

P1's holding in Tantan Ltd
("the Company")

Shareholder information, for immediate release
August 28, 2018

Dear Shareholder,

Further to the shareholder information sent July 30, 2018 we are writing to inform that the Company now plans to initiate the repurchase and cancellation of shares (*Swe. inlösen*).

In relation to previous communication regarding the delays from the Chinese tax authorities in rendering the transaction tax, the Company has yet to receive confirmation of the final amount. As per recent update from our Beijing tax advisor, the final confirmation is forthcoming and the tax should be settled during Q3 2018/early Q4 2018.

However, based on the history of such expectations failing to materialize, the Company is compelled to move forward with alternative courses of action in the interest of shareholders.

Therefore, the Company plans to make two separate repurchase and cancellation offers in which shareholders may elect to participate with their shares in either offer, or participate in both with portions of their aggregate shares split between the respective offers.

The board will convene this week to proceed with the first repurchase and cancellation, and shareholders will receive documentation detailing the offer and instructions shortly thereafter.

Shareholders electing to participate in the first repurchase and cancellation offer would, for the shares they elect to be purchased as part of the offer, receive proceeds based on the communicated 10% Chinese Bulletin 7 tax being levied on the transaction as per original shareholder information when the transaction was signed, less transaction costs (see P1's Holding in Tantan – Shareholder Information – 23 February 2018). Following an offer acceptance period of ten working days, proceeds are expected to be paid out in the second half of September.

Shareholders electing *not* to participate (fully or partially) in the first repurchase and cancellation offer will receive the same proceeds for their remaining shares as outlined above, plus any potential incremental proceeds from the transaction tax amount. However, such shareholders must wait until the Chinese Bulletin 7 transaction tax is confirmed and ultimately settled.

While the Company cannot predict, nor make any guarantees as to the amount of any potential incremental proceeds, our Beijing tax advisor has informed that the Chinese Bulletin 7 tax being levied in the transaction could for the Company, in a positive scenario, amount to slightly less than the 10% which has already been deducted. The current estimate of such potential incremental proceeds is US\$ 0 – 0.013 per share, on a fully diluted, pro-rata basis prior to the first repurchase and cancellation.

Assuming the confirmation from the Chinese tax authorities is forthcoming and settled as we have been informed, the second and final repurchase and cancellation should occur before year end 2018. Any further delays, however, would risk pushing final resolution into 2019.

Shareholders electing to participate with shares in the first repurchase and cancellation offer would be forfeiting any claim they may have on any incremental future proceeds that may or may not materialize when the Chinese Bulletin 7 transaction tax is confirmed and settled.

Background and structure

In April 2015, the Company was incorporated in the British Virgin Islands during the spin-off of Tantan from P1, and was established to act as the holding company for the joint equity interest in Tantan Limited for the shareholders of P1 Group Holding.

In January 2017 the Company, further to the interest of the shareholders, engaged Pareto Securities AB ("Pareto") to act as nominee shareholder for those shareholders who wished to hold Swedish Depositary Receipts ("SDRs") issued by Pareto and maintained in electronic registration by Euroclear Sweden AB ("EuroClear"). Approximately 90% of shareholders elected to have Pareto as nominee shareholder and were subsequently issued SDRs. As such Pareto is one of twenty-nine shareholders in the Company, acting as nominee for approximately 90% of the shares on behalf of the underlying holders of SDRs.

In February 2018 the shareholders of Tantan Limited entered into an agreement to sell all of their shares in Tantan Limited to Momo, Inc.

In March 2018, the first payment tranche from Momo, Inc was received and a first distribution of proceeds in the form of a gross cash dividend of USD 1.10 per share was made.

In April 2018, at a general meeting, the shareholders of the Company passed resolutions approving, amongst others, the distribution of the final proceeds by way of a repurchase and cancellation of shares (*Swe. inlösen*).

Transaction and PRC tax

In May 2018 the transaction closed and the Company received the final proceeds from the transaction. The standard transaction tax of 10%, further to Bulletin 7 (formally: "*China's State Administration of Taxation (SAT) Bulletin [2015] No. 7, on the PRC tax treatment of an indirect transfer of assets by a nonresident enterprise*") was deducted and withheld.

Since May 2018 the Company has been awaiting the confirmation of the final transaction tax, which as outlined may become less than the 10% withheld, in which case any potential incremental proceeds would be paid back to the Company to be distributed to shareholders in the second and final repurchase and cancellation of shares. The estimate of such potential incremental proceeds is US\$ 0 – 0.013 per share, on a fully diluted, pro-rata basis prior to the first repurchase and cancellation (the Company has 28'686'308 shares outstanding).

As of 28 August 2018, the confirmation of the final transaction tax has still not been received. The Company has made every effort to try and expedite the process.

Implications

Shares which shareholders elect to be purchased in the first repurchase and cancellation offer, will be purchased by the Company and cancelled and will therefore not carry any future claim on any potential incremental proceeds from the final transaction tax amount subject to applicable law.

Shares not elected by a shareholder to be purchased in the first repurchase and cancellation offer may receive incremental proceeds but must wait for the confirmation and return of such potential incremental proceeds from the tax withholding, of which there is no guarantee.

Only the shares remaining after the first repurchase and cancellation will be eligible to receive a pro-rata share of any potential incremental proceeds from the final transaction tax amount.

This may mean that the shareholders of the shares elected to be purchased by the Company as part of the second and final repurchase of shares could end up receiving more than their current (prior to the first repurchase and cancellation offer) pro-rata share of any potential incremental proceeds. For example, if 80% of shares held participate in the first repurchase and cancellation offer and the potential incremental proceed amounts to US\$ 0.01 per share, then the 20% shares remaining would be entitled to an incremental US\$ 0.05 per share.

Next steps and communication

- 1) For shareholders who are entered in the register of members of the Company
 - a) Instructions will be distributed directly from the Company on email and posted on www.p1holding.com
- 2) For persons who hold SDRs either in their own VP accounts with EuroClear (which very few do) or through their broker/bank (which most do)
 - a) Instructions will be distributed via Pareto through the EuroClear system, posted on Pareto's homepage and on www.p1holding.com
- 3) Note that the Company is not involved in the administration of the SDRs. Once the instructions have been sent out, SDR holders should reach out to broker/bank in first instance and in second instance contact Pareto on issueservice.se@paretosec.com (in communicating with Pareto please always state the name of the broker/bank in which you hold your SDRs)
- 4) The Company reserves the right to direct SDR holders to their bank/broker and Pareto for questions in relation to the repurchase and cancellation offers related to the SDRs

FAQ

Q: Why did the Company not immediately proceed with this first repurchase and cancellation offer when you received the final payment in May 2018?

A: The Company could not at that time have foreseen the sequential delays related to the filing of the transaction tax

Q: The USD to SEK exchange rate has been going up quite a lot recently. Will SDR holders take advantage of this?

A: As the SDRs settle in SEK the Company converted USD to SEK for the SDR holders when the funds were received. The conversion was done with institutional pricing and market execution at a rate of 8.75.

Had the Company not converted USD into SEK when they were received in May 2018 that would have implied the Company engaging in FX speculation as the settlement by law in the EuroClear system takes place in SEK. The Company has no mandate nor setup to engage in FX speculation.

It can also be noted that shareholders have benefitted from the USD strength from when the transaction was signed in February 2018 when the exchange rate was 8.12.

Q: I hold SDRs but I want to receive USD instead, and I have an account which can hold USD. Can I elect to receive USD instead of SEK?

A: As the EuroClear system can only settle SEK this is not an option.

Sincerely,
P1's holding in Tantan Limited

Forward-Looking Statements

Certain statements made and information contained herein constitute “forward-looking information” (within the meaning of applicable securities legislation). Such statements and information (together, “**forward-looking statements**”) relate to future events. Forward-looking statements include, but are not limited to, statements with respect to the Offer and related transactions.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements”. Although the forward-looking statements contained in this document are based upon assumptions that the Company believes to be reasonable, the Company cannot assure shareholders that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this document, the Company has made assumptions regarding, among other things the timing of the final confirmation of the above referenced transaction tax, as well as the potential incremental proceeds resulting from the tax. No assurance can be given that these expectations and assumptions will prove to be correct and such forward-looking statements should not be relied upon. These statements speak only as on the date of the information and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. Actual results may differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements are expressly qualified by this cautionary statement.