued employment or offers of employment from Acquiror;

(r) amend any Company Privacy Policy, publish any new Company Privacy Policy, or announce any amendment to any Company Privacy Policy or any new Company Privacy Policy except (i) as necessary to comply with any applicable Law, or (ii) for immaterial revisions made in the ordinary course of business that do not materially increase the Company's obligations or liabilities, nor materially and adversely affect the Company's rights, remedies, or its relationships with customers or users;

(s) cancel, amend (other than in connection with the addition of customers and suppliers to such insurance policies from time to time in the ordinary course of business consistent with past practices) or fail to renew (on substantially similar terms) any material insurance policy of the Company or any of its Subsidiaries;

(t) (i) terminate, amend, waive, or modify in any material manner relative to any Material Contract with an actual value or obligations of [redacted] or more or the Company's or any of its Subsidiaries' businesses or operations, or violate, the terms of any such Material Contract, or (ii) enter into any Contract which would have constituted a Material Contract with an actual value or obligations of [redacted] or more had such Contract been entered into prior to the date of this Agreement;

(u) enter into any Contract to purchase or sell any interest in real property or grant any security interest in any real property;

(v) make any Leakage other than Permitted Leakage; or

(w) take, commit, or agree in writing or otherwise to take, any of the actions described limbs (a) – (v) of this Section 5.2, or any other action that would prevent the Company from performing, or cause the Company not to perform, its covenants or agreements hereunder.

Notwithstanding the foregoing, Acquiror's consent shall not be unreasonably withheld, conditioned, or delayed with respect to any action for which consent is required under this Section 5.2, provided that the Company provides reasonable advanced notice and sufficient information and documents for Acquiror to evaluate the requested action.

ARTICLE VI
COMPANY NON-SOLICITATION AGREEMENT

6.1 Termination of Discussions. Except expressly in connection with the Restructuring, the Company and the Founder Parties shall immediately cease and cause to be terminated any such negotiations and discussions with third parties (other than Acquiror) regarding (i) any acquisition of all or any material portion of the business, properties, assets or technologies of the Company or any of its Subsidiaries, or any amount of Company Shares or capital shares of any of its Subsidiaries (whether or not outstanding), in any case whether by merger, consolidation, amalgamation, purchase of assets or stock, tender or exchange offer, license or otherwise (other than the sale of products and services in the ordinary course of business consistent with past practice or the licensing of Intellectual Property Rights in connection therewith), (ii) any joint venture or other strategic investment in or involving the Company or any of its Subsidiaries (other than an ongoing commercial or strategic relationship in the ordinary course of business), including any new financing, investment round or recapitalization of the Company, or (iii) any similar transaction that is not in the ordinary course of business (each of the transactions described in the preceding limbs (i), (ii) and (iii) being referred to herein as an "Alternative Transaction").

6.2 No Solicitation. Commencing on the date of this Agreement and continuing at all times until the earlier to occur of the Effective Time and the valid termination of this Agreement pursuant to the provisions of Section 8.1, except expressly in connection with the Restructuring, neither the Company nor any of the Founder Parties shall (nor shall the Company or any Founder Party permit any of its Affiliates, directors, officers, employees, Shareholders, agents or other representatives ("Representatives")), directly or indirectly (other than to Acquiror, Merger Sub or any Representatives of Acquiror or Merger Sub):

(a) solicit, initiate, seek, knowingly encourage, promote or support, any inquiry, proposal or offer from, furnish any non-public information regarding the Company or any of its Subsidiaries to, or participate in any discussions or negotiations with, any third party regarding, or in a manner intended or reasonably likely to facilitate, any Alternative Transaction;

(b) disclose any information not customarily disclosed to any person concerning the business, properties, assets or technologies of the Company or any of its Subsidiaries, or afford to any Person access to their respective properties, assets, technologies, books or records, not customarily afforded such access;

(c) assist or cooperate with any person to make any inquiry, offer, proposal or indication of interest regarding any Alternative Transaction; or

(d) enter into any Contract with any person providing for an Alternative Transaction.

6.3 Notice of Alternative Transaction Proposals. In the event that the Company, any Founder Party or any of its Representatives shall receive, prior to the Effective Time or the termination of this Agreement in accordance with Section 8.1, any inquiry, offer, proposal or indication of interest regarding a potential Alternative Transaction, or any request for disclosure of information or access of the type referenced in Section 6.2(b), the Company or such Affiliate or Representative shall promptly (and no later than one (1) Business Day) notify Acquiror thereof, which notice shall include the identity of the party making any such inquiry, offer, proposal, indication of interest or request, and the specific terms of such inquiry, offer, proposal, indication or request, as the case may be (including a copy of any written material and electronic communications received from such third party), and such other information related thereto as Acquiror may reasonably request.

6.4 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that the provisions of this ARTICLE VI were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed by the parties hereto that Acquiror shall be entitled to an immediate injunction or injunctions, without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting any bond or other security, to prevent breaches of the provisions of this ARTICLE VI and to enforce specifically the terms and provisions of this Agreement in any court of the Cayman Islands or any state having jurisdiction, this being in addition to any other remedy to which Acquiror may be entitled at law or in equity. Without limiting the foregoing, it is understood that any violation of the restrictions set forth above by any Representative of the Company shall be deemed to be a breach of this Agreement by the Company.

ARTICLE VII
ADDITIONAL AGREEMENTS

7.1 Shareholder Matters.

(a) Requisite Shareholder Approval and Shareholder Meeting. The Company represents that it has held the Company Shareholders Meeting in compliance with all legal requirements applicable thereto, and has received the Requisite Shareholder Approval at the Company Shareholders Meeting. The Company shall take all necessary actions to defend any claims against the decision or resolution adopted in relation to the Requisite Shareholder Approval. Without limitation of Section 7.1(b), the Company shall promptly inform Acquiror in writing of any claim, question, comment, concern or challenge (whether or not a formal proceeding is initiated or threatened to be initiated) raised (or reasonably expected to be raised) by any Shareholder or such Shareholder's Affiliates or representatives against the Company, Acquiror, Merger Sub and/or any of their respective Affiliates, officers, directors, representatives, advisors or employees in relation to the Transactions (including the Merger), and shall ensure to provide to Acquiror or its representatives, to the extent not prohibited by Law, full and accurate details related to such claims (including any correspondences or materials received).

(b) Shareholder Litigation. The Company shall provide Acquiror prompt notice of any Action brought by any Shareholder or purported shareholder of the Company against the Company, any of its Subsidiaries and/or any of their respective directors or officers relating to the Merger or any of the other Transactions or this Agreement, and shall keep Acquiror informed on a prompt and timely basis with respect to the status thereof. Subject to Schedule 7.16, the Company shall give Acquiror the opportunity to participate in the defense or settlement of any such Action and reasonably cooperate with Acquiror in conducting the defense or settlement of such Action, and no such settlement shall be agreed without Acquiror's prior written consent, it being understood that Acquiror shall not be obligated to consent to any settlement which does not include a full release of Acquiror and its Affiliates or which imposes an injunction or other equitable relief after the Effective Time upon Acquiror or any of its Affiliates. For the avoidance of doubt, to the extent any Action hereunder falls within the scope of a Triggering Action under Section 7.16, Schedule 7.16 shall apply. Notwithstanding anything to the contrary, nothing in this Section 7.1(b) shall affect, restrict or limit indemnification liabilities owed to the Indemnified Parties pursuant to Section 9.2(a).

7.2 Governmental Approvals; Consents; Filings.

(a) In furtherance and not in limitation of the terms of Section 7.4, each of the Company, any Subsidiary and Acquiror shall promptly execute and file, or join in the execution and filing of, any application, notification or other document that may be necessary in order to obtain the authorization, approval or consent of any Governmental Entity, whether national, provincial, local or foreign, set forth in Section 2.2(a)(ii) (*Regulatory Approval*). Subject to Section 7.2(d), each of the Company and Acquiror shall use its commercially reasonable efforts to (i) prepare and file, in consultation with any other party hereto and as promptly as reasonably practicable and advisable after the date of this Agreement, all documentation to effect all necessary or advisable applications, notices, petitions, filings, registrations, notifications, statements, submissions of information and other documents (including any required or recommended filings under applicable Laws), and (ii) obtain as promptly as reasonably practicable (and in any event no later than the End Date (as the same may be extended)) all waiting period expirations or terminations, approvals, consents, clearances, registrations, permits and authorizations from any Governmental Entity or third party that are or may become necessary, proper or advisable to consummate the transactions contemplated hereby without imposing a materially adverse burden on the Company.

(b) Each of Acquiror and Merger Sub (and their respective Affiliates, if applicable), on the one hand, and the Company and its Subsidiaries, on the other hand, shall, to the extent practicable and unless prohibited by applicable Law or by the applicable Governmental Entity and subject to all applicable privileges (including the attorney client privilege), promptly inform the other of any material communication from any Governmental Entity regarding any of the transactions contemplated hereby in connection with any regulatory filings or investigations with, by or before any Governmental Entity relating to this Agreement or the transactions contemplated hereby, including any Action initiated by a private party. If the Company or Acquiror or any Affiliate thereof shall receive any formal or informal request for supplemental information or documentary material from any Governmental Entity with respect to the transactions contemplated hereby, then subject to Section 7.2(c)(ii), the Company or Acquiror (as applicable) shall make, or cause to be made, as soon as reasonably practicable, a response in compliance with such request. In connection with and without limiting the foregoing provisions of this Section 7.2(b) and subject to Section 7.2(c)(ii), to the extent reasonably practicable, unless prohibited by applicable Law or by the applicable Governmental Entity, the parties hereto will (i) give each other reasonable advance notice of all meetings or material communications with

any Governmental Entity relating to the Transactions, (ii) give each other an opportunity to participate in each of such meetings or material communications (except where such meeting will involve in discussions of Acquiror or its Affiliates' proprietary business information or other confidential information where the Company or its Affiliates shall be excluded from the relevant meetings or communications), (iii) keep the other parties reasonably apprised with respect to any communications with any Governmental Entity relating to the Transactions, (iv) cooperate in the filing of any analyses, presentations, memoranda, briefs, arguments, opinions or other written communications explaining or defending the Merger or the transactions contemplated hereby, articulating any regulatory or competitive argument or responding to requests or objections made by any Governmental Entity, and (v) provide each other (or counsel of each party hereto, as appropriate) with copies of all written material communications to or from any Governmental Entity relating to the Merger or the transactions contemplated hereby (except where Acquiror acting in good faith reasonably determine such written communication contains sensitive confidential information relates to Acquiror or its Affiliates). For the avoidance of doubt, this Section 7.2 shall not oblige Acquiror or any of its Affiliates to share or disclose any of its confidential information (including their confidential communications with the relevant Governmental Entities) with the Company, any of its shareholders or their respective Affiliates, and any such disclosures, rights to participate or provisions of information by one party to the other may be made on a counsel-only basis or otherwise redacting Acquiror or its Affiliates' confidential information to the extent required under applicable Law or as deemed by Acquiror to be necessary to protect competitively sensitive information.

(c) Notwithstanding the foregoing or anything else herein to the contrary,

(i) Acquiror shall (A) determine the timing and strategy and have primary responsibility for the final content of any substantive oral or written communications with any applicable Governmental Entities except responses to inquiries made directly to the Company by such Governmental Entities, and (B) have the right in its sole discretion to lead and coordinate all Actions and other activities with respect to seeking any authorizations, approvals, clearances and waiting-period expirations in connection with applicable Law, including (x) litigating any associated administrative or judicial action or proceeding (including appeals) that may be brought in connection with the Transactions, (y) withdrawing any filing or submissions, and (z) initiating any filings, notifications, submissions and communications with or to any Governmental Entity in connection therewith; except that Acquiror shall obtain the Company's prior written consent (which consent shall not be unreasonably conditioned, withheld or delayed) for any remedy or settlement plan that may be agreed with the relevant Governmental Entities;

(ii) in exercising the rights set out in Section 7.2(c)(i) as above, Acquiror shall give reasonable consideration to all views and input provided by the Company or its legal counsel, and the Company and its Subsidiaries will take such actions as reasonably requested by Acquiror in connection with obtaining such consents, approvals or waivers;

(iii) without prior written consent from Acquiror, the Company shall not, and shall cause its Affiliates and the Representatives not to, initiate or maintain any filing, notification, submission, negotiation, discussion or communication with any Governmental Entities regarding the Transactions (including without limitation the PRC Merger Control Approvals); and

(iv) without prior written consent from the Company, Acquiror shall not, and shall cause its Affiliates and the Representatives not to, initiate, submit or maintain any formal filing, written notification, or submission with any Governmental Entities regarding the Transactions (for the avoidance of doubt, excluding the PRC Merger Control Approvals or any filings required under applicable securities Laws and listing rules (including U.S. securities laws, Hong Kong listing rules and the rules and regulations of the NYSE and the HKSE)).

(d) Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, it is expressly understood and agreed that neither Acquiror nor Merger Sub shall have any obligation to take any steps to avoid or eliminate impediments under any applicable Law that may be asserted by any Governmental Entity with respect to the Transactions (including the Merger) so as to enable the Closing to occur prior to the End Date, including: (i) litigating any administrative or judicial action or proceeding that may be brought in connection with the Transactions, including appeals, (ii) proposing, negotiating, offering to commit and effecting, by consent decree, hold separate order or otherwise, the sale, license, assignment, transfer or other divestiture or disposition of any of the businesses, services, products or assets of Acquiror, the Company or any of their Affiliates and any other actions that limit the freedom of action with respect to, or the ability to retain, any of the businesses, services or assets of Acquiror, the Company or any of their Affiliates; (iii) agreeing or proffering to limit or not to exercise any rights of ownership of any securities and agreeing or proffering to enter into any agreement that limits the ownership or operation of any business of Acquiror, the Company or any of their Affiliates; and (iv) taking or being required to take any other action,

or to refrain from any action, that could reasonably restrict the operations, assets, or business decisions of Acquiror, the Company, or any of their Affiliates.

7.3 Third Party Contracts.

(a) Notices and Consents. The Company shall use commercially reasonable efforts to obtain all necessary consents, waivers and approvals of any third parties to the Contracts set forth in paragraph (a) of Schedule 7.3 before the Closing. The form and substance of such consents, waivers and approvals shall, to the extent practicable, incorporate reasonable comments that Acquiror may provide.

(b) Amended Agreements. The Company shall use its commercially reasonable efforts to amend each of the agreements listed on paragraph (b) of Schedule 7.3 (the "Amended Agreements") to provide for the applicable changes as set forth in the column titled "Action Required" opposite the name of such Amended Agreement on such Schedule, in all cases effective as of and contingent upon the Closing. The form and substance of each amendment agreement to each Amended Agreement shall be provided to Acquiror for its comments prior to the execution of such amendment agreement, and shall incorporate reasonable comments that Acquiror may provide. Notwithstanding the foregoing, any change or amendment to such Amended Agreement that deviates from the changes specified under the "Action Required" column shall be subject to prior review and approval by Acquiror.

(c) Expenses and Payments. The Company shall be responsible for making any payments required to obtain the consents, waivers, approvals and amendments set out in Schedule 7.3 and promptly provide Acquiror with a copy of the executed consent, waiver, approval and/or amendment documents, accompanied with materials setting out the payment terms and amounts. In the event the Merger does not close for any reason, neither Acquiror nor Merger Sub shall have any Liability to the Company, the Shareholders or any other Person for any costs, claims, Liabilities or damages resulting from the Company seeking to obtain such consents, waivers, approvals and amendments.

7.4 Reasonable Best Efforts to Close. Subject to the terms and conditions provided in this Agreement (including Section 7.2(d)), each of the parties hereto shall use reasonable best efforts to take promptly, or cause to be taken promptly, all actions, and to do promptly, or cause to be done promptly, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Transactions, including by using reasonable best efforts to take all action necessary to satisfy all of the conditions to the obligations of the other party or parties hereto to effect the Merger set forth in ARTICLE II, to obtain all necessary waivers, consents, approvals and other documents required to be delivered hereunder and to effect all necessary registrations and filings and to remove any injunctions or other impediments or delays, legal or otherwise, in each case in order to consummate and make effective the Merger for the purpose of securing to the parties hereto the benefits contemplated by this Agreement. For the avoidance of doubt, the Company shall use all reasonable efforts to assist Acquiror in preparing and completing the post-Closing filing procedures with the China Securities Regulatory Commission in relation to the Transactions.

7.5 Pre-Clearance Filing of Merger. (a) The Company, Acquiror, and Merger Sub shall prepare necessary documents jointly, and procure a pre-clearance filing, to be submitted to Registrar of Companies of the Cayman Islands (the "Registrar"), of the documents required for filing of the Merger pursuant to Part XVI of the Companies Act, no later than three (3) Business Days prior to the Effective Time. For this purpose, each of the Company and Acquiror shall use all reasonable endeavors to prepare, obtain, and cause to prepare or obtain, such documents required for the abovementioned pre-clearance filing.

7.6 Deductible Expenses.

(a) Company Deductible Expenses. All third party fees, expenses, costs, payments, and expenditures incurred or required to be paid by or on behalf of the Company or any of its Subsidiaries (and (x) whether paid prior to, at or after the Closing, and (y) whether or not billed or accrued prior to the Closing) in connection with this Agreement, the Transaction Documents, the Merger and the transactions contemplated hereby and thereby, shall be considered "Company Deductible Expenses", including, without duplication:

(i) all legal, accounting, financial advisory, investment banking, escrow agent, paying agent or similar advisory services fees, costs, expenses, payments and expenditures;

(ii) if applicable, the maximum amount of consulting, brokerage or finders' fees and agents' commissions;

(iii) all other fees, costs, expenses, payments and expenditures of third parties incurred by the Company or any of its Subsidiaries in connection with the negotiation and effectuation of the terms and conditions of this Agreement, including all policy premiums and costs incurred in connection with the purchase of the Tail Policies (in each case of sub-sections (i) through (iii), as evidenced by issued invoices and written confirmation of total fees each of from such third party counsels, agents or advisors);

(iv) during the period from the Locked Box Date up to and including the Closing Date, any separation, redundancy, severance, termination, change-in-control payments or similar payment obligations to any current or former Employee or Service Provider or the beneficiary of such other Person (or dependent of such Person) (whether or not paid prior to the Closing), whether payable by Acquiror or the Company or any of their respective Affiliates, including (A) all costs (including severance-related, Tax-related or otherwise) associated with the termination or resignation of any Employees and (B) the employer portion of any employment, payroll or similar Taxes attributable to any payments described in this sub-section (iv) (it being specified that the deductible amount pursuant to this sub-section (iv) shall be no more than [redacted]

(v) except for the ESOP Consideration or Merger Consideration payable to Ximalaya Welfare Limited or Ark Trust (Hong Kong) Limited pursuant to Section 1.3(b) and Section 1.3(c), any transaction or other bonus, accelerated commissions, retention or similar payment obligations resulting from, or in connection with, the Transactions contemplated hereby, including the Merger, to any current or former Employee or Service Provider or the beneficiary of such other Person (or dependent of such Person) (whether or not paid prior to the Closing), whether payable by Acquiror or the Company or any of their respective Affiliates;

(vi) any liquidation charges, surrender charges or other fees payable in connection with termination of any of the Company Employee Plans (including the Company Equity Incentive Plans), or participation therein;

(vii) any costs or expenses in relation to the proposed initial public offering of the Company, as evidenced by issued invoices and written confirmation of no additional expenses from third party counsels of the Company (the "Company Deductible IPO Expenses");

(viii) any costs, expenses, Liabilities and Taxes resulting from the Restructuring;

(ix) if applicable, any termination, pre-payment, balloon or similar fees or payments (including penalties) of the Company or any of its Subsidiaries on account of outstanding Indebtedness of the Company or any of its Subsidiaries;

(x) any Taxes incurred by the Company or any of its Subsidiaries in connection with, or relating to the fees, costs, expenses, payments and expenditures set forth in sub-sections (i)-(ix) above.

(b) Acquiror Deductible Expenses. All third party fees, expenses, costs, payments, and expenditures incurred or required to be paid by or on behalf of Acquiror and its controlling shareholder (and (x) whether paid prior to, at or after the Closing, and (y) whether or not billed or accrued prior to the Closing) in connection with this Agreement, the Transaction Documents, the Merger and the transactions contemplated hereby and thereby, shall be considered "Acquiror Deductible Expenses", including, without duplication:

(i) all legal, accounting, financial advisory, investment banking, escrow agent, paying agent or similar advisory services fees, costs, expenses, payments and expenditures;

(ii) if applicable, the maximum amount of consulting, brokerage or finders' fees and agents' commissions; and

(iii) all other fees, costs, expenses, payments and expenditures of third parties incurred by Acquiror or its controlling shareholder in connection with the negotiation and effectuation of the terms and conditions of this Agreement, the Transaction Documents and the transactions contemplated hereby and thereby, including, without limitation, the costs to prepare the Post-Closing Statement. The Acquiror Deductible Expenses shall be evidenced by issued invoices and written confirmation of total fees from each of such third party counsels, agents or advisors; *provided*, *however*, that the aggregate amount of all Acquiror Deductible Expenses shall in no event exceed [redacted] *provided*, *further*, that neither the Company nor any of its Subsidiaries shall be responsible for, or required to reimburse, any of such Acquiror Deductible Expenses unless the Closing occurs.

(c) Company Statement of Expenses. At least ten (10) Business Days prior to the Closing, the Company shall provide Acquiror with (i) a statement, in a form reasonably satisfactory to Acquiror, setting forth all paid and unpaid Company Deductible Expenses incurred or accrued by or on behalf of the Company or any of its Subsidiaries as of 11:59 p.m. (Hong Kong time) on the Closing Date, or anticipated to be incurred, accrued or payable by or on behalf of the Company or any of its Subsidiaries after the Closing (the "Company Statement of Expenses"), and (ii) the supporting documents evidencing each item of the Company Statement of Expenses. The Company shall take all necessary action to ensure that without the express prior written consent of Acquiror, none of the Company or any of its Subsidiaries shall incur, accrue, or otherwise become payable of, any Company Deductible Expenses that are not recorded in the Company Statement of Expenses after delivery of such statement.

(d) Acquiror Statement of Expenses. At least ten (10) Business Days prior to the Closing, Acquiror shall provide the Company with (i) a statement setting forth all paid and unpaid Acquiror Deductible Expenses incurred or accrued by or on behalf of Acquiror and its controlling shareholder as of the date of issuing such Acquiror Statement of Expenses, or anticipated to be incurred, accrued or payable by or on behalf of Acquiror and its controlling shareholder thereafter and after the Closing (the "Acquiror Statement of Expenses"), and (ii) the supporting documents evidencing each item of the Acquiror Statement of Expenses.

7.7 Access to Information.

(a) At all times prior to the Effective Time, subject to applicable Law and the confidentiality obligations as set out in Section 11.3, the Company shall afford Acquiror and its Representatives reasonable access during normal business hours to (i) all of the assets, properties, Books and Records and Contracts of the Company and its Subsidiaries, (ii) all other information concerning the business, assets, properties and personnel (subject to restrictions imposed by applicable Law) of the Company and its Subsidiaries as Acquiror may reasonably request, and (iii) all Employees of the Company and its Subsidiaries as identified by Acquiror, in order that Acquiror may have the opportunity to carry out necessary investigation and examination related to, among others, the Company's compliance with the provisions of this Agreement, including the representations and warranties set out in ARTICLE III, and whether a Company Material Adverse Effect has occurred or would be reasonably expected to occur, *provided* that such access does not unreasonably interfere with the business operations of the Company or any of its Subsidiaries. All requests for access shall be coordinated through a point of contact designated by the Company, and the Company may have its designated Representatives present during any meetings, interviews or inspections. The Company shall not be required to provide access or information (A) that, based on legal advice by its external legal counsel, it reasonably believes it would breach any applicable Law (including Competition Laws), or result in the loss of legal privilege (if applicable), or (B) that is competitively sensitive, unless provided under an appropriate "clean-team" or counsel-only arrangement.

(b) Subject to the principles of compliance of Competition Laws and "clean-team" arrangements as prescribed in the preceding paragraph, the Company agrees to provide to Acquiror and its accountants, counsel and other Representatives copies of the financial statements as set out in Schedule 7.7(b) that the Company and the Subsidiaries prepare in the ordinary course of business, consistent with their respective past practice.

(c) All information obtained by Acquiror, its counsel, financial advisors, auditors and other authorized representatives shall be provided in compliance with the applicable Law and used solely for purposes reasonably related to the Transactions contemplated by this Agreement and subject to the confidentiality obligations as set out in Section 11.3. If any such information provided is competitively sensitive, it shall be provided under an appropriate "clean-team" or counsel-only arrangement.

(d) Nothing contained in this Agreement shall give Acquiror, directly or indirectly, the right to control or direct the operations of the Company or any of its Subsidiaries prior to the Closing. Prior to the Closing, the Company and each of its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete unilateral control and supervision over their business operations.

7.8 Notification of Certain Matters. The Company shall give prompt notice to Acquiror of: (a) the occurrence or non-occurrence of any event, the occurrence or non-occurrence of which is likely to cause any representation or warranty of the Company contained in this Agreement to be untrue or inaccurate at or prior to the Effective Time in any material respect, and (b) any failure of the Company to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; *provided, however*, that the delivery of any notice pursuant to this Section 7.8 shall not (A) limit or otherwise affect any remedies available to the party receiving such notice or (B) constitute an acknowledgment or admission of a breach of this Agreement. No disclosure by the

Company pursuant to this Section 7.8, however, shall affect or be deemed to qualify, limit, modify, amend or supplement any representation or warranty contained herein or in the Disclosure Schedule, the conditions to the obligations of the parties to consummate the Merger in accordance with the terms and provisions of this Agreement, or the rights of Acquiror or any Indemnified Party under or arising out of a breach of this Agreement.

7.9 D&O Insurance. The Company shall purchase fully prepaid "directors and officers" ("D&O") "tail" or "runoff" insurance policies, which policies (i) have an effective term of six (6) years from the Effective Time, (ii) covers the current and former directors and officers of the Company during the six-year period immediately following the Effective Time with respect to matters occurring at or prior to the Effective Time, including acts or omissions occurring in connection with this Agreement and the consummation of the Transactions, and (iii) contains coverage terms reasonably satisfactory to Acquiror (the "Tail Policies").

7.10 Directors and Officers.

(a) The Company shall cause the directors, officers and secretary of the Company to resign from such position as director, officer and/or secretary with effect upon the Effective Time unless otherwise instructed by Acquiror.

(b) As of immediately after the Effective Time, Mr. Yu shall serve as chairman of the board of directors of the Surviving Company until his successor has been duly elected, designated and qualified in accordance with the memorandum and articles of association of the Surviving Company, and shall, after the Effective Time, continue providing strategic oversight to drive the Surviving Company's future business growth, recognizing his pivotal role in ensuring its long-term success.

7.11 Pre-Closing Restructuring. Promptly following the date hereof, and in any event prior to the Closing Date, the Company shall take such actions as are necessary to complete the steps of the Restructuring expressly identified in paragraph 2 of Exhibit F and in accordance with applicable Law and in the manner set forth on Exhibit F attached hereto, with any material modifications thereto requiring Acquiror's prior written consent. The Company shall keep Acquiror, upon reasonable prior notice, reasonably informed as to the status of the Restructuring and provide drafts of all agreements and documents implementing the Restructuring reasonably in advance of the consummation of the Restructuring. Acquiror shall have the right to review and comment on such agreements and documents prior to the execution thereof, and (x) with respect to the Restructuring Agreement, it shall not be executed without Acquiror's prior written consent, and (y) with respect to the agreements or documents in relation to the Restructuring other than the Restructuring Agreement, the Company shall, acting in good faith, consider any reasonable comments provided by Acquiror with respect thereto.

7.12 Tax Withholding Undertakings and Bulletin 7

(a) Withholding Tax.

(i) The Company, the Paying Agent, Acquiror, Merger Sub, the Surviving Company, their respective Affiliates, and any of their agents (the "Withholding Parties"), shall not deduct or withhold any tax from any consideration payable or otherwise deliverable pursuant to this Agreement, except that the Withholding Parties shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable pursuant to Section 7.12(e)(iii) of this Agreement, and may request any necessary Tax forms or any similar information. To the extent that Taxes with respect to Bulletin 7 are so deducted or withheld and paid to the appropriate Governmental Entity, such amounts shall be treated for all purposes under this Agreement and the Transaction Documents as having been paid to the Person to whom such amounts would otherwise have been paid.

(ii) The Company undertakes to Acquiror that it shall take all necessary actions to facilitate and procure its Shareholders to (i) make the reports and filings as required, (ii) submit to the competent Tax authorities such documents or materials as required, and (iii) take all necessary actions (including execution of necessary documents) to fully comply with the Bulletin 7.

(b) At the date of this Agreement, the Company shall deliver to Acquiror, a true, accurate and complete list of all Shareholders who are not incorporated or registered in the PRC (the "Bulletin 7 Shareholders"), including, for each Bulletin 7 Shareholder, the true, accurate and complete information of the tax basis, the applicable tax rate, and any other information which is necessary for the purpose of calculating and determining such Shareholder's tax obligations (including tax payables) under Bulletin 7 ("Bulletin 7 Information Schedule"). For the avoidance of doubt, nothing herein obligates the Company or Acquiror to pay any Taxes under Bulletin 7 on behalf of any Bulletin 7 Shareholder, nor shall the Company or Acquiror be liable for any failure of a Bulletin 7 Shareholder

to comply with applicable Laws or any provisions of this Agreement; *provided, however*, that each Bulletin 7 Shareholder shall, and each of the Company and the Founder Parties shall use its reasonable best efforts to cause each Bulletin 7 Shareholder to:

(i) engage a tax advisor mutually agreed upon by the Company and Acquiror for the purpose of the reporting and filing of the relevant information on the Merger in accordance with Bulletin 7 and this Section 7.12(b);

(ii) within thirty (30) days after the date of this Agreement, at its own cost, provide to the relevant PRC Tax authority initial information in connection with the Merger; within one hundred and eighty (180) days after the Closing, complete the formal Tax filings under Bulletin 7 ; and at the time and in the amount expressly required or instructed by the PRC Tax authority, make full and timely payment of the Bulletin 7 Assessed Amount;

(iii) within the time period as agreed with the relevant PRC Tax authorities following the reporting in Section 7.12(b)(ii), make all necessary supplementary filings with the relevant PRC Tax authorities which the Bulletin 7 Shareholders are required to make pursuant to Bulletin 7 or the relevant Tax authorities' requirements in connection with the Merger;

(iv) except for the initial information reporting required under Section 7.12(b)(ii), provide to Acquiror for its comments, no less than fifteen (15) calendar days prior to the reporting or filings under Section 7.12(b)(ii), copies of all information and documents which it intends to submit to the relevant PRC Tax authorities in connection with each such filing (the "Draft Tax Filing Documents");

(v) prior to the submission of the Draft Tax Filing Documents to the relevant PRC Tax Authorities, discuss with Acquiror and its tax advisor in good faith and update the Draft Tax Filing Documents after reasonably taking into account all the comments that are received from Acquiror within seven (7) Business Days following Acquiror's receipt of such Draft Tax Filing Documents;

(vi) provide to Acquiror, after making the reporting or filings under Section 7.12(b)(ii) and Section 7.12(b)(iii) respectively, (a) copies of all of the documents submitted by the Bulletin 7 Shareholders and/or the Company to the relevant PRC Tax authority in connection with each such reporting or filing; and (b) the acknowledgement receipt or any other notices or documentations issued by the relevant PRC Tax authority to the Bulletin 7 Shareholders and/or the Company or a copy of the signature of an official of the relevant PRC Tax authority on the filing documents submitted by or on behalf of the Bulletin 7 Shareholders, in each case, in connection with each such reporting or filing (*provided*, that if the relevant PRC Tax authority does not issue any acknowledgement receipt or provide any signature on the filing documents with respect to a reporting or filing, the Bulletin Shareholders will provide to Acquiror a written confirmation issued by the tax advisor appointed pursuant to Section 7.12(b)(i) confirming they have submitted the filing documents on behalf of the Bulletin 7 Shareholders in connection with such reporting or filing), and keep Acquiror reasonably informed of the status of all such filings in Section 7.12(b)(ii) or Section 7.12(b)(iii) in a timely manner;

(vii) deliver to Acquiror a copy of the tax return signed by the Bulletin 7 Shareholders and affixed with the chop of the relevant PRC Tax authorities (the "Seller Tax Return") timely upon receipt;

(viii) pay (A) the Bulletin 7 Assessed Amount within the deadline prescribed by the relevant PRC Tax authorities; and (B) all other Taxes assessed and/or determined by the relevant PRC Tax authorities to be payable (if any) under and/or pursuant to Bulletin 7 and applicable Laws as a result of the Merger; and

(ix) deliver to Acquiror (A) a copy of the tax payment certificate (完税证明) in respect of the payment of the Bulletin 7 Assessed Amount, issued by the relevant PRC Tax authorities, such receipt to be provided to Acquiror by the Bulletin 7 Shareholders as soon as reasonably practicable (but in any event by no later than the third (3rd) Business Day) after the Bulletin 7 Shareholders have paid the Bulletin 7 Assessed Amount and received the same from the relevant PRC Tax authorities); or (B) a tax exemption or non-tax certificate (免税或不征税证明) issued by the relevant PRC Tax authorities pursuant to Bulletin 7 that confirms no PRC enterprise income tax is payable by the relevant Bulletin 7 Shareholder as a result of the Merger (collectively, the "Tax Exemption Materials");

(c) Acquiror shall, and shall procure its Affiliates to, use commercially reasonable efforts to provide reasonably necessary support to facilitate the filing and compliance process, including but not limited to, furnishing all relevant documents and information in Acquiror's possession or control and executing all reasonably

necessary documents required under and/or pursuant to Bulletin 7 as a result of the Merger. Acquiror shall use commercially reasonable efforts to respond to reasonable requests for such support in a timely manner.

(d) Each Bulletin 7 Shareholder shall severally and not jointly, and only if Closing has taken place, indemnify Acquiror (for itself and as trustee for the Subsidiary) against all Losses including any loss in tax cost base in any future disposal of any Company Shares by Acquiror which Acquiror and/or the Subsidiary suffered or incurred as a result of the failure of such Bulletin 7 Shareholder to comply with its obligations under this Section 7.12 or otherwise under and/or pursuant to Bulletin 7 as a result of the Merger (which shall include, for the avoidance of doubt, any failure of the Bulletin 7 Shareholder to pay the Additional Tax). For the purpose of this Section 7.12(d), the "Additional Tax" shall mean: after the payment of the Bulletin 7 Assessed Amount, any additional Tax for which the Bulletin 7 Shareholder is assessed and/or determined to be liable under and/or pursuant to Bulletin 7 as a result of the Merger.

(e) Tax Escrow Fund Release.

(i) Subject to (x) the Closing having taken place and (y) the completion of the filing and reporting of the relevant information on the Merger by a Bulletin 7 Shareholder to the relevant PRC Tax authorities pursuant to Bulletin 7 and in accordance with Section 7.12, during the period from the Closing Date to the expiry date of two (2)-year period from the Closing Date (the "Bulletin 7 Expiry Date"), if Acquiror receives a tax payment certificate or the Tax Exemption Materials as set out in Section 7.12(b)(ix) from such Bulletin 7 Shareholder, or if the remittance of the Taxes under Bulletin 7 was made by Acquiror pursuant to Section 7.12(e)(iii), Acquiror and the Shareholder Representative shall, promptly and no later than ten (10) Business Days after (x) Acquiror's receipt of such tax payment certificate or the Tax Exemption Materials or (y) Acquiror's such remittance, cause the Escrow Agent by issuance of joint written instruction to, disburse to such Bulletin 7 Shareholder from the Bulletin 7 Escrow Account pursuant to this Section 7.12(e)(i) such amount equal to:

(A) the Bulletin 7 Escrow Amount with respect to such Bulletin 7 Shareholder; *minus*

(B) any portion that has already been remitted to a PRC Tax authority pursuant to Section 7.12(e)(iii) (if applicable) with respect to the Taxes corresponding to such Bulletin 7 Shareholder under the Bulletin 7; *plus*

(C) any interest, dividends, gains and other income with respect to investment of the principal balance of such Bulletin 7 Escrow Amount corresponding to such Bulletin 7 Shareholder from the date of deposit into the Bulletin 7 Escrow Account until the date of disbursement pursuant to this Section 7.12(e)(i).

(ii) If and to the extent there is any remaining amount of Bulletin 7 Escrow Amount in the Bulletin 7 Escrow Account at the Bulletin 7 Expiry Date, within ten (10) Business Days after the Bulletin 7 Expiry Date, Acquiror and the Shareholder Representative shall, cause the Escrow Agent by issuance of joint written instruction to, disburse to Acquiror any remaining amount in the Bulletin 7 Escrow Account; *provided*, *however*, that if, after such disbursement, any Bulletin 7 Shareholder subsequently delivers to Acquiror the tax payment certificate or the Tax Exemption Materials as set out in Section 7.12(b)(ix), Acquiror shall, within fifteen (15) Business Days following receipt of such documentation, pay to such Bulletin 7 Shareholder such amount equal to:

(A) the Bulletin 7 Escrow Amount with respect to such Bulletin 7 Shareholder; *minus*

(B) any portion that has already been remitted to a PRC Tax authority pursuant to Section 7.12(e)(iii) (if applicable) with respect to the Taxes corresponding to such Bulletin 7 Shareholder under the Bulletin 7.

(iii) Without prejudice to the principles set out in Section 7.12(a)(i), during the period from the Closing Date to the Bulletin 7 Expiry Date, if and to the extent any PRC Tax authority or applicable Law requires any Withholding Party to deduct or withhold any amount with respect to any Shareholder under Bulletin 7, Acquiror and the Shareholder Representative shall disburse to a Withholding Party or the applicable Tax authority (as designated by Acquiror in writing) such amount of Tax: (x) as determined by the applicable PRC Tax authority to be payable by such Shareholder under Bulletin 7; or (y) as required to be withheld by the Withholding Party pursuant to Bulletin 7, in each case, arising as a result of the Transaction with respect to such Shareholder; *provided*, that the

Withholding Party shall provide the Shareholder Representative with prompt notice and reasonable supporting documentation of any such required disbursement.

7.13 Other Tax Matters.

(a) Tax Assistance. Acquiror and the Shareholder Representative shall reasonably cooperate, as and to the extent reasonably requested by the other party, in connection with the preparation and filing of any Tax Return required of the Company or any of its Subsidiaries, and the defense of any claim, audit, litigation or other proceeding, with respect to Taxes which may be payable by the Company or any of its Subsidiaries for a Pre-Closing Tax Period. Acquiror and the Shareholder Representative agree to undertake reasonable efforts to furnish, upon a reasonable request of the other party, as promptly as practicable, such information and assistance relating to the Company or its Subsidiaries (including access to books and records) as is within its possession or control and is reasonably necessary for the filing of all Tax Returns, the making of any election relating to Taxes, the preparation for any audit by any Tax authority, and the prosecution or defense of any proceeding relating to any Tax.

(b) Tax Returns.

(i) The Company shall prepare or cause to be prepared (A) all Pre-Closing Tax Returns required to be filed by the Company and any of its Subsidiaries that are due on or prior to the Closing Date (taking into account applicable extensions) and (B) all Pre-Closing Tax Returns in respect of payroll or employment Taxes required to be filed by the Company and any of its Subsidiaries that are due after the Closing Date (taking into account applicable extensions). Such Pre-Closing Tax Returns shall be prepared in a manner consistent with the past practices of the Company and its Subsidiaries, unless otherwise required by applicable Law. The Company shall deliver a copy of each such Pre-Closing Tax Return to Acquiror promptly after the filing thereof, together with any additional information that Acquiror may reasonably request. In the case of any such Pre-Closing Tax Return that is due on or prior to the Closing Date (taking into account applicable extensions), the Company and its Subsidiaries shall timely file or cause to be timely filed such Pre-Closing Tax Return and shall timely pay or cause to be timely paid prior to the Closing Date any Taxes shown as due on any such Pre-Closing Tax Return. In the case of any such Pre-Closing Tax Return that is due after the Closing Date, Acquiror shall timely file or cause to be timely filed such Pre-Closing Tax Return.

(ii) Acquiror shall prepare or cause to be prepared and file or cause to be filed all Pre-Closing Tax Returns that are due after the Closing Date (taking into account applicable extensions) that are not described in Section 7.12(b). Such Pre-Closing Tax Returns shall be prepared in a manner consistent with the past practices of the Company and its Subsidiaries, unless otherwise required by applicable Law.

(c) Straddle Period Tax Appointment. For purposes of this Agreement, in the case of any Straddle Period, (a) real, personal and intangible *ad valorem* property Taxes ("Property Taxes") for the Pre-Closing Tax Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of days in the entire Straddle Period, and (b) Taxes (other than Property Taxes) for the Pre-Closing Period shall be computed as if such Straddle Period ended as of the close of business on the Closing Date, except that any exemptions, allowances or deductions with respect to such Taxes that are calculated on an annual basis (including depreciation and amortization deductions, other than with respect to property placed in service after the Closing), shall be allocated on a per diem basis.

(d) Transaction Taxes. All Transaction Taxes shall be borne by the Shareholders or any other party to this Agreement when due in accordance with applicable Laws. The Person responsible under applicable Law for submitting payment of such Transaction Taxes to the applicable Tax authority shall file all necessary Tax Returns and other documentation with respect to all such Transaction Taxes.

7.14 Conversion to ADSs. (a) Following the expiration of any lock-up period applicable to the Acquiror Ordinary Shares issued at the Closing (the "Restricted Shares"), upon the written request of any Shareholder holding such Restricted Shares, Acquiror shall (i) within seven (7) Business Days after receiving such written request, complete its internal review and approval process in connection with the deposit of such Restricted Shares with the depositary bank that maintains Acquiror ADSs in exchange for the issuance of the corresponding Acquiror ADSs (the "Conversion"), and (ii) thereafter use its commercially reasonable efforts to facilitate the Conversion; *provided* that, the Conversion, shall at all times be in compliance with (a) the then-current terms of the depositary agreement between Acquiror and the depositary bank, and (b) the applicable securities Laws, including the Securities Act, and the Transaction Documents; *provided*, *further*, that, without prejudice the foregoing, Acquiror shall not by itself impose

any additional conditions on the Conversion. Notwithstanding anything to the contrary herein, all costs, fees, expenses, taxes and similar charges (including those charged by the depositary bank, its agents, or any third party, or otherwise incurred in connection with the Conversion) shall be solely borne by the requesting Shareholder, and Acquiror shall in no event have obligation to pay or reimburse any such amounts.

7.15 Outbound Investment Filings and Registrations. The Company acknowledges and agrees that each Shareholder incorporated in the PRC (each, an "ODI Shareholder") that is entitled to receive Stock Consideration shall obtain all required Outbound Investment Approval prior to the Closing, and if such Outbound Investment Approval is not obtained prior to the Closing, such ODI Shareholder may designate an Affiliate (the "ODI Shareholder Affiliate") to receive its Stock Consideration by assigning its rights hereunder, *provided* that as conditions for Acquiror to issue such Stock Consideration to the ODI Shareholder Affiliate, Acquiror shall have received from the Shareholder Representative (on behalf of the assigning ODI Shareholder and the ODI Shareholder Affiliate) (i) all applicable regulatory filings and registrations required under applicable Law for the ODI Shareholder Affiliate to lawfully receive the Stock Consideration, if any, (ii) a duly executed Deed of Undertaking by the ODI Shareholder; and (iii) either an Accredited Investor Questionnaire or a Non-U.S. Person Questionnaire, as applicable, duly executed by the ODI Shareholder Affiliate; *provided* further that, the ODI Shareholder shall, and shall cause its ODI Shareholder Affiliate to (a) timely prepare and file all required Tax returns relating to such assignment or designation; (b) complete all necessary Tax filings and registrations in accordance with applicable Laws; and (c) fully pay when due all Taxes, duties, levies, and other governmental charges (including withholding taxes, interest, or penalties, collectively, "ODI Taxes and Expenses") arising from or in connection with such assignment or designation, and the ODI Shareholder shall pay, indemnify and hold harmless the Indemnified Parties from, any Losses (including any ODI Taxes and Expenses) incurred or suffered by any Indemnified Party, arising directly or indirectly from such assignment or designation. For the avoidance of doubt, Acquiror shall have no obligation to issue any Stock Consideration to any ODI Shareholder or its Affiliate until (x) the required Outbound Investment Approval and other documents required under Section 2.3(b)(ii) are obtained, or (y) if the ODI Shareholder designates an Affiliate, all documents specified in limbs (i) through (iii) above are duly received by Acquiror.

7.16 Treatment of Opposing Shareholders. Notwithstanding anything in Section 9.6 to the contrary, any Triggering Action that (i) is brought by a Shareholder who is a Dissenting Shareholder, or (ii) is brought by any other Shareholder against the Company, Acquiror, any Founder Party and/or any of their respective Affiliates in connection with the Merger (such Shareholders described in limbs (i) and (ii) above, collectively, the "Opposing Shareholders"), shall be governed by the procedures set forth in Schedule 7.16.

7.17 Restriction on Acquiror's Share Capital Adjustments. Acquiror hereby undertakes to the Company and the Shareholder Representative (acting on behalf and for the benefit of the Shareholders) that, from and after the Share Count Notification Date through and including the Effective Time, Acquiror shall not effect any change in its issued share capital (whether by issuance, redemption, conversion, subdivision, combination, reclassification or otherwise) except with the prior written consent of the Shareholder Representative.

7.18 Post-Closing Covenant. Founder Parties jointly and severally undertake to Acquiror, the Company and any of their Affiliates that:

(a) immediately following the Closing, they will and will procure any entities owned or Controlled by them to stop using or displaying in any way the word "Ximalaya", the full Chinese characters of "喜马拉雅", and the logo ""; and

(b) promptly following the Closing, to send to Acquiror all records, correspondence, documents, files, memoranda and other papers relating to the Company or any of its Subsidiaries (other than Wonder Tech Entities and Xibo Entities) not kept at any of the Leased Real Properties or Owned Real Properties.

ARTICLE VIII
PRE-CLOSING TERMINATION OF AGREEMENT

8.1. Termination. Except as provided in Section 8.2, this Agreement may be terminated and the Merger abandoned at any time prior to the Closing only:

(a) By mutual agreement of the Company and Acquiror;

(b) By Acquiror or the Company,

(i) if the conditions to Closing in Sections 2.2(a)(ii), 2.2(a)(iii) or 2.2(a)(iv) is not satisfied by June 30, 2026 (the "End Date"); *provided*, that, the parties hereto may discuss in good faith on the extension of the End Date, and the End Date may be extended for such additional period or periods as the parties hereto may mutually agree in writing;

(ii) if any Law has or shall be enacted which has the effect of making the Merger illegal or otherwise prohibits or prevents consummation of the Merger; or

(iii) if any court of competent jurisdiction or other Governmental Entity has enacted, issued, promulgated, enforced or entered any final and non-appealable Order, which has the effect of making the consummation of the Merger illegal or otherwise preventing or prohibiting the consummation of the transactions contemplated hereby;

(c) By Acquiror,

(i) if it is not in material breach of its obligations under this Agreement and there has been a breach of or inaccuracy in any representation, warranty, covenant or agreement of the Company contained in this Agreement such that the conditions set forth in Section 2.2(b)(i) and Section 2.2(b)(ii) would not be satisfied as of the time of such breach or inaccuracy and such breach or inaccuracy has not been cured within twenty (20) Business Days after written notice thereof to the Company; *provided, however*, that no cure period shall be required (x) for a breach or inaccuracy which by its nature cannot be cured or (y) if any of the conditions to Closing in Section 2.2(a) and 2.2(b) for the benefit of Acquiror are rendered incapable of being satisfied on or before the End Date as a result of such breach by the Company;

(ii) if any of the conditions to Closing in Section 2.2(a)(i) (*Requisite Board Approval and Shareholder Approval*) or Section 2.2(b) is not satisfied (or waived, if permissible hereunder) pursuant to the terms of this Agreement on or prior to the End Date; or

(iii) there has been any Company Material Adverse Effect since the date of this Agreement.

(d) By the Company,

(i) if it is not in material breach of its obligations under this Agreement and there has been a breach of or inaccuracy in any representation, warranty, covenant or agreement of Acquiror contained in this Agreement such that the conditions set forth in Section 2.2(c)(i) and Section 2.2(c)(ii) would not be satisfied as of the time of such breach or inaccuracy and such breach or inaccuracy has not been cured within twenty (20) Business Days after written notice thereof to Acquiror; provided, however, that no cure period shall be required (x) for a breach or inaccuracy which by its nature cannot be cured or (y) if any of the conditions to Closing in Section 2.2(a) and Section 2.2(c) for the benefit of the Company are rendered incapable of being satisfied on or before the End Date as a result of such breach by Acquiror; or

(ii) if any of the conditions to Closing in Section 2.2(c) is not satisfied (or waived, if permissible hereunder) pursuant to the terms of this Agreement on or prior to the End Date.

8.2. Effect of Termination. In the event of termination of this Agreement as provided in Section 8.1, this Agreement shall forthwith become void and there shall be no Liability or obligation on the part of Acquiror, Merger Sub or the Company, or their respective officers, directors or Shareholders, if applicable; *provided, however*, that (i) each party hereto shall remain liable for any willful breaches of this Agreement, Transaction Documents or in any certificate or other instruments delivered pursuant to this Agreement, and any liability arising prior to its termination; or (ii) each party shall bear its own fees, costs and expenses incurred in connection with the preparation, negotiation, execution and contemplated performance of this Agreement or any other Transaction Documents; and *provided*, *further,* however, that, the provisions of ARTICLE IX (*Post Closing Indemnification*), Section 11.3 (*Confidentiality*), Section 11.4 (*Public Disclosure*), ARTICLE XI (*General Provisions*) and this Section 8.2 shall remain in full force and effect and survive any termination of this Agreement pursuant to the terms of this ARTICLE VIII.

ARTICLE IX
POST-CLOSING INDEMNIFICATION

9.1. Survival of Representations and Warranties.

(a) Company Representations and Warranties.(i) (i) Any Claim (as defined herein) arising out of or relating to a breach or inaccuracy of any Fundamental Representations (including without limitation any Claim made

pursuant to Section 9.2(a)(i) in respect of Fundamental Representations) shall survive until 11:59 p.m. (Hong Kong time) on the third (3rd) anniversary of the Closing Date, and (ii) any Claim arising out of or relating to a breach or inaccuracy of the other representations and warranties of the Company set forth in this Agreement or in the Officer's Certificate (other than Claim by any Indemnified Party for Losses arising from breach of any Fundamental Representations and including any Claim made pursuant to Section 9.2(a)(i) other than in respect of Fundamental Representations), shall survive until 11:59 p.m. (Hong Kong time) on the first (1st) anniversary of the Closing Date (each of the respective expiration dates set forth in limbs (i) and (ii) above being, the "Applicable Warranty Expiration Date"). For the purposes of this Agreement, the term "Claim" shall mean any claim, demand, Action or cause of action whatsoever, whether sounding in contract, tort (including negligence), misrepresentation, restitution, statute or otherwise, and whether for indemnification or otherwise. Notwithstanding the foregoing provisions, in the event of fraud with respect to a representation or warranty, the right to make a Claim for such fraud shall survive indefinitely; and further notwithstanding the foregoing provisions, all Claim for breach or inaccuracy of representations and warranties of the Company shall survive beyond the Applicable Warranty Expiration Date if a written Claim is made hereunder prior to the Applicable Warranty Expiration Date, and the relevant Indemnified Party(ies) initiates the formal legal proceedings in accordance with this Agreement within twelve (12) months after delivering the relevant Indemnification Claim Notice (unless the relevant parties fully settle or otherwise resolve such Claim during that twelve-month period), in which case such representation and warranty shall survive solely as to such Claim until such Claim has been fully and finally resolved. For the avoidance of doubt, it is the intention of the parties hereto that the foregoing respective survival periods and termination dates supersede any applicable statutes of limitations that would otherwise apply to any Claim for breaches or inaccuracies of such representations and warranties under applicable Law, unless otherwise specified in this Agreement.

(b) Acquiror and Merger Sub Representations and Warranties. The representations and warranties of Acquiror and Merger Sub set forth in this Agreement shall terminate at the Effective Time.

9.2. Indemnification.

(a) Claim against Founder Parties. From and after and by virtue of the Merger, subject to Section 9.3, the Founder Parties shall, severally but not jointly, indemnify and hold harmless Acquiror and its directors, officers, employees, Affiliates (including the Surviving Company and its Subsidiaries after the Closing), agents and other representatives (collectively the "Indemnified Parties"; for clarity, the term "Indemnified Parties" shall under no circumstances include any Founder Party or their respective Affiliates), from and against all losses, Liabilities, damages, deficiencies, Taxes, judgments, awards, interest, penalties, costs and expenses, including reasonable attorneys' and consultants' fees and expenses and including any such reasonable fees and expenses incurred in connection with investigating, defending against or settling any of the foregoing (including the Defense Costs pursuant to Section 9.6, and hereinafter individually a "Loss" and collectively "Losses") paid, incurred, suffered or sustained by any Indemnified Party in connection with any Claim (regardless of whether or not such Losses relate to any third party claims), directly or indirectly resulting from or arising out of any of the following:

(i) Any breach of or inaccuracy in, as of the date of this Agreement or as of the Closing Date, a representation or warranty of the Company contained in this Agreement or the Officer's Certificate.

(ii) Any failure by the Company to perform or comply with any of its pre-Closing covenants or agreements set forth in this Agreement;

(iii) Regardless of the disclosure of any matter set forth in the Disclosure Schedule, such specific indemnities related to the Transactions and certain matters of the Company and its Subsidiaries as set out in Schedule 9.2(a)(iii);

(iv) any fraud on the part of the Company, any Founder Party or the Shareholder Representative in connection with this Agreement or the Transactions; and

(v) any failure by the Company or the Founder Parties to perform or comply with any of its post-Closing covenants or agreements set forth in this Agreement.

(b) Survival of Other Indemnification Claims. The Founder Parties shall not be liable for any Claim made pursuant to Sections 9.2(a)(ii) to 9.2(a)(v) hereunder unless any of the Indemnified Parties has given the Founder Parties a relevant Indemnification Claim Notice claiming for the Losses pursuant to Section 9.2(a) within the applicable time limit as set out below, which shall supersede and apply in lieu of any applicable statutes of limitations;

provided that the relevant Indemnified Party(ies) initiates the formal legal proceedings in accordance with this Agreement within twelve (12) months after delivering the relevant Indemnification Claim Notice:

(i) in respect of any Claim for the Losses arising out of or in relation to Section 9.2(a)(ii), on or prior to the first (1st) anniversary of the Closing Date;

(ii) in respect of any Claim for the Losses arising out of or in relation to paragraph (i)(A) as set out in Schedule 9.2(a)(iii), no later than the third (3rd) anniversary of the Closing Date; *provided*, that if, before the expiry of such three-year period, the relevant Person has commenced proceedings in a court and/or an arbitration concerning such Claim, the deadline for notifying the Claim shall instead be the first (1st) anniversary of the date when the final and non-appealable judgment and/or arbitral award is made by the competent court and/or tribunal institution (whichever is available later if such relevant Person has commenced proceedings in both a court and an arbitration);

(iii) in respect of any Claim for the Losses arising out of or in relation to paragraph (iii)(D) of Schedule 9.2(a)(iii) relating to the Company's Information Network Audio-Video Program Transmission License (信息网络传播视听节目许可证), on or prior to the third (3rd) anniversary of the Closing Date;

(iv) in respect of any Claim for the Losses arising out of or in relation to Schedule 9.2(a)(iii) (unless otherwise provided in this Section 9.2(b)), on or prior to the first (1st) anniversary of the Closing Date; and

(v) in respect of any Claim for the Losses made pursuant to Section 9.2(a)(iv) and Section 9.2(a)(v), at any time after the Closing;

provided that, for each indemnification Claim for the Losses arising out of or in relation to paragraphs (i)(C) and (ii)(A) of Schedule 9.2(a)(iii), and each indemnification Claim for the Losses arising out of or in relation to paragraph (ii)(C) of Schedule 9.2(a)(iii) that relates to the Historical Equity Change or the Transactions, the limitation periods set forth in this Section 9.2(b) shall be suspended from the date on which Acquiror notifies the Founder Parties such Claim in writing (which notice shall set out all reasonable details of (A) events, facts or circumstances giving rise to relevant indemnification Claim, (B) the relevant indemnification provision(s) alleged to have been breached, and (C) the amount of Losses incurred, or a good faith estimate thereof, if not yet finally determined, and attach copies of the relevant supporting documents and, in the case of a Third Party Claim, written Claims received), until the settlement or final resolution of such Claim, whether by way of irrevocable settlement or issuance of final judgment or arbitration awards, as the case may be.

(c) Founder Parties shall not be liable under this Agreement in respect of any Claim if and to the extent that the relevant Loss would not have arisen but for:

(i) any matter or thing done or omitted to be done pursuant to and in compliance with this Agreement or any other Transaction Document or otherwise at the request in writing or with the approval in writing of Acquiror; or

(ii) any act or omission of Acquiror or its Affiliates, or their respective Representative.

(d) Neither Founder Parties, nor any of their respective Affiliates or any Representatives of the foregoing will be liable for, and for this purpose Losses will not include, any punitive or consequential damages, however caused, under any theory of liability, arising from the performance of, or relating to, this Agreement or any other Transaction Document, regardless of whether such person has been notified of the possibility of, or the foreseeability of, such damages, in each case unless payable to a third party.

(e) The rights of the Indemnified Parties in respect of any Claim for indemnification, compensation or reimbursement, payment of Losses or any other remedy under this Agreement (a) are subject to the limitations set forth in this ARTICLE IX and (B) shall not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date (it being specified that, any representation or warranty made by the Company under ARTICLE III shall be qualified by any facts, matters or the Disclosure Schedule circumstances giving rise to such Claim which were Fairly Disclosed in the Disclosure Schedule). The waiver of any condition based on the accuracy of any such representation or warranty will not affect the right to indemnification, compensation or reimbursement, payment of Losses, or any other remedy based on any such representation or warranty. No Indemnified Party shall be required to show reliance on any representation, warranty, certificate or other agreement in order for such Indemnified Party to be entitled to indemnification, compensation or reimbursement hereunder.

(f) If an Indemnified Party's Claim under this Section 9.2 may be brought under more than one subsection of this Section 9.2, then such Indemnified Party shall have the right to bring such Claim under any applicable subsection it chooses in accordance with this Section 9.2, subject to the limitations herein, *provided, however*, that in no event shall any Indemnified Party be allowed to file more than one Claim with respect to any particular incident, fact or event based upon the same set of underlying facts and circumstances nor shall any Indemnified Party be entitled to multiple recovery with respect to any particular incident, fact or event which resulted in Losses subject to indemnification under this Section 9.2 regardless of whether there were breaches of more than one representation, warranty, covenant, agreement or otherwise. Furthermore, the indemnification rights, obligations, and remedies set forth in this Section 9.2 shall be the sole and exclusive remedy of the Indemnified Parties for any matter covered by this ARTICLE IX, and no Indemnified Party may bring or assert any other Claim in law or in equity (including for right of rescission, tort, or otherwise) arising out of or relating to such incident, fact, or event, except for (A) Claims based on fraud; and (B) remedies expressly preserved in Sections 1.3(c)(ii), 2.6, 7.12, 7.15 or Schedule 1.4 or Schedule D. Notwithstanding anything to the contrary in this Agreement or any Transaction Document, all obligations under this Agreement (other than those expressly attributable to Acquiror pursuant to the terms of this Agreement) rest solely with the Company and the Founder Parties, and save as otherwise provided under Section 7.12 in respect of Bulletin 7 Shareholders or Section 7.15 in respect of ODI Shareholders, no recourse may be sought against any Shareholder (other than a Founder Shareholder) or such Shareholder's Affiliates, direct or indirect shareholders, members, general or limited partners, or other beneficial owners (as applicable).

(g) Except in the case of fraud (including fraudulent misrepresentation), the sole and exclusive remedy of any party hereto for any representation, statement or warranty made in connection with this Agreement or the Transactions shall be a claim for indemnity or breach of contract under this Agreement. Each party hereto irrevocably waives, to the fullest extent permitted by applicable Law, any right to bring or threaten any claim or proceeding for innocent or negligent misrepresentation, to rescind this Agreement, or claim damages in lieu of rescission under the Misrepresentation Ordinance (Cap. 284) of Hong Kong.

9.3. Limitation of Liabilities.

(a) *De Minimis Amount*. No Claim shall be indemnifiable arising out of or relating to this Agreement unless and until the amount of Losses with respect to such individual Claim exceeds [redacted] (the "De Minimis Amount"), and any claim that does not exceed the De Minimis Amount shall not be aggregated with other Claims or included for purposes of calculating the Basket under Section 9.3(b).

(b) *Basket*. The Indemnified Parties shall not be entitled to indemnification for any Losses arising out of or resulted from any Claim arising out of or relating to this Agreement unless and until the aggregate amount of all such Losses exceeds [redacted] (the "Basket"), after which the Indemnified Parties shall be entitled to indemnification for all such Losses.

(c) *Founder Liability Cap*. Further, (i) for any Claims arising out of or relating to breaches of any Fundamental Representation, the maximum aggregate liability of any Founder, together with his Controlled Founder Shareholder, shall in no circumstances exceed the value of the net balance of the Merger Consideration payable to his Controlled Founder Shareholder under Payment Spreadsheet (after deducting such Founder Shareholder's Bulletin 7 Assessed Amount), calculated using the Acquiror Share Price (in respect of each Founder, together with his Controlled Founder Shareholder, the "Founder Liability Cap"); and (ii) for any other Claims (excluding (A) any Claims in respect of any amount payable by the Founder Parties under Section 2.6(e), and (B) any Claims arising out of or in relation to the handling of claims by any Opposing Shareholders, including such Claims that may arise under Section 7.16), the maximum aggregate liability of any Founder, together with his Controlled Founder Shareholder, shall not exceed such amount by multiplying [redacted] with the Merger Consideration payable to his Controlled Founder Shareholder under Payment Spreadsheet, calculated using the Acquiror Share Price (such product being the "Operational Liability Cap").

(d) Notwithstanding anything to the contrary in this Agreement,

(i) Sections 9.3(a) and (b) shall not apply to any Claims made pursuant to Sections 2.6(e) or 9.2(a)(v);

(ii) This entire Section 9.3 shall not apply to any claims for the Losses arising out of or related to Section 9.2(a)(iv); and

(iii) Unless otherwise specified in this Section 9.3(d), the aggregate liability of any Founder, together with his Controlled Founder Shareholder, for all Claims arising out of or relating to this Agreement shall not in any event or under any circumstances exceed the total amount of the Founder Liability Cap.

9.4. Recourse.

(a) With respect to indemnity Claims under Section 9.2(a), (A) the first source of recovery for such indemnification Claims shall be by offset against the unissued Founder Indemnity Shares, and (B) the Indemnified Parties shall have the right to seek recovery for Losses in excess of the value of the unissued Founder Indemnity Shares (calculated using the Acquiror Share Price) (a "Founder Direct Claim") directly from the Founder Parties.

(b) For avoidance of doubt, subject to the limitations in Section 9.3, for any Claim against each Founder and/or his Controlled Founder Shareholder arising out of or relating to this Agreement, such Founder (together with its Controlled Founder Shareholder) shall solely be liable to the corresponding Founder Shareholder Pro Rata Portion of such Losses.

9.5. Indemnification Claim Procedures.

(a) If an Indemnified Party wishes to make a Claim under this ARTICLE IX, such Indemnified Party shall deliver a written notice (an "Indemnification Claim Notice") to the Founder Parties (i) stating that an Indemnified Party has paid, incurred, suffered or sustained Losses, and (ii) specifying such Losses in reasonable detail (to the extent available), the date (if available) that each such Loss was paid, incurred, suffered or sustained, and, if applicable, the nature of the misrepresentation, breach of warranty or covenant to which such item is related.

(b) If any Founder Party shall not object in writing within the 30-day period after receipt of an Indemnification Claim Notice by delivery of a written notice of objection containing a reasonably detailed description of the facts and circumstances supporting an objection to the applicable indemnification Claim (an "Indemnification Claim Objection Notice"), such failure to so object shall be an irrevocable acknowledgment by the Founder Parties that the Indemnified Party is entitled to the full amount of the Claim for Losses set forth in such Indemnification Claim Notice.

(c) In the event that any Founder Party shall deliver an Indemnification Claim Objection Notice in accordance with Section 9.5(b), the Founder Parties and Acquiror shall attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims. If the Founder Parties and Acquiror should so agree, a memorandum setting forth such agreement shall be prepared and signed by both parties.

(d) If no such agreement can be reached after good faith negotiation within thirty (30) days after delivery of an Indemnification Claim Objection Notice, Acquiror or the Founder Parties shall be resolved in accordance with Section 11.11.

(e) For indemnification Claims that constitute Third Party Claims, the time limits set forth in Section 9.5(b) and 9.5(c) shall be tolled until the resolution any such Third Party Claim.

(f) Acquiror shall be entitled to withhold from issuance a number of Founder Indemnity Shares with an aggregate value (calculated using the Acquiror Share Price) equal to the amount to be paid to an Indemnified Party determined in accordance with Section 9.5(b), Section 9.5(c) or Section 9.5(d) (as the case may be). Should the value of such Founder Indemnity Shares be insufficient to set off in whole (A) an aggregate value equal to the Losses set forth in such Indemnification Claim Notice set forth in Section 9.5(b), (B) the amount to be paid to an Indemnified Party in accordance with such memorandum set forth in Section 9.5(c) or (C) the amount to be paid to an Indemnified Party determined in accordance with Section 9.5(d) and Section 11.11, each with respect to indemnity Claims under Section 9.2(a), then the Founder Parties shall, subject to the limitations in this ARTICLE IX, within twenty (20) Business Days following the date of (x) such Indemnification Claim Notice in accordance with Section 9.5(b), (y) such memorandum in accordance with Section 9.5(c) or (z) such determination in accordance with Section 9.5(d) (as the case may be), pay to the Indemnified Party, the full amount of such shortfall in cash.

(g) In connection with any matter or circumstance described in an Indemnification Claim Notice delivered by the Indemnified Parties to the Founder Indemnifying Parties, the Indemnified Party shall:

(i) disclose to the Founder Indemnifying Party all materials within their reasonable control of which the Indemnified Party or the Company is aware which relates to such indemnification Claim and give all such information and assistance as the Founder Indemnifying Party or its financial, accounting and/or legal advisers may

reasonably request subject to the Founder Indemnifying Party agreeing in such form as the Indemnified Party may reasonably require to keep all such information confidential, and to use it only for the purpose of investigating and defending such indemnification Claim; and

(ii) where such indemnification Claim is capable of being remedied by the Founder Parties, allow the Founder Parties and/or its financial, accounting, legal advisers and/or other professional advisers no more than thirty (30) calendar days to cure or remedy such circumstances without cost or Liability to any Indemnified Party.

Notwithstanding anything to the contrary contained herein, the Indemnified Party's obligations under this Section 9.5(g)(i) shall be subject to the following limitations: (i) the Indemnified Party shall not be required to disclose any attorney-client privileged communications or attorney work product, (ii) the Founder Indemnifying Party shall bear all reasonable out-of-pocket expenses incurred by the Indemnified Party in providing requested information and assistance, (iii) the Indemnified Party may redact or withhold any competitively sensitive information not material to the defense of the Claim, (iv) notwithstanding Section 9.6, the Indemnified Party shall retain sole control over the defense of any such third-party claims and settlement of any matters that could materially impact its ongoing business operations, (v) all information exchanges shall be subject to a mutually acceptable confidentiality agreement, (vi) nothing herein shall require the Indemnified Party to take any action that would reasonably be expected to waive any legal privilege or violate applicable Law; and (v) the Indemnified Party's obligation to provide assistance shall be subject to reasonable advance notice of information requests.

9.6. Third Party Claims.

(a) In the event that an Indemnified Party becomes aware of a third party claim (a "Third Party Claim") that the Indemnified Party reasonably believes may result in a demand for indemnification pursuant to this ARTICLE IX, the Indemnified Party shall promptly notify the Founder Parties of such claim; *provided that* failure to so notify shall not affect the right of the Indemnified Parties to seek set off from the Founder Indemnity Shares or other indemnifications hereunder, except to the extent that any Founder Party is actually prejudiced thereby.

(b) The Founder Parties shall be entitled to receive monthly updates on any material developments with respect to such Third Party Claim and to receive copies of all complaints, pleadings, notices and material communications with respect to such Third Party Claim (except where making such records available would jeopardize the attorney-client or attorney work product privilege or other legal immunity or protection from disclosure of Acquiror, in which case the parties hereto shall cooperate to develop a mutually acceptable disclosure protocol), but shall not be entitled to participate, determine or conduct, the defense of such Third Party Claim.

(c) Acquiror shall have the right in its sole discretion to select counsel, conduct the defense of, and the settle, any such Third Party Claim, *provided that* Acquiror shall notify the Founder Parties in writing of material developments, and consider in good faith any written strategic recommendations from the Founder Parties. If Acquiror settles a Third Party Claim without the prior written consent of the Founder Parties (which consent shall not be unreasonably conditioned, withheld or delayed), no settlement of any such Third Party Claim with third party claimants shall be determinative of the existence and shall not be included in the amount of Losses relating to such matter under this ARTICLE IX; *provided*, further, that if Acquiror settles a Third Party Claim without the prior written consent of any Founder Party (which consent shall not be unreasonably conditioned, withheld or delayed) and the Founder Parties shall not have objected within thirty (30) days after a written request for such consent by Acquiror, the reasonable costs and expenses of the settlement shall be deemed dispositive of the validity or amount of such Loss; *provided*, further, that Acquiror shall use its commercially reasonable efforts to take such action as the Founder Parties may reasonably request to avoid, dispute, deny, defend, resist, appeal, compromise or contest the Third Party Claim and as Acquiror deem necessary in good faith. In the event that the Founder Parties have consented to any such settlement, adjustment or compromise, the Founder Parties shall have no power or authority to object under any provision of this Section 9.6 to the existence of the Losses or the amount of such settlement, adjustment or compromise. It is acknowledged and agreed that Acquiror shall not agree to any settlement of a Third Party Claim that imposes non-monetary obligations on the Founder Parties without the prior written consent of any Founder Party (which consent shall not be unreasonably conditioned, withheld or delayed).

(d) The reasonable and properly documented costs and expenses incurred by an Indemnified Party in connection with any investigation, defense, settlement or resolution of such Third Party Claim (including reasonable attorneys' fees, consultants' fees and court or arbitration costs) (collectively, "Defense Costs", which, for the avoidance of doubt, do not include a settlement payment itself) shall constitute indemnifiable Losses for which the Indemnified Parties shall be indemnified to the extent the allegations and claims in such Third Party Claim, taken

as alleged and/or claimed, would be indemnifiable under Section 9.2; provided, that no Founder Party shall be liable for, and Defense Costs shall not include, any cost or expense incurred in connection with a settlement or other resolution of a Third Party Claim that is effected without the Founder Parties' prior written consent as required under this Section 9.6, except where the Founder Parties do not act reasonably in considering whether to consent on the proposed settlement or resolution. All Defense Costs must be incurred in good faith. Any Founder Party shall not have any power or authority to object to recovery by or on behalf of any Indemnified Party for any indemnifiable Losses claimed with respect to such Defense Costs except to the extent such costs are not reasonable, properly documented, or do not relate to an indemnifiable Claim.

ARTICLE X
SHAREHOLDER REPRESENTATIVE

10.1 Appointment and Authority of Shareholder Representative. By virtue of the adoption of this Agreement and approval of the Merger by the Shareholders participating in the Merger and receiving the benefits thereof, including the right to receive the consideration payable in connection with the Merger, each of the Shareholders shall be deemed to have agreed to appoint Xima Holdings Limited as its sole representative, agent and attorney-in-fact with full power of substitution, as the Shareholder Representative as of the Closing for and on behalf of the Shareholders for all purposes under this Agreement and the Transactions (including the Merger), including:

(a) accepting notices on behalf of Shareholders; *provided* that the Shareholder Representative shall promptly forward any such notice to each Shareholder;

(b) executing and delivering, on behalf of the Shareholders, any and all notices, documents or certificates to be executed by the Shareholders in connection with the Transactions;

(c) granting any consent or approval on behalf of the Shareholders or any of them pursuant to written instruction received from such Shareholder;

(d) taking necessary actions to consummate the Transactions;

(e) to satisfy any and all obligations or liabilities of the Shareholder Representative as required under the terms of this Agreement (including, the obligation or liability under Section 1.5, Section 2.2(a)(iv), Section 2.3, Section 7.12, Section 7.13, Section 7.15, Section 7.17, Sections 11.2 to 11.6);

(f) negotiating, executing and delivering, on behalf of the Bulletin 7 Shareholders, the Escrow Agreement and any ancillary documents, and thereafter issuing any joint or unilateral instructions, notices or other instruments, and taking any other actions required or permitted to be taken by the Shareholder Representative under or in connection with the Escrow Agreement; and

(g) to take all other actions that are either (i) necessary for the accomplishment of the foregoing or (ii) specifically mandated by the terms of this Agreement;

provided, *however*, that, notwithstanding the foregoing, the Shareholder Representative shall not have the authority to increase the liability or obligations of any Shareholder, or to reduce benefits of any Shareholder (including, without limitation, reduce the Merger Consideration) without the prior written consent of such Shareholder.

10.2 Replacement of Shareholder Representative. Such agency may be changed by the Shareholders from time to time upon not less than ten (10) days prior written notice to Acquiror; *provided, however*, that the Shareholder Representative may not be removed unless holders of a majority of the Shareholders (being the Shareholders collectively holding more than fifty percent (50%) of the total outstanding Company Shares on a fully diluted, as-converted basis) agree in writing to such removal and to the appointment of an alternative reasonably acceptable to Acquiror. The Shareholder Representative may only resign upon appointment of an alternative reasonably acceptable to Acquiror. Any successor appointed in accordance with this Section 10.2 shall become the "Shareholder Representative" hereunder upon the execution of a written instrument acknowledging and accepting such appointment.

10.3 Action of Shareholder Representative.

(a) All decisions and actions taken by the Shareholder Representative under this Agreement pursuant to the authorities granted to the Shareholder Representative under Section 10.1 shall be binding upon each Shareholder and such Shareholder's successors as if expressly confirmed and ratified in writing by such Shareholder, and no Shareholder shall have the right to object, dissent, protest or otherwise contest the same. The Shareholder Representative may rely conclusively, without independent verification, upon any notice, certificate, instrument, or

other document that it in good faith believes to be genuine and correctly signed by any other Shareholder. The Shareholder Representative shall not be liable for any act done or omitted hereunder while acting in good faith and in the exercise of reasonable judgment. The Shareholder Representative shall not be deemed to be a fiduciary for, nor shall the Shareholder Representative have any duties or obligations to, any Shareholder except as expressly set forth in this Agreement. In no event shall the Shareholder Representative be liable for any default, misstatement, or misconduct of any other Shareholder (including the actions, inactions, or omissions of any other Shareholder) except as expressly set forth in this Agreement.

(b) Acquiror shall be entitled to rely (without investigation) on any action taken by the Shareholder Representative pursuant to the authorities granted to the Shareholder Representative under Section 10.1 as being taken by the Shareholder Representative for it and on behalf of each of the Shareholders, and fully authorized by each Shareholder.

(c) Notices or communications to or from the Shareholder Representative with the address set forth for the Shareholder Representative in Section 11.2 after the Closing shall constitute notice to or from the Shareholders. Upon receipt of any such notice or communication by the Shareholder Representative, the Shareholder Representative shall promptly forward such notice or communication to each Shareholder.

ARTICLE XI
GENERAL PROVISIONS

11.1 Certain Interpretations. When a reference is made in this Agreement to an Annex, Exhibit or Schedule, such reference shall be to an Annex, Schedule or Exhibit to this Agreement unless otherwise indicated. When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or a Section of this Agreement unless otherwise indicated. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

11.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial messenger or courier service, or mailed by registered or certified mail (return receipt requested) or sent via electronic mail or facsimile (with acknowledgment of complete transmission) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice or, if specifically provided for elsewhere in this Agreement, by email); *provided, however*, that notices sent by mail will not be deemed given until received:

(a) If to Acquiror or Merger Sub, to:

Tencent Music Entertainment Group

[redacted]

Attention: [redacted]

Email: [redacted]

with a copy (which shall not constitute notice) to:

[redacted]
Attention: [redacted]
Email: [redacted]

(b) If to the Company (prior to the Closing), to:

Ximalaya Inc.

[redacted]

Attention: [redacted]

Email:[redacted]

(c) If to the Shareholders (after the Closing) or to the Shareholder Representative, to:

Xima Holdings Limited

[redacted]

Attention:[redacted]

Email:[redacted]

11.3 Confidentiality.

(a) Each party shall, and shall cause its Representatives to, keep strictly confidential and not disclose (i) any non-public information furnished by or on behalf of another party in connection with this Agreement, any other Transaction Document or the transactions contemplated hereby or thereby, (ii) the existence, subject matter and terms of this Agreement and the other Transaction Documents, and (iii) the fact and substance of the negotiations and discussions relating thereto (collectively, "Confidential Information"). Without limiting the foregoing, the Shareholder Representative and the Founder Parties shall, and shall cause their Representatives to, keep strictly confidential and not disclose any Company Confidential Information (as defined below) following the Closing. Each party shall use Confidential Information solely to evaluate, negotiate, implement or enforce this Agreement or any other Transaction Document, and for no other purpose (including without limitation, any trading in Acquiror's securities).

(b) A party may disclose Confidential Information only (i) to its Representatives who need to know such information for the foregoing purpose and are bound by obligations no less protective than those set out herein, (ii) to the extent required by U.S. securities laws, Hong Kong listing rules and the rules and regulations of the NYSE and the HKSE, (iii) to the extent required by any other applicable Law (provided the disclosing party is, to the extent legally permissible, notified in advance and afforded a reasonable opportunity to seek confidential treatment), or (iv) with the prior written consent of the disclosing party. The obligations hereunder do not apply to information the receiving party can demonstrate is publicly available through no breach of this clause, was lawfully obtained from a third party not under a duty of confidentiality, or was independently developed without reference to the Confidential Information.

(c) Upon the earlier of (a) termination of this Agreement or (b) written request of the disclosing party, the receiving party shall promptly return or, at the disclosing party's direction, destroy all Confidential Information (save for one archival copy retained for legal or compliance purposes). The confidentiality obligations in this clause shall survive for three (3) years after the earlier of the Closing Date or termination of this Agreement; *provided*, *however*, that Acquiror and its Representatives shall be free to use and disclose any Company Confidential Information following the Closing, and no obligation of confidentiality under this Agreement shall apply to Acquiror and its Representatives with respect thereto (for the purpose hereof, the term "Company Confidential Information" shall mean any Confidential Information that relates to the Company and/or any of its Subsidiaries, but excludes any Confidential Information that is proprietary to any Founder Party or any of their respective Representatives (other than the Company or its Subsidiaries).

(d) Notwithstanding anything in this Agreement to the contrary, the Shareholder Representative shall be permitted to disclose Confidential Information to the Shareholders, who shall be bound by obligations no less protective than those set out herein and use such Confidential Information solely to evaluate, negotiate, implement or enforce this Agreement or any other Transaction Document, and for no other purpose (including without limitation, any trading in Acquiror's securities).

11.4 Public Disclosure. Neither the Company nor any of its Representatives shall issue any statement or communication to any third party (other than its agents that are bound by confidentiality restrictions) regarding the subject matter of this Agreement or the transactions contemplated hereby, including, if applicable, the termination of this Agreement and the reasons therefor, without the consent of Acquiror, and *vice versa*. Notwithstanding anything in this Agreement to the contrary, following the Closing, the Shareholder Representative shall be permitted to, after the public announcement of the Merger, publicly announce that it has been engaged to serve as the Shareholder Representative in connection with the Merger as long as such announcement does not disclose any of the other terms of the Merger, the Restructuring or the transactions contemplated herein. If Acquiror determines that any public announcement or filing with the SEC or other relevant securities authority or stock exchange is required or advisable regarding the subject matter of this Agreement or the transactions contemplated hereby, Acquiror shall provide the Company with a reasonable opportunity to review and comment on such announcement or filing in advance and shall

consider in good faith any comments the Company timely provides; *provided*, *however*, that if Acquiror reasonably believes that urgent deadlines do not permit prior consultation, Acquiror may proceed with the announcement or filing without such consultation.

11.5 Amendment. This Agreement may be amended by the parties hereto at any time by execution of an instrument in writing signed on behalf of the party against whom enforcement is sought. For purposes of this Section 11.5, the Shareholders are deemed to have agreed that any amendment of this Agreement signed by the Shareholder Representative shall be binding upon and effective against the Shareholders whether or not they have signed such amendment.

11.6 Extension and Waiver. At any time prior to the Closing, Acquiror, on the one hand, and the Company and the Shareholder Representative, on the other hand, may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations of the other party hereto, (b) waive any inaccuracies in the representations and warranties made to such party contained herein or in any document delivered pursuant hereto, and (c) waive compliance with any of the covenants, agreements or conditions for the benefit of such party contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. For purposes of this Section 11.6, the Shareholders are deemed to have agreed that any extension or waiver signed by the Shareholder Representative shall be binding upon and effective against all Shareholders whether or not they have signed such extension or waiver.

11.7 Assignment. This Agreement shall not be assigned by operation of law or otherwise, except that Acquiror may assign its rights and delegate its obligations hereunder to its Affiliates as long as Acquiror remains ultimately liable for all of Acquiror's obligations hereunder.

11.8 Severability. In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

11.9 Specific Performance and Other Remedies.

(a) The parties to this Agreement agree that, in the event of any breach or threatened breach by the other party or parties hereto, any Shareholder or the Shareholder Representative of any covenant, obligation or other agreement set forth in this Agreement, (i) each party shall be entitled, without any proof of actual damages (and in addition to any other remedy that may be available to it), to a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other agreement and an injunction preventing or restraining such breach or threatened breach, and (ii) no party hereto shall be required to provide or post any bond or other security or collateral in connection with any such decree, order or injunction or in connection with any related action or legal proceeding.

(b) Any and all remedies herein expressly conferred herein upon a party hereto shall be deemed to be cumulative with, and not exclusive of, any other remedy conferred hereby, or by law or in equity upon such party, and the exercise by a party hereto of any one remedy will not preclude the exercise of any other remedy.

11.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof. Notwithstanding the foregoing, the following matters arising out of or relating to this Agreement shall be construed, performed and enforced in accordance with the Laws of the Cayman Islands in respect of which the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Cayman Islands: the Merger, the vesting of the rights, property of every description (including choses in action, and the business, undertaking, goodwill, benefits, immunities and privileges), contracts, obligations, claims, debts and liabilities, mortgages, charges, or security interests and all contracts, obligations, claims, debts and liabilities of each of Merger Sub and the Company in the Surviving Company, the cancellation of the Company Shares and the conversion of the shares in Merger Sub, the fiduciary or other duties of the Board of Directors of the Company and the directors of each of Merger Sub and Acquiror, the general rights of the respective shareholders of the Company, Merger Sub and Acquiror and the internal corporate affairs of the Company, Merger Sub and Acquiror.

11.11 Exclusive Jurisdiction. Subject to Section 11.10, any disputes, actions and proceedings against any party or arising out of or in any way relating to this Agreement shall be submitted to the Hong Kong International Arbitration Centre ("HKIAC") and resolved in accordance with the HKIAC Administered Arbitration Rules in force at the relevant time and as may be amended by this Section 11.11. The place of arbitration shall be Hong Kong. The official language of the arbitration shall be English and the arbitration tribunal shall consist of three arbitrators (each, an "Arbitrator"). The claimant(s), irrespective of number, shall nominate jointly one Arbitrator; the respondent(s), irrespective of number, shall nominate jointly one Arbitrator; and a third Arbitrator will be nominated jointly by the first two Arbitrators and shall serve as chairman of the arbitration tribunal. In the event the claimant(s) or respondent(s) or the first two Arbitrators shall fail to nominate or agree the joint nomination of an Arbitrator or the third Arbitrator within the time limits specified by the HKIAC Administered Arbitration Rules, such Arbitrator shall be appointed promptly by the HKIAC. The award of the arbitration tribunal shall be final and binding upon the disputing parties. Any party to an award may apply to any court of competent jurisdiction for enforcement of such award and, for purposes of the enforcement of such award, the parties irrevocably and unconditionally submit to the jurisdiction of any court of competent jurisdiction and waive any defenses to such enforcement based on lack of personal jurisdiction or inconvenient forum. Notwithstanding the foregoing, the parties hereto hereby consent to and agree that in addition to any recourse to arbitration as set out in this Section 11.11, any party may, to the extent permitted under the HKIAC Administered Arbitration Rules, seek an interim injunction or other form of relief from the HKIAC as provided for in the HKIAC Administered Arbitration Rules. During the course of the arbitral tribunal's adjudication of a dispute, this Agreement shall continue to be performed except with respect to the part in dispute and under adjudication.

11.12 Entire Agreement. This Agreement, the Exhibits and Schedules hereto, the Disclosure Schedule, the Transaction Documents, and the documents and instruments and other agreements among the parties hereto referenced herein constitute the entire agreement among the parties hereto with respect to the subject matter of this Agreement and supersede all prior agreements and understandings both written and oral, among the parties with respect to the subject matter of this Agreement, and are not intended to confer upon any other person any rights or remedies hereunder.

11.13 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. The exchange of a fully executed Agreement (in counterparts or otherwise) by electronic transmission in.PDF format or by facsimile shall be sufficient to bind the parties to the terms and conditions of this Agreement.

11.14 No Personal Liability. This Agreement is executed by Acquiror (through its authorized signatory) for and on behalf of Merger Sub prior to its registration. Acquiror and its authorized signatory shall not be personally liable for any obligations of Merger Sub under this Agreement or any transactions contemplated hereunder; *provided*, *however*, that immediately following Merger Sub's registration, Acquiror shall cause Merger Sub to obtain all necessary internal approvals to ratify the Merger and to execute a joinder (or a similar instrument) confirming its assumption of, and commitment to perform, all obligations required of Merger Sub under this Agreement and the Plan of Merger.

11.15 Exchange Rate. Unless otherwise expressly provided herein, any monetary amounts stated in Renminbi (RMB) under this Agreement shall be converted to United States Dollars (USD), or vice versa, at the official central parity exchange rate (the "Central Parity Rate") of USD to RMB published by the People's Bank of China ("PBOC") on the Business Day immediately preceding the relevant payment date. If the PBOC does not publish, or otherwise make available, a Central Parity Rate for that particular day, then the parties hereto shall use the most recently published Central Parity Rate prior to such day.

11.16 Several Obligations; No Partnership or Joint Liability. All obligations of the Company and each Shareholder (to which it is a party to this Agreement) under this Agreement shall be several and not joint or joint and several, and neither the Company nor any such Shareholder is responsible in any way for the performance or conduct of any other Person in connection with the transactions contemplated hereunder or under any other Transaction Document. Nothing contained herein or in any other Transaction Document, and no action taken by the Company or any Shareholder pursuant hereto or thereto, shall be or shall be deemed to constitute a partnership, association, joint venture, or joint group with respect to any other Person.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, Acquiror, Merger Sub, the Company, the Shareholder Representative and the Founder Parties have caused this Agreement to be executed as of the date first written above.

TENCENT MUSIC ENTERTAINMENT GROUP

By: /s/ Cussion Kar Shun Pang
Name: Cussion Kar Shun Pang
Title: Executive Chairman

SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER

IN WITNESS WHEREOF, Acquiror, Merger Sub, the Company, the Shareholder Representative and the Founder Parties have caused this Agreement to be executed as of the date first written above.

MERGER SUB

By: /s/ Cussion Kar Shun Pang
Name: Cussion Kar Shun Pang
For and on behalf of Merger Sub
as authorized signatory of Acquiror

IN WITNESS WHEREOF, Acquiror, Merger Sub, the Company, the Shareholder Representative and the Founder Parties have caused this Agreement to be executed as of the date first written above.

XIMALAYA INC.

By: /s/ Yu Jianjun
Name: Yu Jianjun
Title: Director

SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER

IN WITNESS WHEREOF, Acquiror, Merger Sub, the Company, the Shareholder Representative and the Founder Parties have caused this Agreement to be executed as of the date first written above.

XIMA HOLDINGS LIMITED,
in its capacity as the Shareholder Representative

By: /s/Yu Jianjun
Name: Yu Jianjun
Title: Director

SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER

IN WITNESS WHEREOF, Acquiror, Merger Sub, the Company, the Shareholder Representative and the Founder Parties have caused this Agreement to be executed as of the date first written above.

YU JIANJUN (余建军)

/s/ Yu Jianjun

XIMA HOLDINGS LIMITED,
in its capacity as a Founder Party

By: /s/ Yu Jianjun
Name: Yu Jianjun
Title: Director

SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER

IN WITNESS WHEREOF, Acquiror, Merger Sub, the Company, the Shareholder Representative and the Founder Parties have caused this Agreement to be executed as of the date first written above.

CHEN YUXIN (陈宇昕)

/s/ Chen Yuxin

TOUCH SOUND LIMITED

By: /s/ Chen Yuxin
Name: Chen Yuxin
Title: Director

SIGNATURE PAGE TO AGREEMENT AND PLAN OF MERGER

SCHEDULE A
FOUNDER PARTIES

(1) YU Jianjun (余建军), a Chinese citizen with his identification card number being [redacted]; and

(2) CHEN Yuxin (陈宇昕), a Chinese citizen with her identification card number being [redacted] (together with YU Jianjun, the "Founders").

(3) Xima Holdings Limited, a business company incorporated and existing under the laws of the British Virgin Islands; and

(4) Touch Sound Limited, a business company incorporated and existing under the laws of the British Virgin Islands (together with Xima Holdings Limited, "Founder Shareholders").

SCHEDULE B
PART I - CERTAIN DEFINED TERMS

"Accredited Investor" shall mean an "accredited investor" as defined in Rule 501(a) of Regulation D.

"Accredited Investor Questionnaire" shall mean accredited investor questionnaire in the form attached hereto as Exhibit G, to be completed by a Shareholder that is an Accredited Investor in accordance with the terms of this Agreement and the instructions thereto.

"Acquiror ADSs" shall mean the American depositary shares, each representing two (2) Acquiror Ordinary Shares, of Acquiror.

"Acquiror RSU" shall mean each restricted stock unit representing the right to vest in and be issued an Acquiror Ordinary Share under the applicable share incentive plan of Acquiror.

"Acquiror Share Count" shall mean, without duplication, the aggregate number of Acquiror Shares (including Acquiror Ordinary Shares represented by Acquiror ADSs) that are issued and outstanding as of 11:59 p.m. (Hong Kong time) on the Share Count Notification Date.

"Acquiror Shares" shall mean, collectively, (i) all the Acquiror Ordinary Shares, and (ii) all the Class B ordinary shares, par value US$0.000083 per share, of Acquiror.

"Acquiror Material Adverse Effect" shall mean any change, event, violation, inaccuracy, circumstance or effect (any such item, an "Effect"), individually or when taken together with all other Effects that have occurred prior to the date of determination of the occurrence of the Acquiror Material Adverse Effect, that is or is reasonably likely to materially impede the ability of Acquiror to consummate the transactions contemplated by this Agreement in accordance with the terms of this Agreement and applicable Laws.

"Acquiror Ordinary Share" shall mean each Class A ordinary share, par value US$0.000083 per share, of Acquiror.

"Acquiror Share Price" shall mean the quotient (expressed in United States dollars) obtained by dividing [redacted] by the Acquiror Share Count.

"Action" shall mean any formal legal or administrative proceeding, including any action, suit, claim, litigation, investigation, arbitration, adjudicative or other similar proceedings, whether administrative, civil or criminal, whether at law or in equity, or otherwise under any applicable Laws, that is pending and is brought before a Governmental Entity, a court or an arbitral tribunal.

"Affiliate" shall mean (i) with respect to a specified Person that is a natural person, such specified Person's Relatives and any Person Controlled, directly or indirectly, by such specified Person or his/her Relatives, and (ii) with respect to a specified Person that is not a natural person, another Person that directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, such specified Person.

"Anti-Corruption Laws" shall include but not be limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended, any Law of the PRC for the prevention or punishment of public or commercial corruption or bribery, including the PRC Criminal Law and the PRC Anti-Unfair Competition Law, and any rules or regulations thereunder or any similar anti-corruption or anti-bribery Laws applicable to the Company or any of its Subsidiaries.

"Approval" shall mean any approval, authorization, release, order, consent, certification, franchise, license or permit required to be obtained from, or any registration, qualification, designation, declaration, filing, notice, statement or other communication required to be filed with or delivered to, any Governmental Entity or any other Person.

"Bulletin 7" shall mean the State Taxation Administration's Bulletin on Several Issues of Enterprise Income Tax on Income Arising from Indirect Transfers of Property by Non-resident Enterprises (State Taxation Administration Bulletin [2015] No. 7) (国家税务总局《关于非居民企业间接转让财产企业所得税若干问题的公告》(国家税务总局公告2015年第7号), as may be amended or supplemented from time to time and including amendments made by the Announcement with respect to Certain Matters in relation to the Withholding Income Tax of a Non-resident Enterprise issued by the State Taxation Administration (State Taxation Administration Announcement [2017] No. 37) (国家税务总局关于非居民企业所得税源泉扣缴有关问题的公告) (国家税务总局公告2017年第37号) and any similar or replacement law, notice, circular or bulletin on the Tax treatment of offshore indirect transfer of any China Taxable Property including any applicable laws in the PRC against the avoidance of PRC Tax.

"Bulletin 7 Assessed Amount" shall mean the amount of Tax, if any, assessed by the relevant PRC Tax authority as being payable by the Bulletin 7 Shareholders under and/or pursuant to Bulletin 7 as a result of the Transaction, and provided to Acquiror in accordance with Section 7.12(b)(vii).

"Bulletin 7 Escrow Account" shall mean, the accounts in which the Escrow Agent holds the Bulletin 7 Escrow Amount.

"Bulletin 7 Escrow Amount" shall mean, with respect to each Bulletin 7 Shareholder, an amount equal to 10% of the aggregate value of (i) the Cash Consideration payable to such Bulletin 7 Shareholder and (ii) the product of (x) the Stock Consideration payable to such Bulletin 7 Shareholder multiplied by (y) the Average Stock Price. For the purpose of this definition, the "Average Stock Price" means the price per Acquiror Ordinary Share obtained by (i) calculating the arithmetic average of the closing prices of one (1) Acquiror ADS on the NYSE for the five (5) consecutive trading days from (and including) the tenth (10th) trading day through the sixth (6th) trading day immediately preceding the Closing Date; and (ii) dividing such average Acquiror ADS price by two (2).

"Business" shall mean the online audio platform business, activities and operations of the Company and its Subsidiaries.

"Business Day" shall mean each day that is not a Saturday, Sunday or other day on which banking institutions located in the Cayman Islands, Hong Kong or the PRC are authorized or obligated by Law or executive order to close.

"Carve-Out Business" shall mean the Company businesses specified in Exhibit F (*Restructuring Steps*).

"Cash" shall mean the (i) all cash and cash equivalents of the Company and its Subsidiaries (net of outstanding checks and excluding any Restricted Cash) readily available for use as at the Effective Time, and (ii) all cash-management or treasury products that are recognized at fair value through profit or loss in accordance with IFRS, in each case free of Liens.

"Certified by the Share Registrar" shall mean, with respect to the extract of register of members of Acquiror to be provided hereunder, such extract shall be affixed with Share Registrar's company stamp.

"Charter Documents" shall mean, with respect to any Person that is not an individual, the articles or certificate of incorporation, registration or organization, bylaws, memorandum and articles of association, limited partnership agreement, partnership agreement, limited liability company agreement, shareholders agreement, and other similar organizational document of such Person.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Companies Act" shall mean the Companies Act (2025 Revision, as amended from time to time) of the Cayman Islands.

"Company Articles" shall mean the Fourteenth Amended and Restated Articles of Association of the Company, as amended from time to time, adopted by special resolution with effect from March 28, 2024.

"Company Employee Plan" shall mean any plan, program, policy, practice, contract, agreement or other arrangement, whether written or unwritten, providing for compensation, severance, change of control, termination pay, retention, deferred compensation, performance awards, equity, stock or stock-related awards, phantom stock or bonus awards, welfare benefits, retirement benefits, fringe benefits, vacation, health, medical, profit sharing, payroll practice or other pay or employee benefits or remuneration of any kind, whether funded or unfunded, including the Company Equity Incentive Plans.

"Company Equity Incentive Plans" shall mean each of the following equity incentive plans of the Company (a) the Employee Equity Incentive adopted on July 22, 2019 (the "Global Plan"), and (b) the Amended and Restated Employee Equity Incentive Plan adopted on March 4, 2019 (the "Legacy Plan").

"Company IP" shall mean collectively, the Company Owned IP and the Company Licensed IP.

"Company IP Contract" shall mean any Contract to which the Company or any of its Subsidiaries is a party that contains any assignment, license of, any covenant not to assert or enforce, or otherwise covering the use and exploitation of any Company IP.

"Company Material Adverse Effect" shall mean any Effect, individually or when taken together with all other Effects that have occurred prior to the date of determination of the occurrence of the Company Material Adverse Effect, that is or is reasonably likely to (i) materially impede the ability of the Company to consummate the Merger in accordance

with the terms of this Agreement and applicable Laws, or (ii) be materially adverse to the business, operations, long-term value or financial conditions of the Company and its Subsidiaries taken as a whole (except as otherwise excluded under this definition), and in the case of (ii), in a manner that is not cured or remedied, and has not otherwise ceased to exist, on or before the Closing Date; *provided, further*, that none of the following will be deemed, either alone or in combination, to constitute, and none of the following will be taken into account in determining whether there has been or will be, a Company Material Adverse Effect: (a) any adverse Effect arising from China or foreign financial or securities markets or China or foreign economy in general or in the industry sectors in which the Company and its Subsidiaries operate in general, (b) any change in accounting requirements or principles or any change in applicable Laws, (c) any adverse Effect arising from hostilities, acts of war, sabotage or terrorism or military actions or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism or military actions existing or underway as of the date of this Agreement, (d) any adverse Effect arising from any natural disaster, disease outbreaks and ongoing effects of a contagious disease, epidemics and pandemics (including COVID-19) beyond the reasonable control of the Company and its Subsidiaries, (e) the failure of the Company or its Subsidiaries to meet any internal or published projections, estimates, or forecasts of revenues, goals, earnings, or other measures of financial or operating performance for any period, except to the extent such failure is attributable to an underlying cause that would independently constitute a Company Material Adverse Effect; (f) any Effect arising from the pendency, announcement, or consummation of the Merger contemplated herein or compliance with the terms of this Agreement or the other Transaction Documents; (g) the Effect of any event or action taken or omission to act by Acquiror or its Affiliates requested by Acquiror in writing; and (h) the Effect of any event or action (including any circumstance giving rise to a Leakage Amount, a Metrics Deficiency Recovery Amount or a Net Cash Shortfall Amount, as defined in this Agreement) on the Company's financial conditions, to the extent such Effect is offset through a deduction from the Merger Consideration otherwise payable to the Founder Shareholders in accordance with the terms of this Agreement (except that any Effect described in limbs (a), (b), (c) and (d) above will be included in determining whether a Company Material Adverse Effect has occurred only to the extent that such Effect has materially disproportionately adversely affected the Company and its Subsidiaries, taken as a whole, relative to similarly situated companies of comparable size and product mix operating in the same industry sectors).

"Company Options" shall mean all issued and outstanding options to, directly or indirectly, purchase or otherwise acquire Company Ordinary Shares (whether or not vested), directly or indirectly, held by any Person, granted under the Company Equity Incentive Plans, including the Company Options indirectly held through Ximalaya Welfare Limited and/or Ark Trust (Hong Kong) Limited.

"Company Ordinary Shares" shall mean ordinary shares, par value US$0.0001 per share, of the Company.

"Company Owned IP" shall mean any and all Intellectual Property Rights and Technology that are owned or purported to be owned by the Company or any of its Subsidiaries, including any Company Registered IP.

"Company Preferred Shares" shall mean (i) Series Angel Preferred Shares, (ii) Series A Preferred Shares, (iii) Series B Preferred Shares, (iv) Series B-1 Preferred Shares, (v) Series B-2 Preferred Shares, (vi) Series C Preferred Shares, (vii) Series C-1 Preferred Shares, (viii) Series C-2 Preferred Shares, (ix) Series D Preferred Shares, (x) Series E -1 Preferred Shares, (xi) Series E-2 Preferred Shares, (xii) Series E-3 Preferred Shares and (xiii) Series E-4 Preferred Shares, in each case as defined in the Company Articles, Schedule B, and any other preferred shares authorized by the Company, if any, taken together.

"Company Privacy Policy" shall mean each external or internal, past or present privacy policy or public privacy- or security-related representation (excluding representations in Contracts), statement, notice, or promise of the Company or any of its Subsidiaries, including any such policy or public representation, statement, notice, or promise relating to: (i) the privacy of users of, or privacy- or data protection-related aspects of, any Company Product or any site of the Company or any of its Subsidiaries; or (ii) the collection, use, storage, hosting, disclosure, transmission, transfer, disposal, retention, interception, or other processing of, or security of, any Private Information.

"Company Products" shall mean (i) all products and services (including Software websites, apps) delivered, hosted, provided, made commercially available, marketed, sold, offered for sale, supplied, distributed or licensed out by or on behalf of the Company or any of its Subsidiaries and (ii) all Technology that is embedded in any products and services described in limb (i), including any Technology embedded in such products and services that is used to collect, transfer, transmit, store, host, or otherwise process Private Information.

"Company RSU" shall mean each restricted stock unit representing the right to vest in and be issued, directly, or indirectly, one Company Ordinary Share that is outstanding and awarded under the Company Equity Incentive Plans,

excluding any restricted stock units that have been settled, including the Company RSU indirectly held through Ximalaya Welfare Limited and/or Ark Trust (Hong Kong) Limited.

"Company Shares" shall mean the Company Ordinary Shares, the Company Preferred Shares and any other shares, if any, of the Company, taken together.

"Company Source Code" shall mean any Software source code, any material portion or aspect thereof, or any proprietary information or algorithm (i) owned or purported to be owned by the Company and/or any of its Subsidiaries, (ii) contained in any Company Product to the extent such Company Product is Company Owned IP, or (iii) otherwise authored or purported to be authored by or on behalf of the Company or any of its Subsidiaries.

"Competition Authority" shall mean any Governmental Entity which has jurisdiction in relation to Competition Laws and, without limiting the generality of the foregoing, includes the State Administration for Market Regulation of the PRC or its local branches.

"Competition Laws" shall mean any law, regulation or administrative process relating to fair competition, antitrust, merger control, fair trading, consumer protection, monopolies, abuse of dominance, public procurement, or other similar matters, and, without limiting the generality of the foregoing, includes the Anti-Monopoly Law of the PRC.

"Consultant Proprietary Information Agreement" shall mean the Company's or any of its Subsidiaries' standard form of consulting agreement containing proprietary information, confidentiality and assignment provisions, a copy of which has been Made Available to Acquiror.

"Contaminant" shall mean any "back door," "drop dead device," "time bomb," "Trojan horse," "virus," or "worm" (as such terms are commonly understood in the software industry) or any other code, software routines, or hardware components designed or intended to have, or capable of performing, any of the following functions: (i) disrupting, disabling, harming or otherwise impeding in any manner the operation of, or permitting or causing unauthorized access to, a system, network, or other device; or (ii) damaging or destroying any data or file without the user's consent.

"Contract" shall mean any contract (oral or written), mortgage, indenture, lease, license, covenant, plan, insurance policy or other legally binding agreement, instrument, arrangement, understanding or commitment, permit, concession, franchise or license.

"Control" shall mean, from time to time, in the case of a body corporate, the right to exercise more than 50% of the votes exercisable at any meeting of that body corporate, the right appoint or cause the appointment of more than half of its directors, or the power to direct or cause the direction of the management, policies or activities of that body corporate, whether directly or indirectly whether by virtue of provisions contained in its articles of association or, as the case may be, certificate of incorporation or by-laws, statutes or other constitutional documents or any management or advisory agreement or any contract or arrangement with any other Persons; and the terms "Controlling", "Controlled by" and "under common Control with" shall be construed accordingly.

"Control Documents" shall mean all of the Contracts, which are currently in effect that provide Control (financially, operationally or otherwise) to the WFOE over the Domestic Company, Wonder Shanghai and Tianbo, including, (i) the Exclusive Option Contract(s) (《独家购买权协议》), (ii) the Exclusive Business Cooperation Agreement(s) (《独家业务合作协议》), (iii) the Equity Pledge Agreement(s) (《股权质押协议》), (iv) the Powers of Attorney (《授权委托书》), (v) the Spouse Consent Letter(s) (《配偶同意函》) and (vi) the Confirmation Letter(s) (《确认及承诺函》), each as amended, supplemented and restated from time to time.

"Customer Data" shall mean all data (i) uploaded or otherwise provided by or for customers or users of any Company Product to, or stored by the Company's or any of its Subsidiaries' customers or users on, the Company Products, (ii) collected, created, compiled, inferred, derived, or otherwise obtained by or for the Company Products or by or for the Company or any of its Subsidiaries in connection with the Company's or any of its Subsidiaries' provision or operation of Company Products; or (iii) compiled, inferred, or derived from any of the foregoing by or for the Company or any of its Subsidiaries.

"Deed of Undertaking" shall mean a deed of undertaking in the form attached hereto as Exhibit D.

"Dissenting Baseline Merger Consideration" shall mean, with respect to each Dissenting Shareholder, the total cash amount set opposite the name of such Dissenting Shareholder in Payment Spreadsheet, *plus* the total number of Acquire Ordinary Shares set opposite the name of such Dissenting Shareholder in Payment Spreadsheet.

"Domestic Company" shall mean Shanghai Ximalaya Technology Co., Ltd (上海喜马拉雅网络科技有限公司), a limited company incorporated and existing under the Laws of the PRC.

"Employee" shall mean any current employee of the Company or any of its Subsidiaries.

"Employee Agreement" shall mean each management, employment, severance, separation, settlement, consulting, contractor, relocation, change of control, retention, bonus, repatriation, expatriation, loan, visa, work permit or other agreement, or contract (including, any offer letter or any agreement providing for acceleration of Company Options or Company RSU, or any other agreement providing for compensation or benefits) between the Company, a Subsidiary on one hand, and any Employee or Service Provider on the other hand.

"Employee Proprietary Information Agreement" shall mean the Company's standard form of proprietary information, confidentiality and assignment agreement for employees, a copy of which has been Made Available to Acquiror.

"Environmental Laws" shall mean all applicable Laws (including common laws), directives, guidance, rules, regulations, orders, treaties, statutes, and codes promulgated by any Governmental Entity which prohibit, regulate or control any Hazardous Material.

"Equity Investee" means an entity, other than a Subsidiary of the Company, in which the Company or a Subsidiary of the Company owns or otherwise holds any equity interest.

"Equity Securities" shall mean with respect to any Person, (a) any shares of capital or capital stock, registered capital, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interest in, such Person, (b) any securities of such Person (including debt securities) convertible into or exchangeable or exercisable for shares of capital or capital stock, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interests in, such Person, (iii) any warrants, calls, options or other rights to acquire from such Person, or other obligations of such Person to issue, any shares of capital or capital stock, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interests in, or securities convertible into or exchangeable or exercisable for shares of capital or capital stock, partnership, membership, joint venture or similar interest, or other voting securities of, or other ownership interests in, such Person, and (iv) any restricted shares, stock appreciation rights, restricted units, performance units, contingent value rights, "phantom" stock or similar securities or rights (including, for the avoidance of doubt, interests with respect to an employee share ownership plan) issued by or with the approval of such Person that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any shares of capital or capital stock or other voting securities of, other ownership interests in, or any business, products or assets of, such Person.

"Escrow Agent" shall mean the escrow agent designated under the Escrow Agreement or another institution reasonably acceptable to Acquiror and the Shareholder Representative, and any successor escrow agent appointed pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the escrow agreement to be entered into on or prior to the Closing Date by and among the Company, the Shareholder Representative, the Escrow Agent and Acquiror in accordance with the key commercial terms as set out in Schedule 2.3(b)(iii).

"ESOP Grantee" shall mean any current or past individual grantee of any Company Equity Incentive Plan.

"ESOP Shareholder" shall mean any ESOP Grantee who holds indirect interests in the Company through Ximalaya Welfare Limited and/or Ark Trust (Hong Kong) Limited.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Fairly Disclosed" or "Fair Disclosure" shall mean, in respect of any fact, event, occurrence, circumstance or other matter (each, a "Matter"), that such Matter has been fairly disclosed in sufficient detail either in the Disclosure Schedule, or in any document or other information Made Available in the Data Room (the Disclosure Schedule and all documents and other information so identified, together, the "Disclosed Materials"), if and to the extent it is readily apparent on the face of such disclosure, or, where the disclosure expressly cross-references another document Made Available in the Data Room, reasonably apparent on a review of such document, to a prudent purchaser experienced in transactions of this type, without requiring an unreasonable investigation outside the Disclosed Materials. For the avoidance of doubt, a Matter shall be regarded as Fairly Disclosed only if:

(a) within the Disclosure Schedule:

(i) the significance of the information and its relevance of the information to the applicable representations and warranties ought reasonably to be appreciated by Acquiror, taking into account the paragraph(s) or subject-matter(s) in which it appears; and

(ii) no information is omitted so as to render the disclosure misleading; and

(b) within any document or other information Made Available to Acquiror, the Matter is reasonably apparent on the face of that document or within any clause, schedule or page that the Disclosure Schedule or Data-Room Index expressly directs Acquiror to; and

(c) Information provided to Acquiror other than in the Disclosed Materials shall not constitute Fair Disclosure for the purposes of this Agreement.

"Founder Indemnity Amount" shall mean an amount equal to [redacted] of the result of aggregate value of the Merger Consideration for the Founder Shareholders (with respect to Stock Consideration of the Founder Shareholders, calculated by multiplying the number of Acquiror Ordinary Shares deliverable as Merger Consideration, by the Acquiror Share Price.

"Founder Indemnity Shares" shall mean the number of Acquiror Ordinary Shares determined by dividing the Founder Indemnity Amount, by Acquiror Share Price.

"Founder Shareholder Pro Rata Portion" shall mean, with respect to each Founder Shareholder, an amount equal to the quotient obtained by dividing (x) the value of the Merger Consideration receivable by such Founder Shareholder, by (y) the aggregate value of the Merger Consideration receivable for all Company Shares (in each case with any Acquiror Ordinary Shares to be valued at the Acquiror Share Price) held by all Founder Shareholders as of immediately prior to the Effective Time.

"Fundamental Representations" shall mean (a) the representations and warranties of the Company set forth in Sections 3.1 (*Organization and Good Standing*), 3.2 (*Authority and Enforceability*), 3.5 (*Capital Structure*), 3.11(a) (*Tax Matters*) or 3.26 (*Brokers*) of this Agreement and (b) the representations and warranties set forth in the Officer's Certificate to the extent such representations and warranties relate to any of the matters addressed in any of the representations and warranties specified in limb (a) of this sentence.

"Generative AI Tools" shall mean generative artificial intelligence Technology or similar tools capable of automatically producing various types of content (such as source code, text, images, audio, and synthetic data) based on user-supplied prompts.

"Government Official" shall include, but is not limited to: (i) officers, employees or representatives of any national, regional, local or other Governmental Entity (as defined below), (ii) any individual who, although temporarily or without payment, holds a public position, employment, or function, (iii) officers, employees or representatives of companies in which a Governmental Entity owns an interest, (iv) any private person acting in an official capacity for or on behalf of any Governmental Entity (such as a consultant retained by a government agency), (v) candidates for political office at any level, (vi) political parties and their officials, (vii) royal family members, including ones who may lack formal authority, but could otherwise be influential in advancing the Company or its Subsidiaries' business interests, and (viii) officers, employees or representatives of public international organizations (such as the United Nations, World Bank and International Monetary Fund).

"Governmental Entity" shall mean any national, provincial, local or other foreign governmental authority, legislative, judicial, regulatory or administrative agency, governmental commission, department, bureau or agency, court, arbitration tribunal.

"Hazardous Material" shall mean any substance that has been designated by any Governmental Entity or by applicable Law to be radioactive, toxic, hazardous or otherwise a danger to health, reproduction or the environment, including PCBs, asbestos, petroleum, and urea-formaldehyde.

"HKSE" shall mean the Stock Exchange of Hong Kong Limited.

"IFRS" shall mean the International Financial Reporting Standards as in effect from time to time.

"Indebtedness" shall mean all indebtedness, principal, interest, premiums, and other penalties or obligations, without duplication: (a) for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, including loans and other interest-bearing debt and other liabilities (including without limitation short-, medium-, and long-term bank loans and overdrafts), whether current or funded, or secured or unsecured; (b)

evidenced by bonds, debentures, notes, mortgage, or other similar instruments or debt securities; (c) as lessee under leases that have been classified as capital or finance leases in the Financial Statements or are required to be recorded as capital or finance leases under IFRS; (d) for the payment of "earnout", "milestone", or other contingent payment obligations (at the maximum value) and any seller notes or post-Closing true-up obligations; (e) deposits, advances, and short- and long-term deferred revenue; (f) for deferred purchase price of property, assets, or services; (g) for any obligation evidenced by a letter of credit, broker's acceptance, performance bonds, or similar credit transactions (to the extent drawn); (h) all amounts required to be paid to terminate or unwind all interest rate or currency swaps or other swap, hedge, derivative, or similar Contracts; (i) all pension and other post-employment or similar obligations; (j) all dividends or amounts owed to Shareholders; (k) any non-operational or non-ordinary course payable to any Person, net of any non-operational or non-ordinary course intercompany receivable from any Person; (l) any corporate Tax accrued but not paid as at the Effective Time; (m) unpaid capital commitments, including capital expenditures (other than those included in the capital expenditures disclosed in writing to, and confirmed in writing by, Acquiror), including, without limitation, unpaid expenditures for office renovations, construction works, and server purchases; (n) gains and losses arising from valuation at fair market value of derivatives contracts (if any); (o) overdue wages and salaries and their associated costs (including contributions to social security funds outstanding and overdue, if any); (p) all outstanding payables related to capital expenditures; (q) all guarantees relating to third-party financing (if such financing is not already included in other paragraphs); (r) unpaid bonuses for or (in the case of annual bonuses) prorated to the period up to the Effective Time (whether accrued or not) and accrued unpaid vacation liability to employees, directors, and officers; (s) trade payables overdue by more than 30 days, and payment terms agreed with suppliers that are outside the ordinary course of business; (t) all off-balance sheet liabilities, enforceable on the date of this Agreement and/or on the Effective Time or being known as enforceable on either of those dates, including securities, pledges, guarantees, or suretyships issued by the Company or any of its Subsidiaries in favor of third parties; (u) any estimated liabilities arising from pending litigations, including, without limitation, copyright disputes and labor arbitration; (v) any unpaid obligations for registered capital contributions to the Subsidiaries of the Company; and (w) any of the type referred to in limbs (a) through (v) above guaranteed directly or indirectly in any manner by the Company or any of its Subsidiaries; *provided*, that each of the foregoing shall include any accrued, pay-in-kind, or deferred interest and any prepayment premiums, breakage costs, prepayment penalties, and related fees, expenses, reimbursement amounts, and all other amounts payable with respect thereto; *provided, further,* that Indebtedness shall not include: (A) Indebtedness owing from the Company to its Subsidiaries, or from any of the Subsidiaries to the Company (to the extent reconciled or eliminated); (B) Company Deductible Expenses; or (C) Acquiror Deductible Expenses.

"Indemnified Taxes" shall mean, without duplication, (i) Pre-Closing Taxes, (ii) any liability of the Company or any of its Subsidiaries for Taxes of any Person (other than the Company or its Subsidiaries), which liability arises by reason of the Company or any of its Subsidiaries being a member of an affiliated, consolidated, combined, or unitary group that includes such Person prior to the Closing, (iii) successor or transferee liability of the Company or any of its Subsidiaries or other secondary or non-primary liability of the Company or any of its Subsidiaries for the Taxes of any Person, which liability arises as a result of transactions or events occurring, or Contracts or agreements entered into, prior to the Closing and, and (vi) any penalties, interest, costs and expenses, including reasonable legal fees and expenses, attributable to any item in the foregoing.

"Intellectual Property Rights" shall mean all intellectual property and proprietary rights in any of the following, including all such rights in any Technology, in any jurisdiction, including: (i) all rights in Inventions, Invention disclosures and improvements, including all patents and patent applications (including provisionals, divisionals, continuations, continuations-in-part, renewals, reissuances, re-examinations, and extensions), utility models, and invention disclosures (whether or not patentable), and priority rights related thereto ("Patent"), (ii) all rights in Works of Authorship, including copyrights (registered or otherwise) (including copyrights in Software), mask works, copyright and mask work registrations and applications and all other rights corresponding thereto throughout the world, and all rights therein provided by international treaties or conventions, (iii) all rights in designs, industrial designs and any registrations and applications therefor, (iv) all rights in trademarks, trade names, logos, service marks, trade dress, emblems, certification marks, collective marks, signs, insignia, slogans, corporate names, DBAs, other similar designations of source or origin, including registrations and applications for registration thereof (including renewals thereof) and common law and unregistered rights therein or thereto, together with all of the goodwill symbolized by or associated with any of the foregoing ("Trademarks"), (v) all rights in or associated with databases (including knowledge databases, customer lists and customer databases), (vi) all rights in trade secrets and other Confidential Information, including rights in or to know-how, proprietary information (such as methods, processes, formulae, models and methodologies), business or financial information, technical or engineering information,

drawings, schematics, tooling maintenance information, assembly instructions ("Trade Secrets") (vii) all rights in Software and Technology, (viii) all rights in Domain Names and Domain Name registrations, including to keyword associations in any search engine, directory, or other Internet service, and Social Media Account handles, (ix) all moral and economic rights of authors and inventors, however denominated, (x) rights of publicity and privacy and other rights to use the names, likeness, image, photograph, voice, identity and other Personal Data of individuals, any similar, corresponding or equivalent rights to any of the foregoing, including rights to sue for past, present, and future infringement of the rights set forth above, and (xi) all goodwill associated with any of the foregoing.

"Interest-Bearing Indebtedness" shall mean, without duplication, any of the following obligations of the Company or its Subsidiaries (a) for borrowed money or indebtedness issued or incurred in substitution or exchange for indebtedness for borrowed money, including loans and other interest-bearing debt and other liabilities (including without limitation short-, medium-, and long-term bank loans and overdrafts), whether current or funded, or secured or unsecured; (b) evidenced by bonds, debentures, notes, mortgage, or other similar instruments or debt securities; and (c) any obligation evidenced by a letter of credit, broker's acceptance, performance bonds, or similar credit transactions (to the extent drawn).

"Investor Director" shall mean [redacted] as appointed by [redacted], [redacted] and [redacted], [redacted] as appointed by [redacted] and [redacted] as appointed by [redacted].

"Key Employees" shall mean each of Yu Jianjun (余建军), [redacted], [redacted], [redacted], and [redacted].

"Knowledge" or "Known" shall mean, with respect to the Company, the knowledge of the Key Employees, [redacted], [redacted], [redacted] and CHEN Yuxin (陈宇昕) after reasonable inquiry of the directors and/or officers of the Company and/or any of its Subsidiaries who would reasonably be expected to have knowledge of the matter in question.

"Law" shall mean any applicable national, provincial, local or other constitution, law, statute, ordinance, rule, regulation, directive, published administrative position, legally binding policy or principle of common law issued, enacted, adopted, promulgated, implemented or otherwise put into legal effect by or under the authority of any Governmental Entity.

"Leakage" shall mean any amount paid or Liability incurred by Acquiror (including the Surviving Company) as a result of any violation of Section 2.5.

"Leakage Amount" shall mean such amount equal to

(i) the higher of (A) the sum of (x) any amount of Leakage received (or deemed received) by the Leakage Parties and (y) all other Losses suffered or incurred by Acquiror and its Affiliates in connection with the Company's breach of any of the warranties or undertakings set out in Section 2.5(a); and (B) the sum of (x) the amount or value which would be necessary to place the Company and its Subsidiaries into the financial position that would have existed had there been no breach of any of the warranties or undertakings set out in Section 2.5(a) and (y) all other Losses suffered or incurred by Acquiror and its Affiliates in connection with the Company's breach of any of the warranties or undertakings set out in Section 2.5(a), *minus*

(ii) any portion of such sum as determined in accordance with paragraph (a) above that are unconditionally and irrevocably repaid, without imposing any indebtedness or other liabilities, to the Company or its relevant Subsidiary before the Closing.

"Leakage Party" shall mean (i) any Shareholder, (ii) any Affiliate of such Shareholder (other than the Company and its Subsidiaries), (iii) any directors, officers, employees or other service providers of any party described in the foregoing clauses, (iv) any family member (including spouse, domestic partner, children (natural or adopted), siblings, parents (including in-law), grandparents, aunts, uncles, cousins, nieces, or nephews) of any party described in the foregoing clauses, and (v) any trusts, estate planning vehicles or other entities the primary beneficiary of which is any party described in the foregoing clauses. For the avoidance of any doubt, Leakage Party shall not include any passive or indirect shareholder, investor, or limited partner who does not directly (or through a chain of wholly owned entities) Control, or is not Controlled by, the relevant Shareholder.

"Liability" shall mean any liability, debt, obligation, duty, deficiency, interest, penalty, fine, demand, judgment, cause of action or other loss, cost or expense of any kind or nature whatsoever, whether direct or indirect, asserted or unasserted, absolute or contingent, known or unknown, accrued or unaccrued, liquidated or unliquidated.

"Licenses In" means the licenses of Intellectual Property Right which have been granted to the Company or any of its Subsidiaries, other than Intellectual Property Rights licensed to the Company or any of its Subsidiaries pursuant to (i) licenses for the Open Source Software, (ii) licenses for Shrink-Wrap Code, (iii) Contracts with current and former employees or consultants that do not materially differ in substance from the Employee Proprietary Information Agreement or the Consultant Proprietary Information Agreement, (iv) customary nondisclosure agreements entered into by Company or any of its Subsidiaries in the ordinary course of business, (v) nonexclusive licenses to use trademarks that are incidental to the subject matter of the applicable agreement in which they are incorporated, and (vi) licenses to Company or its Subsidiaries solely for the purpose of enabling Company or its Subsidiaries to provide services to the licensor ("Standard Inbound Agreements").

"Licenses Out" means the licenses of Intellectual Property Right which have been granted by the Company or any of its Subsidiaries to any other Person including the Company or any of its Subsidiaries, other than (i) standard end-user license or services agreements for Company or its Subsidiaries' products and services on substantially Company or its Subsidiaries' standard forms Made Available to Acquiror, (ii) customary nondisclosure agreements entered into by Company or its Subsidiaries in the ordinary course of business, (iii) nonexclusive licenses to use trademarks that are incidental to the subject matter of the applicable agreement in which they are incorporated, and (iv) licenses to a service provider solely for the purpose of allowing such service provider to provide services to Company or its Subsidiaries ("Standard Outbound Agreements").

"Lien" shall mean any lien, pledge, charge, claim, mortgage, security interest or other encumbrance of any kind or character whatsoever.

"Locked Box Date" shall mean December 31, 2024.

"Made Available" shall mean, with respect to any document or information (collectively, the "Data Room Materials"), that: (A) such Data Room Material has been uploaded in the virtual data room hosted on the Company's private cloud ("Data Room") in a complete, legible and readable form, and remained accessible to Acquiror and its Representatives, on or before 11:59 p.m. (Hong Kong time) on May 23, 2025; and (B) the Company and Acquiror have jointly completed the Electronic Evidence Preservation Procedure in respect of such Data Room Material and the Custody Certificate generated by that procedure has been issued by the Platform. For the purpose hereof, "Electronic Evidence Preservation Procedure" shall mean the following steps: (i) the initial upload of the Data Room Materials by Acquiror, to the electronic evidence-preservation platform mutually designated by the parties (the "Platform"); (ii) download and verification of such materials by both parties and reach confirmation on the scope of Data Room Materials; (iii) the final joint upload of the Data Room Materials, in a scope mutually confirmed by both Acquiror and the Company, (iv) the issuance by the Platform of a data preservation certificate (取证数据保全证书) evidencing completion of step (iii) (the "Custody Certificate"). The Custody Certificate (together with the corresponding information and attachments contained and preserved therewith) shall constitute conclusive evidence that the relevant Data Room Materials have been Made Available to Acquiror for all purposes under this Agreement. For the avoidance of doubt, no Data Room Material shall be deemed Made Available unless it satisfies all of the foregoing requirements.

"Material Subsidiarity" shall means any Subsidiary of the Company where either (i) the total assets of such Subsidiary (on a consolidated basis, if applicable) equal to or exceed 10% of the total consolidated assets of the Company and its Subsidiaries as of the Locked Box Date, or (ii) the total revenue of such Subsidiary (on a consolidated basis, if applicable) equals to or exceeds 10% of the total consolidated revenue of the Company and its Subsidiaries as of the Locked Box Date.

"Net Cash" shall mean with respect to the Company and its Subsidiaries, an amount equal to, without duplication, (a) the aggregate amount of all Cash as of 11:59pm (Hong Kong time) as of the applicable Cash Measurement Time, *plus* (b) the aggregate amount of trade receivable (as classified under IFRS) as of the applicable Cash Measurement Time, *minus* (c) the aggregate amount of all Interest-Bearing Indebtedness as of the applicable Cash Measurement Time, *minus* (d) the aggregate amount of all other current and non-current liability accounts, but excluding (A) Interest-Bearing Indebtedness, (B) contract liabilities, (C) convertible redeemable preferred shares of the Company, and (D) convertible redeemable preferred shares issued by the Subsidiaries, as of the applicable Cash Measurement Time; *plus* or *minus*, as applicable (e) an amount equal to the difference between the [redacted] (the "Benchmark Amount") and the aggregate Off-Balance-Sheet Liabilities, where if the aggregate Off-Balance-Sheet Liabilities exceed the

Benchmark Amount, the excess shall be deducted from Net Cash and, if they are less than the Benchmark Amount, the shortfall shall be added to Net Cash; *provided*, that the term "Off-Balance-Sheet Liabilities" shall mean (i) the committed payment obligations payable within the next twelve (12) months under long-term copyright licenses and long-term leases, calculated by dividing the total contractual consideration by the total contractual term expressed in months and multiplying the resulting figure by twelve (12), and (ii) the total capital expenditure commitments for renovations and servers scheduled to be paid within the next twelve (12) months; *provide*, *further*, that, if any such liabilities are subsequently recognized on the balance sheet and thus captured under sub-paragraph (d) of this Net Cash definition, the measurement methodology set out in this sub-paragraph (e) shall continue to apply to such liabilities; *minus* (f) the aggregate unpaid capital contributions (whether registered or contingent) attributable to all Carve-Out Businesses and historically divested businesses, *minus* (g-1) all cash, deposits, wealth management products, and accrued interest that are legally or contractually required to be transferred to any Carve-Out Business as of the relevant Cash Measurement Time, but remain unpaid or undistributed as of such date, and payables to any Carve-Out Business; *minus* (g-2) the aggregate amount of any accounts receivable of the Carve-Out Business as of the relevant Cash Measurement Time; *plus* (g-3) the aggregate amount of any accounts payable or other payables owed by the Carve-Out Business as of the relevant Cash Measurement Time; *minus* (h-1) the aggregate amount of Company Deductible Expenses that have not been paid by the Company and its Subsidiaries as of the relevant Cash Measurement Time (without regard to the occurrence of any events and associated costs under Section 7.6(a)(iv) as of the applicable Cash Measurement Time) and delivery of all the supporting documents by the Company pursuant to Sections 7.6(a) and 7.6(c), *minus* (h-2) the aggregate amount of Acquiror Deductible Expenses, up to [redacted], *plus* (i-1) ESOP Cash Consideration paid as of the applicable Cash Measurement Time, *plus* (i-2) the amount of Section 7.6(a)(iv) paid as of the applicable Cash Measurement Time, up to [redacted]. For the avoidance of doubt, the following amounts shall be disregarded for the purpose of this calculation and shall not reduce the amount of the Net Cash: any fees, costs and expenses paid or incurred by the Company or any of its Subsidiaries in connection with obtaining any requisite consent and/or amendment of any Key Copyright Agreement (as defined in Schedule 1.4) pursuant to Section 7.3, *provided* that (1) the aggregate amount of such fees, costs and expenses for all Key Copyright Agreements does not exceed [redacted] of the aggregate fees, costs and expenses most recently incurred for obtaining comparable consents and/or amendments of the same Key Copyright Agreements (or, if no such precedents exist, of other agreements of a similar nature with the same counterparty or counterparties); (2) that any portion of such fees, costs and expenses exceeding said [redacted] threshold shall be deducted in the calculation of Net Cash; and (3) all amounts actually received from any Carve-Out Business after its relevant divestment date for advertising or traffic placement on the Company's platform, brand-licensing fees, and ordinary-course administrative or shared-service charges shall be included in calculating the aggregate amount of all Cash as of the applicable Cash Measurement Time. For the purpose hereof, the term "Cash Measurement Time" shall mean: (i) for purposes of the Pre-Closing Statement, 11:59 p.m. (Hong Kong time) on the Reference Date; and (ii) for purposes of the Post-Closing Statement, 11:59 p.m. (Hong Kong time) on the Closing Date. Working examples illustrating how to calculate Net Cash are set out in Schedule E.

"Net Cash Closing Target" shall mean [redacted].

"Net Cash Cure Target" shall mean [redacted].

"Non-U.S. Person" shall mean any Person that is not a "U.S. person" as defined in Rule 902(k) of Regulation S.

"NYSE" shall mean the New York Stock Exchange.

"Open Source License" shall mean any license meeting the definition of "Open Source" promulgated by the Open Source Initiative, including any license that is licensed, distributed or conveyed as "open source software," "free software," or "copyleft" or under a similar licensing or distribution model (including software licensed under any version of the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Affero GNU General Public License (AGPL), Mozilla Public License (MPL), BSD licenses, Microsoft Shared Source License, Common Public License, Artistic License, Netscape Public License, Sun Community Source License (SCSL), Sun Industry Standards License (SISL), Apache License, and any license listed at www.opensource.org) or (b) is otherwise made generally available to the public without requiring payment of fees or royalties or that requires as a condition of its use, modification, making available, or distribution that it, or other software that is derived from, linked to, or incorporated, integrated, combined or distributed with such software, be disclosed or distributed in source code form, made generally available to the public at no charge or be licensed, distributed or conveyed.

"Open Source Software" shall mean any Software that is licensed, distributed or conveyed as "open source software", "free software", "copyleft" or under a similar licensing or distribution model, including subject to an Open Source License, or under a Contract that requires as a condition of its use, modification or distribution that it, or other Software

that is derived from or linked to such Software or into which such Software is incorporated or integrated or with which such Software is combined or distributed, be disclosed or distributed in source code form, delivered at no charge or be licensed, distributed or conveyed under the same terms as such Contract (including any Open Source License).

"Order" shall mean any order, judgment, injunction, ruling, edict, or other decree, whether temporary, preliminary or permanent, enacted, issued, promulgated, enforced or entered by any Governmental Entity.

"Owned Real Property" shall mean all real property and interests in real property, land use rights together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by the Company or any of its Subsidiaries.

"Outbound Investment Approval" shall mean with respect to an ODI Shareholder, all required outbound investment filings with the National Development and Reform Commission ("NDRC"), Ministry of Commerce ("MOFCOM"), State Administration of Foreign Exchange ("SAFE") (with respect to SAFE, the required outbound filings may be effected through a SAFE-designated local bank acting on SAFE's behalf) or their respective authorized local counterpart in accordance with applicable PRC Laws, in connection with such Shareholder's receipt and holding of its Stock Consideration hereunder.

"Paying Agent" shall mean JPMorgan Chase Bank, N.A., or such other Person as Acquiror may designate by not less than five (5) Business Days' prior written notice to the Company; *provided* that Acquiror shall cause any such replacement Paying Agent to perform the payment of the Closing Cash Payment and related procedures as contemplated under this Agreement.

"Permitted Leakage" shall mean, without duplication, any of:

(a) any transaction contemplated under the Restructuring steps set forth in Exhibit F (*Restructuring Steps*), excluding Ancillary Matters as not contemplated under the Restructuring Agreement;

(b) accrual and payment by the Company or any of its Subsidiaries of (i) compensation and employee benefits due to any current or former director, officer, employee or consultant of the Company or any of its Subsidiaries, together with any employer portion of any withholding, payroll, employment, social security or similar Taxes related thereto, in each case pursuant to any Plan in existence as of the date hereof or as required by applicable Law, and provided such compensation and employee benefits payment amounts are in the ordinary course of business consistent with past practices, and (ii) any amount payable by the Company or any of its Subsidiaries in respect of D&O liability insurance of any director or officer of the Company or any of its Subsidiaries made or incurred in the ordinary course of business and consistent with the normal past practice for the period up to the Closing Date;

(c) any typical commercial, financial, or operational arrangements (including without limitation services, licensing, marketing, distribution, payables, receivables, or financing) and the resolution or settlement of disputes or claims arising therefrom, between the Company (or any of its Subsidiaries) on the one hand, and (i) Tencent Holdings Limited or its Affiliates, (ii) China Literature Limited or its Affiliates, or (iii) Xiaomi Corporation or its Affiliates, on the other, provided that such arrangements shall be conducted on commercially reasonable terms consistent with the Company's (or its Subsidiaries') past business operations and practices as of the date of this Agreement;

(d) any standard arrangements, advisory engagements, or fee payments involving Goldman Sachs in its capacity as the Company's IPO underwriter for listing on HKSE and financial advisor for the Merger, and any dispute resolution or settlement relating to those engagements, provided that all such matters remain on commercially reasonable terms consistent market practice and on an arm's length basis;

"Permitted Liens" shall mean (i) statutory liens for Taxes that are not yet due and payable or liens for Taxes being contested in good faith by any appropriate proceedings for which adequate reserves have been established in the Financial Statements, (ii) statutory liens to secure obligations to landlords, lessors or renters under leases or rental agreements, (iii) deposits or pledges made in connection with, or to secure payment of, workers' compensation, unemployment insurance or similar programs mandated by applicable Law, (iv) statutory liens in favor of carriers, warehousemen, mechanics and materialmen, to secure claims for labor, materials or supplies and other like liens, and (v) liens in favor of customs and revenue authorities arising as a matter of applicable Law to secure payments of customs duties in connection with the importation of goods, in each case, which do not, individually or in the aggregate, detract from the value of, or impair the current or proposed use and enjoyment of the properties or assets that they affect.

"Person" shall mean an individual or entity, including a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or a Governmental Entity (or any department, agency, or political subdivision thereof).

"Personal Data" shall mean: (i) a natural person's name, street address, telephone number, e-mail address, photograph, social security number or tax identification number, driver's license number, passport number, credit or debit card number, bank information, or customer or account number, health information, device or machine identifiers, IP addresses, geo-location information, biometric identifiers or any other piece of information that alone or in combination with other information collected, held or otherwise managed by or for the Company or any of its Subsidiaries allows the identification or location of or contact with a natural person or household, (ii) all information defined or described as "personal information," "personal data," "personally identifiable information," "PII," "protected health information," "nonpublic personal information," or any similar term, in any Company Privacy Policy or under any Privacy Requirement, and (iii) any information associated, directly or indirectly (by, for example, records linked via unique keys), to any of the foregoing.

"PRC" shall mean the People's Republic of China and for purposes of this Agreement, excludes Hong Kong, Macao Special Administrative Region and Taiwan.

"PRC Merger Control Approval" shall mean the issuance by the Competition Entity of the PRC of either a written "no further review" notice, no-objection decision, or any conditional approval decision, in each case on such terms and conditions agreeable to Acquiror, pursuant to the Anti-Monopoly Law of the PRC (including all related regulations and implementing rules, policies and circulars) related to the Transactions (including the Merger and Restructuring) contemplated by this Agreement and any other Transaction Documents.

"Pre-Closing Tax Period" shall mean (a) any taxable period ending on or prior to the Closing Date, and (b) the portion of any Straddle Period ending on the Closing Date.

"Pre-Closing Tax Return" shall mean a Tax Return of the Company or its Subsidiaries for a Pre-Closing Tax Period or Straddle Period.

"Pre-Closing Taxes" shall mean Taxes of the Company and its Subsidiaries for a Pre-Closing Tax Period, including the portion of any Straddle Period ending on the Closing Date determined in accordance with Section 7.13(c) (which, for the avoidance of doubt, shall exclude Taxes under Bulletin 7).

"Privacy Requirements" shall mean an applicable Law (including Cybersecurity Law of the PRC, the Personal Information Protection Law of the PRC, Data Security Law of the PRC and relevant implementation rules, specifications and national standards on data protection, and, to the extent applicable, the EU General Data Protection Regulation), Order, applicable standard, rule, legal requirement, code, in each case to the extent applicable, the U.S.-EU and U.S.-Swiss Privacy Shield programs to the extent applicable, and any binding and applicable guidance of Governmental Entities, or other legal standard, rule, legal requirement, or code, in each case to the extent applicable or contractual requirement, as it may in each case be or have been amended from time to time, in each case relating to (i) privacy, data protection, or restrictions or obligations related to the collection, use, disclosure, transfer, transmission, storage, hosting, disposal, retention, interception or other processing of, or the security of, Personal Data, (ii) cross-device tracking, (iii) online advertising (including online behavioral advertising and interest-based advertising), or (iv) direct marketing, consumer communications, generative artificial intelligence, algorithm, content security or consumer protection.

"Private Information" shall mean Personal Data and other behavioral, browsing, usage, purchase, interest-based or demographic data, to the extent not otherwise considered Personal Data.

"Profit Closing Target" shall mean [redacted]

"Pro Rata Portion" shall mean, with respect to each Shareholder, an amount equal to the quotient obtained by dividing (x) the value of the Merger Consideration receivable by such Shareholder, by (y) the aggregate value of the Merger Consideration receivable for all applicable Company Shares pursuant to Section 1.3(b)(ii) (in each case with any Acquiror Ordinary Share to be valued at the Acquiror Share Price).

"Regulation D" shall mean Regulation D promulgated under the Securities Act.

"Regulation S" shall mean Regulation S promulgated under the Securities Act.

"Registered IP" shall mean all Intellectual Property Rights that are the subject of an application, certificate, filing, registration, or other document issued by, filed or registered with or recorded by any Governmental Entity or quasi-public legal authority (including domain name registrars) at any time in any jurisdiction worldwide, including all applications, reissues, divisions, re-examinations, renewals, extensions, provisionals, continuations and continuations-in-part associated therewith.

"Relative" of a natural person, shall mean any spouse of such Person and any parent, step-parent, grandparent, child, step-child, grandchild, sibling, step-sibling, cousin, in-law, uncle, aunt, nephew, niece or great-grandparent of such Person or spouse.

"Requisite Board Approval" shall mean with respect to the Transactions, all the approvals, consents and waivers from the board of directors of the Company as required to effect, implement or perform the Transactions pursuant to the Companies Act, Company Articles and any Contract binding the Company (including the Shareholders Agreement), including the approvals of at least (x) a majority of votes of the directors of the Company at a duly convened and quorate meeting of the board of directors of the Company, and (y) the approval of the majority of the Investor Directors, which (i) approved and declared advisable this Agreement, the other Transaction Documents and the Transactions, and (ii) determined that this Agreement, the other Transaction Documents and the Transactions are in the best interest of the Company.

"Requisite Shareholder Approval" shall mean with respect to the Transactions, all the approvals, consents and waivers from those Shareholders as required to effect, implement or perform the Transactions, pursuant to the Companies Act, Company Articles and any Contract binding the Company (including the Shareholders Agreement), including (i) a Special Resolution to approve this Agreement and the Transactions, being a resolution passed by the affirmative vote by poll of a majority of the holders of the Company Shares representing at least two-thirds of the Company Shares present and voting in person or by proxy as a single class at a duly convened and quorate shareholders' meeting of the Company of which notice specifying the intention to propose a special resolution has been given, (ii) an approval of this Agreement and the Transactions by the holders representing more than 50% of the outstanding Preferred Shares of the Company, voting together as a single class and on a as converted basis) including approval by the Majority Series E Preferred Shareholders (comprising holders of more than 50% of the aggregate voting power of the Series E-2 Preferred Shares, Series E-3 Preferred Shares and Series E-4 Preferred Shares of the Company voting together as a single class and on a as converted basis), and (iii) a waiver of the Liquidation Event by the Majority Preferred Shareholders including the Majority Series E-2 Preferred Shareholders, the Majority of Series E-3 and E-4 Preferred Shareholders, in each case in limbs (i) to (iii) above, as defined in the Company Articles and at a duly convened and quorate combined meeting of the Shareholders.

"Restricted Cash" shall mean any cash or cash equivalents that are not freely usable by the Company because they are subject to restrictions, limitations or Taxes on use or distribution by Law, contract or otherwise, including without limitation, restrictions on dividends or any other form of restriction and including any cash and cash equivalents to the extent held as collateral for outstanding letters of credit of the Company or any of its Subsidiaries as at the Effective Time.

"Revenue Closing Target" shall mean [redacted].

"RMB" shall mean Renminbi, the lawful currency of the PRC.

"SAFE" shall mean the State Administration of Foreign Exchange of the PRC and its local branches.

"SAFE Rules and Regulations" shall mean any applicable rules, regulations, guidelines and reporting and registration requirements issued by SAFE, including without limitation to the SAFE Circular on Issues Relating to the Administration of Foreign Exchange of Offshore Investment and Financing through Special Purpose Vehicles and Round- Trip Investment by PRC Residents (国家外汇管理局关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知[汇发(2014)37号]) issued by SAFE on July 4, 2014 with effect from July 4, 2014 (as supplemented by implementing rules and regulations and including any successor rule or regulation).

"SAMR" means the State Administration of Market Regulation or its designated local authorities with competent authority.

"Sanctioned Party" shall mean any Person that is the target of trade or financial sanctions or export controls, including but not limited to (i) any Person listed on any sanctions or export control-related list under applicable Trade Restrictions, including but not limited to the US Treasury Department's Office of Foreign Assets Control ("OFAC")

List of Specially Designated Nationals and Blocked Persons, the OFAC Sectoral Sanction List, any other sanctions-related list maintained by OFAC or the US Department of State, the US Commerce Department's Entity List, Denied Persons List, or Unverified List, the EU Consolidated Financial Sanctions List, the UK Office of Financial Sanctions Implementation Sanctions List, or any other similar restricted party list maintained by relevant regulators under applicable Trade Restrictions, (ii) any Person located, organized or resident in a Sanctioned Territory, (iii) any government of a Sanctioned Territory, (iv) any Person 50% or more owned or otherwise controlled by any of the foregoing.

"Sanctioned Territories" shall mean Crimea, Cuba, Iran, North Korea, Syria, since March 2015 Venezuela, since February 21, 2022, the so-called Donetsk People's Republic and Luhansk People's Republic regions of Ukraine, and with respect to periods prior to January 14, 2021, Sudan.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, of the United States.

"Service Provider" shall mean any former employee and any current or former consultant, independent contractor, or non-employee director of the Company or any of its Subsidiaries, including those persons engaged by the Company or any of its Subsidiaries through a professional employer organization or other similar entity, in each case who is not a current employee of the Company or any of its Subsidiaries as of the Closing Date.

"Shrink-Wrap Code" shall mean any generally commercially available, off-the-shelf software in executable code form made available on a license basis or as a service.

"Social Media Accounts" shall mean any and all accounts, profiles, pages, feeds, registrations and other presences on or in connection with any (a) social media or social networking website or online service, (b) blog or microblog, (c) mobile application, (d) photo, video or other content-sharing website, (e) rating and review website, (f) wiki or similar collaborative content website or (g) message board, bulletin board, or similar forum, including any account name(s), user name(s), nickname(s), display name(s), handle(s), and other identifiers registered or used in connection with each of the foregoing (a) - (g).

"Social Security Fund" shall mean medical insurance (医疗保险), pension insurance (养老保险), unemployment insurance (失业保险), work-related injury insurance (工伤保险), maternity insurance (生育保险), statutory housing funds (住房公积金), the welfare fund (福利基金), the trade union fund (工会经费), the employee education fund (职工教育经费), or any other social security funds or payment of any welfare fees or training fees so provided under applicable Laws or by the competent Governmental Entity from time to time to which the Company and its Subsidiaries is obliged to make contributions for its employees (including penalties imposed and interest accrued thereon, if any).

"Software" all (a) computer programs, firmware and other software, including application programming interfaces, software implementations of algorithms, models and methodologies, whether in source code, object code or other form, including libraries, subroutines and other components thereof, (b) computerized databases and other computerized compilations and collections of data or information, including all data and information included in such databases, compilations or collections, (c) screens, user interfaces, command structures, report formats, templates, menus, buttons and icons, (d) descriptions, flow-charts, architectures, development tools and other materials used to design, plan, organize and develop any of the foregoing, (e) rules, methods, and processing for instructing, teaching, or training any artificial intelligence or machine learning program, as well as the artificial intelligence models and programs supporting development of the same and (f) all documentation, including development, diagnostic, support, user and training documentation related to any of the foregoing.

"Share Count Notification Date" shall mean the Business Day on which Acquiror notifies the Company of Acquiror Share Count, which shall be no later than five (5) Business Days before the Closing.

"Share Registrar" shall mean, at any given time, the person duly appointed by Acquiror to maintain its register of members (including any branch register) and to record the issuance and transfer of the Acquiror Shares, together with any successor or replacement share registrar appointed in accordance with applicable Law.

"Shareholder" shall mean any holder of any Company Shares as of immediately prior to the Effective Time.

"Shareholders Agreement" shall mean the Second Amended and Restated Shareholders Agreement by and among the Company and other parties thereto dated December 30, 2020.

"System-related Laws" shall mean the applicable Laws in relation to the System, data security and cybersecurity, which shall include, without limitation, the PRC Cybersecurity Law, Measures for the Administration of Safety Protection in Communication Networks (通信网络安全防护管理办法), Regulations on Network Data Security Management (网络数据安全管理条例), Regulations on the Security Protection of Computer Information System (计算机信息系统安全保护条例), Regulations on Technical Measures for the Internet Security Protection (互联网安全保护技术措施规定), Administrative Regulations on Security Vulnerabilities of Cyber Products (网络产品安全漏洞管理规定), Measures for the Administration of Data Security in the Industrial and Information Technology Field (工业和信息化领域数据安全管理办法), Implementation Rules for Data Security Risk Assessment in the Industrial and Information Technology Sector (工业和信息化领域数据安全风险评估实施细则) and Administrative Regulations on Mobile Internet Applications Information Services (移动互联网应用程序信息服务管理规定).

"Straddle Period" shall mean any taxable period that includes but does not end on the Closing Date.

"Subsidiary" shall mean, with respect to a Person, (i) any corporation, company or other organization (including a limited liability company or a partnership), whether incorporated or unincorporated, of which such Person directly or indirectly owns or Controls, or (ii) any organization of which such Person or any of its Subsidiaries is, directly or indirectly, a general partner or managing member, including those Controlled through a variable-interest-entity structure or other similar contractual arrangement, and those whose assets and financial results are consolidated with the net earnings of such Person and are recorded on the books of such Person for financial reporting purposes in accordance with applicable accounting principles.

"Tax" (or collectively "Taxes") shall mean (i) any and all national, provincial, local and non-U.S. taxes, assessments and other governmental charges, duties (including stamp duty), impositions and liabilities, including capital gains tax, taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, escheat, unclaimed property, excise and property taxes as well as public imposts, fees and social security charges (including health, unemployment, workers' compensation and pension insurance) in the nature of tax together with any interest, late payment surcharges or any penalty, addition to tax or additional amount (whether disputed or not) imposed by any Governmental Entity responsible for the imposition of any such tax, (ii) any liability for the payment of any amounts of the type described in limb (i) of this sentence as a result of being or have been a member of an affiliated, consolidated, combined, unitary, aggregate or similar group (including any arrangement for group or consortium relief or similar arrangement) for any taxable period, and (iii) any liability for the payment of any amounts of the type described in limbs (i) or (ii) of this sentence as a result of being a transferee of or successor to any Person or as a result of any Tax sharing agreement, indemnity agreement or any other express obligation to assume such Taxes or to indemnify any other Person, including by operation of law.

"Tax Return" shall mean any return (including any information return), report, statement, declaration, estimate, schedule, notice, notification, form, election, certificate or other document or information required to be filed with or submitted to, any Governmental Entity in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any Law relating to any Tax, including any amendment thereof or attachment thereto.

"Technology" shall mean all technology and any tangible embodiments thereof: (i) published and unpublished works of authorship, including audiovisual works, collective works, computer programs and other Software (whether in source code or executable form), documentation, compilations, derivative works, literary works, mask works, annotations, comments, designs, files, records, schematics, test methodologies, test vectors, emulation and simulation tools and reports, hardware development tools, models, tooling, prototypes, breadboards and other devices and sound recordings ("Works of Authorship"), (ii) inventions (whether or not patentable), discoveries, improvements, business methods, compositions of matter, machines, methods, processes and new uses for any of the preceding items ("Inventions"), (iii) proprietary and confidential information and Trade Secrets, including algorithms (including data science and machine learning techniques), machine learning models, customer lists, customer and analytics data, ideas, designs, formulas, know-how, methods, processes, programs, prototypes, systems and techniques ("Protected Information"), (iv) data, databases, data compilations and collections, (v) domain names and web addresses ("Domain Names"), (vi) devices, prototypes, designs and schematics, and (vii) any other form of technology.

"Tianbo" shall mean Shenzhen Tianbo Internet Media Limited (深圳市天播网络传媒有限公司), a limited company incorporated and existing under the Laws of the PRC.

"Trade Restrictions" shall mean all applicable (i) export control, trade and financial sanctions, customs, import, anti-terrorism and anti-boycott Laws of the United States and any other jurisdictions in which the Company and its Subsidiaries conducts business, including but not limited to the United States Export Control Reform Act, International Emergency Economic Powers Act, Trading with the Enemy Act, and related regulations, including but not limited to the Export Administration Regulations, International Traffic in Arms Regulations and Foreign Trade Regulations to the extent applicable, and (ii) trade and economic sanctions regulations and related Executive Orders administered by OFAC.

"Transaction Documents" shall mean this Agreement and any other documents, agreements, certificates or undertakings contemplated hereunder or ancillary hereto, including, without limitation, the Deed of Undertakings, and the Non-Competition, Non-Solicitation, Confidentiality and IP Agreement.

"Transaction Taxes" shall mean any transfer, documentary, sales, use, stamp, registration, value added and other similar Taxes incurred in connection with the consummation of the Merger contemplated by this Agreement, *provided, however*, for the avoidance of doubt, that Transaction Taxes shall exclude (i) the Taxes payable by the Bulletin 7 Shareholders under Bulletin 7 pursuant to Section 7.12(b), and (ii) any income, franchise, payroll, employment, or similar Taxes.

"Triggering Action" shall mean (i) any formal legal or administrative proceeding, including any action, suit, claim, litigation, arbitration or other adjudicative proceedings, whether administrative, civil or criminal, that is pending and is brought before a court or an arbitral tribunal; or (ii) any written claim delivered by any Person (including any Dissenting Shareholder) or its external legal advisor which states (A) sufficient details related to the underlying facts, giving rise to a claim, (B) sufficient details setting out reasoning and rationale by such Person to bring the claim, and (C) remedies being sought by such Person in light of such potential claim; *provided* that, in either case of (i) or (ii) above, such proceeding or claim shall be brought against Acquiror or any of its Affiliates, or against the Company or any of its Subsidiaries or any of their respective Representatives and remains outstanding as at the Closing Date, that alleges, claims, challenges or affects the validity, fairness, legality, consummation or effectiveness of the Merger, or otherwise would reasonably be expected to prevent or adversely affect consummation of the Merger.

"User Uploaded Intellectual Property" shall mean the audio or video products uploaded by the users on apps, websites or any other online platform operated by the Company and/or its Subsidiaries (including the Company Product).

"WFOE" shall mean Xizhang (Shanghai) Internet Technology Limited (喜丈（上海）网络科技有限公司), a limited company incorporated and existing under the Laws of the PRC.

"Wonder Shanghai" shall mean Shanghai Wonderful Thinking Technology Co., Ltd. (上海奇妙思维科技有限公司), a limited company incorporated and existing under the Laws of the PRC.

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SCHEDULE C
MERGER CONSIDERATION

NAME OF SHAREHOLDER	Class or Series	Shares Outstanding	Shareholding %	Cash Consideration (USD) *	Stock Consideration (% of Acquiror Share Count) **

Note:
* The column of "Cash Consideration" above does not include the ESOP Cash Consideration.
** The column of "Stock Consideration" above does not include the ESOP Stock Consideration.

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[redacted]

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[redacted]

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[redacted]

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[redacted]

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[redacted]

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[redacted]

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[redacted]

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[redacted]

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[redacted]

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[redacted]

Exhibit C

Exhibit D
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[redacted]

Exhibit D

Exhibit E
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Exhibit D

PLAN OF MERGER

THIS PLAN OF MERGER is made on [•], 202[•].

BETWEEN

(a) **[Merger Sub]**[1], an exempted company incorporated under the laws of the Cayman Islands on [•], with its registered office situated at the office of [•] and a wholly owned subsidiary of Acquiror ("**Merger Sub**");

(b) **Ximalaya Inc. 喜马拉雅控股**, an exempted company incorporated under the laws of the Cayman Islands on 18 September 2013, with its registered office situated at the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands ("**Ximalaya**" or the "**Merger Surviving Company**" and together with Merger Sub, the "**Constituent Companies**"); and

(c) **Tencent Music Entertainment Group**, an exempted company incorporated under the laws of the Cayman Islands on 6 June 2012, with its registered office situated at the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the "**Acquiror**").

WHEREAS

(a) The Parties have agreed that Merger Sub and Ximalaya will merge (the "**Merger**") on the terms and conditions contained or referred to in a Merger Agreement and Plan of Merger, dated as of [•], 2025 as may be amended and modified from time to time, the "**Agreement**"), between, among others, Ximalaya, the Acquiror and Merger Sub, a copy of which is attached as Appendix I to this Plan of Merger and under the provisions of Part XVI of the Companies Act (As Revised) (the "**Companies Act**"), pursuant to which Merger Sub will merge with and into Ximalaya and cease to exist and be struck off the Register of Companies in the Cayman Islands, and the Merger Surviving Company will continue as the surviving company continuing its corporate existence under the laws of the Cayman Islands as a wholly owned subsidiary of the Acquiror at the Effective Time.

(b) Acquiror, as the sole shareholder of Merger Sub, and the shareholders of the Merger Surviving Company have authorised this Plan of Merger on the terms and subject to the conditions set forth herein and otherwise in accordance with the Companies Act.

(c) Terms used in this Plan of Merger and not otherwise defined in this Plan of Merger shall have the meanings given to them in the Agreement.

INTERPRETATION

1. The following rules apply in this Plan of Merger unless the context requires otherwise:

(a) Headings are for convenience only and do not affect interpretation.

(b) The singular includes the plural and the converse.

(c) A gender includes all genders.

(d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.

(e) A reference to any agreement, deed or other document (or any provision of it), includes it as amended, varied, supplemented, extended, replaced, restated or transferred from time to time.

(f) A reference to any legislation (or any provision of it) includes a modification or re-enactment of it, a legislative provision substituted for it and any regulation or statutory instrument issued under it.

APPENDIX

Appendix I forms part of this Plan of Merger and shall have effect as if set out in full in the body of this Plan of Merger. Any reference to this Plan of Merger includes Appendix I.

[1] NTD: To be updated.

CONSTITUENT COMPANIES

2. The constituent companies (as defined in the Companies Act) to the Merger are Merger Sub and Ximalaya.

NAME OF THE SURVIVING COMPANY

3. The surviving company (as defined in the Companies Act) is the Merger Surviving Company which shall continue to be named "Ximalaya Inc. **喜马拉雅控股**".

REGISTERED OFFICE

4. The registered office of Ximalaya at the time of this Plan of Merger is at the office of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The registered office of Merger Sub is at the office of [ ][2]. At the Effective Time, the Merger Surviving Company shall have its registered office at the office of [ ][3].

AUTHORIZED AND ISSUED SHARE CAPITAL

5. Immediately prior to the Effective Time (as defined below), the authorized share capital of Merger Sub is [US$50,000 divided into 500,000,000 ordinary shares of US$0.0001 par value per share] ("**Merger Sub Shares**"), of which [one] Merger Sub Share has been issued and is fully paid and outstanding.

6. Immediately prior to the Effective Time, the authorized share capital of Ximalaya is US$50,000, consisting of 500,000,000 shares, with nominal or par value of US$0.0001 each, divided into (i) 254,007,958 Ordinary Shares (ii) 24,577,820 Series Angel Preferred Shares, (iii) 2,161,425 Series A Preferred Shares, (iv) 77,967,338 Series B-1 Preferred Shares, (v) 10,902,758 Series B-2 Preferred Shares, (vi) 5,969,630 Series C-1 Preferred Shares, (vii) 4,661,482 Series C-2 Preferred Shares, (viii) 14,727,852 Series D Preferred Shares, (ix) 594,960 Series E-1 Preferred Shares, (x) 59,137,229 Series E-2 Preferred Shares, (xi) 29,938,466 Series E-3 Preferred Shares, and (xii) 15,353,082 Series E-4 Preferred Shares (such terms as defined in the Existing M&A, as defined below), of which 90,119,126 Ordinary Shares have been issued and are fully paid and outstanding, 24,577,820 Series Angel Preferred Shares have been issued and are fully paid and outstanding, 2,161,425 Series A Preferred Shares have been issued and are fully paid and outstanding, 77,967,338 Series B-1 Preferred Shares have been issued and are fully paid and outstanding, 10,902,758 Series B-2 Preferred Shares have been issued and are fully paid and outstanding, 5,969,630 Series C-1 Preferred Shares have been issued and are fully paid and outstanding, 4,661,482 Series C-2 Preferred Shares have been issued and are fully paid and outstanding, 14,727,852 Series D Preferred Shares have been issued and are fully paid and outstanding, 594,960 Series E-1 Preferred Shares have been issued and are fully paid and outstanding, which 59,137,228 Series E-2 Preferred Shares have been issued and are fully paid and outstanding, 29,938,463 Series E-3 Preferred Shares have been issued and are fully paid and outstanding and, 1,535,308 Series E-4 Preferred Shares have been issued and are fully paid and outstanding.

7. At the Effective Time, the authorized share capital of the Merger Surviving Company shall be [US$50,000 divided into [500,000,000] ordinary shares of a par value $[0.0001]] each ("**Merger Surviving Company Shares**").

TERMS AND CONDITIONS OF THE MERGER

8. The terms and conditions of the Merger, including the manner and basis of converting shares in each Constituent Company into shares in the Merger Surviving Company or other property as provided in Section 233(5) of the Companies Act, including into Acquiror Ordinary Shares (as defined in the Agreement), are set out in the Agreement.

9. The Acquiror undertakes and agrees (it being acknowledged that the Acquiror will be the sole shareholder of the Merger Surviving Company following the effectiveness of the Merger) in consideration of the Merger to issue the cash amount and the total number of Acquiror Ordinary Shares as set out in Schedule C of the Agreement.

10. At the Effective Time, the rights and restrictions attaching to Merger Surviving Company Shares are set out in the Amended and Restated M&A (as defined below).

EFFECTIVE TIME

11. The Merger shall take effect on [ ] (the "**Effective Time**").

[2] NTD: To be updated.
[3] NTD: To be updated.

PROPERTY

12. At the Effective Time, all the rights, property of every description including choses in action, and the business, undertaking, goodwill, benefits, immunities and privileges of each of the Constituent Companies shall vest in the

Merger Surviving Company which shall be liable for and subject, in the same manner as the Constituent Companies, to all mortgages, charges, or security interests and all Contracts, obligations, claims, debts and liabilities of each of the Constituent Companies.

MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

13. At the Effective Time, the memorandum and articles of association of the Merger Surviving Company shall be in the form attached hereto as Appendix II (the "**Amended and Restated M&A**").

DIRECTORS BENEFITS

14. No amounts or benefits are or shall be paid or payable to any director(s) of either of the Constituent Companies consequent upon the Merger becoming effective.

DIRECTORS OF THE SURVIVING COMPANY

15. The name and address of the director[s] of the Merger Surviving Company is/are as follows: [4]

NAME	**ADDRESS**
[*]	[*]
[*]	[*]

SECURED CREDITORS

16. Neither of the Constituent Companies has any secured creditors and neither Constituent Company has granted any fixed or floating security interests that are outstanding as at the date of this Plan of Merger.

AMENDMENTS AND TERMINATION

17. At any time prior to the Effective Time, this Plan of Merger may be amended by the board of directors of both Ximalaya and Merger Sub in accordance with section 235(1) of the Companies Act, including to:

(a) change the Effective Time provided that the new Effective Time shall not be a date later than the ninetieth (90th) day after the date of registration of this Plan of Merger by the Registrar of Companies in the Cayman Islands (the "**Registrar**"); or

(b) effect any changes to this Plan of Merger which the directors of both Ximalaya and Merger Sub deem advisable, *provided* that such changes do not materially adversely affect any rights of the shareholders of Ximalaya or Merger Sub, as determined by the directors of both the Ximalaya and Merger Sub, respectively.

18. At any time prior to the Effective Time, this Plan of Merger may be terminated by the board of directors of both the Ximalaya and Merger Sub, provided that such termination is in accordance with section [8.1] of the Agreement.

19. If this Plan of Merger is amended or terminated in accordance with Clauses 17 or 18 after it has been filed with the Registrar but before it has become effective, the Constituent Companies shall file notice of the amendment or termination (as applicable) with the Registrar in accordance with Sections 235(2) and 235(4) of the Companies Act and shall distribute copies of such notice in accordance with section 235(3) of the Companies Act.

APPROVAL AND AUTHORIZATION

20. This Plan of Merger has been approved by the board of directors of each of Merger Sub and Ximalaya pursuant to section 233(3) of the Companies Act.

21. This Plan of Merger has been authorized by the shareholders of each of Merger Sub and Ximalaya pursuant to section 233(6) of the Companies Act.

COUNTERPARTS

[4] NTD: To be updated.

22. This Plan of Merger may be executed and delivered (including by email of PDF or scanned versions or by facsimile transmission) in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

GOVERNING LAW

23. This Plan of Merger shall be governed by and construed in accordance with the laws of the Cayman Islands.

[*Signature pages follow.*]

IN WITNESS whereof this Plan of Merger has been entered into by the parties on the day and year first above written.

SIGNED for and on behalf of **[MERGER SUB]**	)		
	)	Duly Authorised Signatory	
	)	Name:	
	)	Title:	Director

SIGNED for and on behalf of)
Ximalaya Inc. 喜马拉雅控股)

)
) Duly Authorised Signatory
)
) Name:
)
) Title: Director

SIGNED for and on behalf of)
[TAYLOR])

)
) Duly Authorised Signatory
)
) Name: _____
)
) Title: _____

Appendix I

Merger Agreement

Appendix II

Amended and Restated M&A[5]

[5] NTD: Amended and Restated M&A will be in the form of the memorandum and articles of association of Merger Sub as in effect immediately prior to the Effective Time, except the name of the Surviving Company and all references to the authorized share capital of the Surviving Company as approved in the Plan of Merger.

Exhibit F
Restructuring Steps

[redacted]

Exhibit F-1

Exhibit G-1
Form of Accredited Investor Questionnaire

[redacted]

Exhibit G-2
Form of Non-U.S. Person Questionnaire

[redacted]

Exhibit H
Form of Cayman Legal Opinion

[redacted]

Exhibit H

Exhibit 8.1

List of Significant Subsidiaries and VIEs

Significant Subsidiaries	Place of Incorporation
Tencent Music Entertainment Hong Kong Limited	Hong Kong
Tencent Music (Beijing) Co., Ltd.	PRC
Yeelion Online Network Technology (Beijing) Co., Ltd.	PRC
Tencent Music Entertainment Technology (Shenzhen) Co., Ltd.	PRC
Guangzhou Shiyinlian Software Technology Co., Ltd.	PRC

VIEs	Place of Incorporation
Guangzhou Kugou Computer Technology Co., Ltd.	PRC
Beijing Kuwo Technology Co., Ltd.	PRC

Subsidiaries of VIEs	Place of Incorporation
Tencent Music Entertainment (Shenzhen) Co., Ltd.	PRC
Shenzhen Lanren Online Technology Co., Ltd	PRC

Exhibit 12.1

Certification by the Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Zhu Liang, certify that:

1. I have reviewed this annual report on Form 20-F of Tencent Music Entertainment Group (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 17, 2026

By: /s/ Zhu Liang
Name: Zhu Liang
Title: Chief Executive Officer

Exhibit 12.2

Certification by the Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Min Hu, certify that:

1. I have reviewed this annual report on Form 20-F of Tencent Music Entertainment Group (the "Company");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors:

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: April 17, 2026

By: /s/ Min Hu
Name: Min Hu
Title: Chief Financial Officer

Exhibit 13.1

Certification by the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Tencent Music Entertainment Group (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Zhu Liang, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 17, 2026

By: /s/ Zhu Liang
Name: Zhu Liang
Title: Chief Executive Officer

Exhibit 13.2

Certification by the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the annual report of Tencent Music Entertainment Group (the "Company") on Form 20-F for the year ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Min Hu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 17, 2026

By: /s/ Min Hu
Name: Min Hu
Title: Chief Financial Officer

Exhibit 15.1

HAN KUN
汉坤律师事务所
Han Kun Law Offices

Date: April 17, 2026

Tencent Music Entertainment Group

Unit 3, Building D, Kexing Science Park, Kejizhongsan Avenue,

Hi-Tech Park, Nanshan District,

Shenzhen, 518057, the People's Republic of China

Dear Sirs/Madams,

We hereby consent to the reference to our firm in Tencent Music Entertainment Group's annual report on Form 20-F for the fiscal year ended December 31, 2025, which will be filed by Tencent Music Entertainment Group in April 2026 with the Securities and Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and further consent to the incorporation by reference of the summaries of our opinions that appear in the annual report on Form 20-F into the Registration Statements (No. 333-230930) on Form S-8. We also consent to the filing with the Securities and Exchange Commission of this consent letter as an exhibit to the Annual Report.

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours Sincerely,

HAN KUN LAW OFFICES

/s/ Han Kun Law Offices

Exhibit 15.2

Our ref YCU/801545-000001/29179450v1

Tencent Music Entertainment Group
腾讯音乐娱乐集团
17/F, Malata Building
Keijizhongyi Road
Midwest District of Hi-tech Park
Nanshan District
Shenzhen 518057
People's Republic of China

April 17, 2026

Dear Sir or Madam

Tencent Music Entertainment Group

We have acted as legal advisers as to the laws of the Cayman Islands to Tencent Music Entertainment Group, an exempted limited liability company incorporated in the Cayman Islands (the "**Company**"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "**SEC**") of an annual report on Form 20-F for the year ended 31 December 2025 (the "**Annual Report**").

We hereby consent to the reference to our firm under the heading "Item 10. Additional Information—E. Taxation—Cayman Islands Taxation" in the Annual Report, and we further consent to the incorporation by reference of the summary of our opinions under these headings into the Company's registration statement on Form S-8 (File No. 333-230930) that was filed on 18 April 2019, pertaining to the Company's 2014 Share Incentive Plan, the 2017 Option Plan and the 2017 Restricted Share Scheme, and the Company's registration statement on Form S-8 (File No. 333-280765) that was filed on 12 July 2024, pertaining to the Company's 2024 Share Incentive Plan.

We consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully

Maples and Calder (Hong Kong) LLP
/s/ Maples and Calder (Hong Kong) LLP

Exhibit 15.3

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-230930 and No. 333-280765) of Tencent Music Entertainment Group of our report dated April 17, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Shenzhen, the People's Republic of China
April 17, 2026