
**UNIVERSAL MUSIC GROUP AND TENCENT MUSIC ENTERTAINMENT
GROUP ENTER INTO STRATEGIC AGREEMENT SIGNIFICANTLY
EXPANDING
CHINESE MUSIC MARKET**

**Provides Vast Multi-Platform Distribution and Marketing Opportunities Across
China**

**Companies to Develop Abbey Road Studios China to Create World-Class
Recording Studio and Accelerate Development of Local Talent**

SHENZHEN and SANTA MONICA, MAY 16, 2017 – Universal Music Group (UMG), the world leader in music-based entertainment, and Tencent Music Entertainment Group (TME), a leading digital music distribution platform in China, today announced the signing of a landmark licensing agreement that will significantly expand the Chinese music market.

Under the terms of the multi-year agreement, TME will distribute music from UMG’s roster of record labels and global recording stars on its streaming platforms QQ Music, KuGou and Kuwo. TME will also be UMG’s master distribution and licensing partner to exclusively sub-license UMG’s content to third-party music service providers in China. Both parties will work together to find new ways to develop artists, to innovate business models and to reinforce a robust copyright protection environment. In addition, TME will support UMG artists to promote their music, leveraging Tencent online properties and other media channels.

In China, TME is one of the largest music platforms, providing over 17 million songs to 600 million monthly active users. TME is a strong advocate of authorized music and has earned industry recognition for driving growth in the digital music industry, with more than 15 million paying subscribers.

UMG represents one of the most comprehensive catalogues of recordings and songs across every music genre. The company identifies and develops artists, and produces and distributes the most critically acclaimed and commercially successful music in the world.

Furthermore, to accelerate the development of Chinese recording artists and advance a vibrant local repertoire, UMG and TME will work together to design, build and develop Abbey Road Studios China, a state-of-the-art recording and mastering facility inspired by UMG’s iconic recording studio in London.

In making the announcement, Sir Lucian Grainge, Chairman and CEO of Universal Music Group, said, “We’re looking forward to working with Tencent as we develop local Chinese artists and repertoire, as well as global stars, in this dynamic and expanding music market. With more than 80 years of history in China, UMG has been engaged in the unique evolution of the country’s music business and I’m looking forward to working with Tencent to bring exciting new artists and services to music fans across China. Given recent developments in technology and the commercial environment there, now is the right time

for an innovative strategic partnership with a leading Chinese company like Tencent that can meaningfully accelerate the development of the country's entire music ecosystem and, in turn, inspire growth in creative and commercial opportunities for all artists."

Martin Lau, President of Tencent, said, "We are honoured to be UMG's master distribution and licensing partner in China. With extensive user reach and deep industry knowledge, TME is the partner of choice for the music industry to engage with music lovers. Our partnership with the world's leading music labels will further demonstrate our commitment to cultivating a vibrant ecosystem that benefits music lovers, artists and songwriters."

Michael Nash, Executive Vice President of Digital Strategy at UMG, commented, "The digital opportunity in China's music market is truly extraordinary, with over half a billion people enabled with smart phones. Our expansive new partnership with Tencent will enable UMG to fully address this opportunity, especially with the growing success of QQ Music, KuGou and Kuwo. Chinese consumers are clearly embracing licensed services, fueling an expansion of China's music economy, increasing the importance of this market internationally and accelerating the development of Chinese artists for the enrichment of China's culture and the enjoyment of audiences globally."

Cussion Pang, CEO of TME, said, "Leveraging UMG's resources and our distribution capabilities, we can provide a rich and personalized experience to hundreds of millions of music lovers in China. This strategic agreement will further strengthen our efforts in copyright protection and shift the industry towards the paid subscription model. In addition, with the establishment of Abbey Road Studios China, we will work together with UMG to help local artists produce top-quality recordings for distribution in China and across the world."

Lang Lang, the globally celebrated piano virtuoso signed to UMG's Deutsche Grammophon, commented, "I'm thrilled that UMG and Tencent are working together to create more ways for Chinese audiences to access music. There are so many incredibly talented musicians and songwriters working in China today and this new partnership will provide greater exposure for Chinese musical culture and heritage here and around the world. In particular, I am excited about the creation of Abbey Road Studios China, a true investment in the next generation of great Chinese artists."

About Tencent Holdings Ltd.

Tencent uses technology to enrich the lives of Internet users. Every day, hundreds of millions of people communicate, share experiences, consume information and seek entertainment through our integrated platforms. Tencent's diversified services include QQ, Weixin/ WeChat for communications; Qzone for social networking; QQ Game Platform for online games; QQ.com and Tencent News for information and Tencent Video for video content.

Tencent was founded in Shenzhen in 1998 and went public on the Main Board of the Hong Kong Stock Exchange in 2004. The Company is one of the constituent stocks of the Hang

Seng Index. Tencent seeks to evolve with the Internet by investing in innovation, providing a mutually beneficial environment for partners, and staying close to users.

About Tencent Music Entertainment Group

With three major music service providers including QQ Music, KuGou and Kuwo, Tencent Music Entertainment Group (TME) is a leading online music service company in China, providing services such as digital music players, mobile online karaoke, live music shows, copyright delegation, advertisements, and other music derivative businesses. It is committed to understanding the Chinese music industry and bringing users high quality and diversified digital music services. TME strives to drive authorized content development and contribute towards the advancement of China's digital music industry for the future.

About Universal Music Group

Universal Music Group (UMG) is the world leader in music-based entertainment, with a broad array of businesses engaged in recorded music, music publishing, merchandising and audiovisual content in more than 60 countries. Featuring the most comprehensive catalog of recordings and songs across every musical genre, UMG identifies and develops artists and produces and distributes the most critically acclaimed and commercially successful music in the world. Committed to artistry, innovation and entrepreneurship, UMG fosters the development of services, platforms and business models in order to broaden artistic and commercial opportunities for our artists and create new experiences for fans. Universal Music Group is a Vivendi company. Find out more at: <http://www.universalmusic.com>.

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