
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tencent Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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***Tencent* 腾讯**
TENCENT HOLDINGS LIMITED
騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 700)

**PROPOSED ADOPTION OF THE SHARE OPTION PLAN
OF TENCENT MUSIC ENTERTAINMENT GROUP
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of Tencent Holdings Limited to be held at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong immediately after the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 17 May 2017 is set out on pages 15 to 16 of this circular. Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

25 April 2017

CONTENTS

	<i>Page</i>
Definition	1
Letter from the Board	4
Introduction	
1. Proposed adoption of the Share Option Plan	4
2. Extraordinary General Meeting	6
3. Procedures for poll voting	7
4. Recommendation	8
5. Responsibility Statement	8
Appendix — Summary of the Principal Terms of the Share Option Plan	9
Notice of Extraordinary General Meeting	15

DEFINITION

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

Term	Definition
“Affiliate”	(i) any entity that, directly or indirectly, is controlled by Tencent Music; (ii) any entity in which Tencent Music, directly or indirectly, has a significant equity interest, in each case as determined by the Committee
“Another Plan”	any other share option plan established by Tencent Music
“Applicable Law”	the requirements relating to the administration of equity incentive plans under the laws of the Cayman Islands (without application of the conflicts of law principles thereof), the applicable rules of any stock exchange or quotation system on which the shares of Tencent Music or the Shares are listed or quoted (to the extent applicable as determined by the reasonable judgment of the board of directors of Tencent Music) and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Share Option Plan
“Articles of Association”	the amended and restated articles of association of the Company adopted by special resolution passed on 14 May 2014
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Award(s)”	any Share Option(s) granted under the Share Option Plan
“Award Agreement”	any agreement, contract or other instrument or document evidencing any Award granted under the Share Option Plan, which may, but need not, be executed or acknowledged by an Eligible Participant
“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the stock exchange on which shares of Tencent Music are traded is open for the transactions of business

DEFINITION

“Committee”	the compensation committee of the board of directors of Tencent Music or such other committee as may be designated by the board of directors of Tencent Music. If the board of directors of Tencent Music does not designate the Committee, references herein to the “Committee” shall refer to the board of directors of Tencent Music
“Company”	Tencent Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and whose Shares are listed on the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Effective Date”	17 May 2017, the date on which the Share Option Plan is to be adopted if such resolution is approved by the Shareholders at the EGM
“EGM”	the extraordinary general meeting of the Company to be held at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong immediately after the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 17 May 2017 or any adjournment thereof
“Eligible Participant”	the recipient of an Award granted under the Share Option Plan
“Fair Market Value”	(i) with respect to the ordinary shares in the capital of Tencent Music, the closing price of a share as stated in the daily quotations sheet of the principal stock market or exchange on which the shares are quoted or traded, or if the shares are not so quoted or traded, fair market value of a share as determined by the Committee; and (ii) with respect to any property other than the ordinary shares in the capital of Tencent Music, the fair market value of such property determined by such methods or procedures as shall be established from time to time by the Committee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITION

“Latest Practicable Date”	24 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the ordinary share(s) with par value of HK\$0.00002 each in the share capital of the Company
“Share Option(s)”	an option representing the right to purchase the shares of Tencent Music, being HK\$0.000083 par value per share, granted under the Share Option Plan
“Share Option Plan”	the principal terms of the share option plan of Tencent Music set out in the Appendix to this circular, which is to be adopted by the Company on the Effective Date and is part of the 2017 equity incentive plan of Tencent Music
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tencent Music”	Tencent Music Entertainment Group, a limited liability company incorporated under the laws of the Cayman Islands and a subsidiary of the Company

LETTER FROM THE BOARD

Tencent 腾讯
TENCENT HOLDINGS LIMITED
騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 700)

Executive Directors:

Mr Ma Huateng (*Chairman*)
Mr Lau Chi Ping Martin

Non-Executive Directors:

Mr Jacobus Petrus (Koos) Bekker
Mr Charles St Leger Searle

Independent Non-Executive Directors:

Mr Li Dong Sheng
Mr Iain Ferguson Bruce
Mr Ian Charles Stone
Mr Yang Siu Shun

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

29/F., Three Pacific Place
No. 1 Queen's Road East
Wanchai
Hong Kong

25 April 2017

To the Shareholders

Dear Sir or Madam

**PROPOSED ADOPTION OF THE SHARE OPTION PLAN
OF TENCENT MUSIC ENTERTAINMENT GROUP
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding a resolution to be proposed at the EGM in respect of the adoption of the Share Option Plan.

1. PROPOSED ADOPTION OF THE SHARE OPTION PLAN

Background

Tencent Music is a non wholly-owned subsidiary of the Company, which indirectly holds 62.39% of its issued share capital as at the Latest Practicable Date. Tencent Music is a leading music-streaming company based in China.

LETTER FROM THE BOARD

The Share Option Plan is part of an equity incentive plan, which involves the granting of the Share Options to the Eligible Participants. As the Share Option Plan involves the grant of options, the Share Option Plan must comply with the relevant requirements of Chapter 17 of the Listing Rules. In addition, the grant of the Share Options to an Eligible Participant who is a Connected Person of the Company (if any) shall comply with the relevant requirements of Chapter 14A of the Listing Rules.

The shares of Tencent Music issued under the equity incentive plan (including the Share Option Plan) may consist in whole or in part of authorised but unissued shares of Tencent Music. The Company will, where applicable, comply with the relevant requirements of Chapter 14 of the Listing Rules in connection with the deemed disposal as a result of the exercise of the Share Options, which may reduce the percentage equity interest of the Company in Tencent Music.

The shares to be issued upon an exercise of a Share Option will be the shares in Tencent Music, not the Company's Shares.

Purpose of the Share Option Plan

The purpose of the Share Option Plan is to motivate and reward those employees and other individuals who are expected to contribute significantly to the success of Tencent Music and its subsidiaries to perform at the highest level and to further the best interests of Tencent Music and its shareholders.

Source and number of shares of Tencent Music subject to the Share Options to be granted

Unless otherwise approved by the Shareholders, the maximum number of shares of Tencent Music in respect of which Share Options may be granted under the Share Option Plan, when aggregated with the maximum number of shares in respect of any options to be granted under Another Plan (if any) shall not in aggregate exceed ten percent (10%) of the outstanding shares of Tencent Music in issue on the date of approval of the Share Option Plan at the EGM by the Shareholders. As at the Latest Practicable Date, Tencent Music had 2,559,753,662 shares in issue. Assuming the number of shares of Tencent Music in issue remain unchanged on the date of the EGM, the maximum number of shares of Tencent Music in respect of which Share Options may be granted under the Share Option Plan would be 34,826,662 shares of Tencent Music.

The above maximum number is subject to the condition that the total maximum number of shares of Tencent Music which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Plan and any other options granted and yet to be exercised under Another Plan shall not exceed thirty percent (30%) of the outstanding shares of Tencent Music in issue from time to time. No Share Option may be granted under the Share Option Plan and no option may be granted under Another Plan if this will result in the limit being exceeded.

LETTER FROM THE BOARD

Conditions precedent to the Share Option Plan becoming effective

The adoption of the Share Option Plan is conditional upon the passing of the necessary resolution by the directors and shareholders of Tencent Music and the Company.

As at the Latest Practicable Date, the Share Option Plan has been approved by directors and shareholders of Tencent Music. Subject to the approval of the Shareholders for the adoption of the Share Option Plan at the EGM, the Share Option Plan will take effect on the Effective Date.

Document available for inspection

A copy of the Share Option Plan will be available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 29/F., Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong during the fourteen (14)-day period immediately preceding the EGM (including the date of the EGM) and at the EGM.

General information

Upon adoption of the Share Option Plan, the Company will disclose the required information in relation to the Share Option Plan in its subsequent annual report and interim report in accordance with the disclosure requirements under Rule 17.07 of the Listing Rules.

In order to ensure that the purpose of the Share Option Plan is achieved and subject to the relevant requirements of Chapter 17 of the Listing Rules (where applicable), the Committee shall have the authority to determine which Eligible Participant will receive Awards, to grant Awards and to set all terms and conditions of the Awards (including, but not limited to, vesting and forfeiture provisions).

As at the Latest Practicable Date, the Share Option Plan has not appointed any trustee, accordingly none of the directors of Tencent Music or the Directors is appointed as trustee of the Share Option Plan or has a direct or indirect interest in any trustee of the Share Option Plan.

A summary of all principal terms of the Share Option Plan in relation to the Share Options is set out in the Appendix to this circular.

2. EXTRAORDINARY GENERAL MEETING

The proposed resolution in this circular is subject to the Shareholders' approval at the EGM and to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders are required under the Listing Rules to abstain from voting on the resolution.

A notice convening the EGM is set out on pages 15 to 16 of this circular.

The procedures for conducting a poll at the EGM are set out in section 3 below.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed, a copy of which can also be obtained via the website of the Company at www.tencent.com or the website of HKExnews at www.hkexnews.hk. Whether you are able to attend the EGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

3. PROCEDURES FOR POLL VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting, a resolution put to the vote of Shareholders shall be taken by poll except where the chairman of the EGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Detailed procedures for conducting a poll are set out below and will also be explained at the commencement of the EGM.

The chairman of the EGM will exercise his right under Article 66 of the Articles of Association to demand for poll voting on the resolution as set out in the notice of the EGM.

For poll voting, every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative shall have one vote for every fully paid Share in accordance with Article 66 of the Articles of Association.

Every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative who is entitled to more than one vote need not use all his/her/its votes or cast all his/her/its votes in the same way. That means he/she/it can cast some of his/her/its votes in favour of the resolution and some of his/her/its votes against the resolution.

The branch share registrar of the Company will act as the scrutineer for the poll voting. The scrutineer will distribute a voting slip to every Shareholder in person or a proxy or duly authorised representative of a corporate Shareholder on registration of attendance at the EGM.

The chairman of the EGM will arrange for the resolution to be proposed and seconded first and then conduct the voting by poll on the resolution thereafter.

After completion of the voting slips by the Shareholders, the scrutineer will collect the completed voting slips and then count the votes.

Finally, the chairman of the EGM will announce the voting results. The results of the poll on the resolution as set out in the notice of the EGM in both English and Chinese will be published on the website of the Company at www.tencent.com and the website of HKExnews at www.hkexnews.hk later on the date of the EGM.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Directors (including independent non-executive Directors) are of the opinion that the proposed resolution is in the interests of the Company and the Shareholders as a whole and so recommend you to vote in favour of the resolution to be proposed at the EGM.

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully
Ma Huateng
Chairman

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION PLAN

The following is a summary of the principal terms of the Share Option Plan in relation to the Share Options to be approved and adopted at the EGM. It does not form part of, nor is it intended to be part of, the terms of the Share Option Plan and it should not be taken as affecting the interpretation of the terms of the Share Option Plan.

1. PURPOSE OF THE SHARE OPTION PLAN

The purpose of the Share Option Plan is to motivate and reward those employees and other individuals who are expected to contribute significantly to the success of Tencent Music and its subsidiaries to perform at the highest level and to further the best interests of Tencent Music and its shareholders.

The Directors believe that the authority given to the Committee under the Share Option Plan to specify any performance target as conditions in any Share Option granted will serve to achieve the purpose stated above.

2. ELIGIBLE PARTICIPANTS

Any employee of Tencent Music or any other individual who provides services to Tencent Music or any Affiliate as determined by the Committee are eligible to be selected to receive an Award under the Share Option Plan, to the extent an offer of an Award or a receipt of such Award is permitted by the Applicable Law, stock market or exchange rules and regulations or accounting or tax rules and regulations. The Committee shall have the authority to determine which Eligible Participant will receive Awards, to grant Awards and to set all terms and conditions of Awards (including, but not limited to, vesting and forfeiture provisions).

3. NUMBER OF SHARES OF TENCENT MUSIC IN RESPECT OF WHICH SHARE OPTIONS MAY BE GRANTED

The maximum number of shares of Tencent Music in respect of which Share Options may be granted under the Share Option Plan (the “Maximum Number”), when aggregated with the maximum number of shares in respect of any options to be granted under Another Plan (if any) shall not in aggregate exceed ten percent (10%) of the outstanding shares of Tencent Music in issue on the date of approval of the Share Option Plan at the EGM by the Shareholders, provided, however, that:

- (1) the Maximum Number may be “refreshed”, with the separate approval of the Shareholders in general meeting, up to a maximum of ten percent (10%) of the outstanding shares of Tencent Music then in issue at the date of such approval of the limit, inclusive of the maximum number of shares of Tencent Music in respect of which awards may be granted under Another Plan, if any and the circular containing the requisite information in accordance with Rule 17.03(3) of the Listing Rules will be sent to the Shareholders prior to general meeting;
- (2) the total number of shares of Tencent Music which may be issued upon exercise of all Share Options to be granted under the Share Option Plan and all options to be granted under Another Plan under the Maximum Number as “refreshed” shall not exceed ten percent (10%) of the outstanding shares of Tencent Music then in issue as at the date of approval of the Maximum Number;

APPENDIX SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION PLAN

- (3) the total maximum number of shares of Tencent Music which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Plan and any other options granted and yet to be exercised under Another Plan shall not exceed thirty percent (30%) of the outstanding shares of Tencent Music in issue from time to time. No Share Option may be granted under the Share Option Plan and no option may be granted under Another Plan if this will result in the limit being exceeded.

For the avoidance of doubt, (a) in calculating whether the Maximum Number has been exceeded, Share Options granted under the Share Option Plan or options granted under Another Plan which have lapsed in accordance with the terms of the relevant plan shall not be counted; and (b) if the Maximum Number is “refreshed” pursuant to the Share Option Plan, Share Options granted under the Share Option Plan or options granted under Another Plan (including without limitation those outstanding, cancelled or lapsed in accordance with the relevant plan and those exercised) prior thereto shall not be counted for the purpose of calculating whether the new Maximum Number has been exceeded.

The shares issued on exercise of the Share Options will on issue be identical to the then existing issued shares of Tencent Music.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Unless separately approved by the Shareholders in general meeting (with the relevant Eligible Participant and such Eligible Participant’s close associates (with the meaning ascribed thereto under the Listing Rules) (or such Eligible Participants’ Associates if the Eligible Participant is a Connected Person of the Company) abstaining from voting), no Eligible Participant shall be granted a Share Option if the total number of shares of Tencent Music issued and to be issued upon exercise of the Share Options (including exercised, cancelled and outstanding Share Options) granted and to be granted to such Eligible Participant in any twelve (12)-month period up to the date of the latest grant would exceed one percent (1%) of the outstanding shares of Tencent Music in issue from time to time. A circular with the requisite information must be sent to the Shareholders prior to general meeting, disclosing, amongst others, the identity of the Eligible Participant and the number and terms of the Share Options granted and proposed to be granted. The number and terms (including the exercise price) of the Share Options to be granted to such Eligible Participant must be fixed before the approvals are sought and the date of the board meeting of Tencent Music for proposing such further grant should be taken as the date of the grant for the purpose of calculating the exercise price.

5. GRANT OF SHARE OPTIONS TO CONNECTED PERSONS

An offer of the grant of a Share Option to a Director, chief executive or substantial shareholder of the Company or any of their respective Associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of such Share Options). If a grant of Share Options to a substantial shareholder of the Company and an independent non-executive Director or any of their respective Associates, together with all other grants of Share Options (and any other grant(s) of options under Another Plan) to any such persons, in each case, whether outstanding, cancelled or exercised, would result in the shares of Tencent Music issued or issuable under all such Share Options (and other options) in the twelve (12)-month period up to and

including the date of such grant: (i) representing in aggregate more than 0.1% of the outstanding shares of Tencent Music in issue; and (ii) if the shares of Tencent Music are listed on the Stock Exchange, having an aggregate value, based on the closing price of the shares of Tencent Music at the date of each grant, in excess of HK\$5 million, then such further grant of Share Options must be approved by the Shareholders. A circular with the requisite information must be sent to the Shareholders prior to general meeting, disclosing, amongst others, details of the number and terms (including the exercise price) of the Share Options to be granted to each Eligible Participant, a recommendation from the independent non-executive Directors and other information required under the Listing Rules. The grantee, his Associates and all core connected persons (with the meaning ascribed thereto under the Listing Rules) of the Company must abstain from voting in favor at such general meeting.

6. DURATION OF SHARE OPTIONS

Each Share Option shall be exercisable at such times and subject to such terms and conditions as the Committee may specify in the applicable Award Agreement, provided that the term of any Share Option shall not exceed ten (10) years from the date of grant of the Share Option. The Share Option Plan does not specify the requirement as to the minimum period for which a Share Option must be held before the Share Option can be exercised in whole or in part.

7. PERFORMANCE TARGETS

Unless otherwise determined by the Committee and stated in the Share Option Plan, there are no performance targets that must be achieved before the Share Options can be exercised.

8. EXERCISE PRICE

The Committee shall establish the exercise price of each Share Option at the time of grant and specify the exercise price in the applicable Award Agreement, in compliance with the Applicable Law from time to time. After the shares of Tencent Music are listed on any established stock exchange (including the Stock Exchange), such exercise price shall be at least the higher of: (i) the nominal value of a share of Tencent Music; (ii) the Fair Market Value of a share of Tencent Music on the date of grant of such Share Option; and (iii) the average Fair Market Value of a share of Tencent Music for the five (5) Business Days immediately preceding the date of grant of such Share Option.

In the event that Tencent Music resolves to seek a separate listing of its shares on the Stock Exchange or an overseas stock exchange, the exercise price of any Share Options granted after such resolution to the listing date of Tencent Music shall not be lower than the new issue price (if any). In particular, any Share Options granted during the period commencing six (6) months before the lodgment of the listing application and up to the listing date of Tencent Music shall not be lower than the new issue price.

There is no additional amount payable on application or acceptance of the Share Option.

9. TERM OF THE SHARE OPTION PLAN

The Share Option Plan shall be subject to the approval by the board of directors of Tencent Music, Tencent Music's shareholders and the Shareholders and shall become effective on the Effective Date. No Award shall be granted under the Share Option Plan after the earliest to occur of: (i) the tenth (10th) anniversary of the Effective Date; (ii) the maximum number of the shares of Tencent Music available for issuance under the Share Option Plan have been issued; or (iii) the board of directors of Tencent Music terminates the Share Option Plan in accordance with the terms set out therein. However, unless otherwise expressly provided in the Share Option Plan or in an applicable Award Agreement, any Award theretofore granted may extend beyond such date, and the authority of the Committee to amend, alter, adjust, suspend, discontinue or terminate any such Award, or to waive any conditions or rights under any such Award, and the authority of the board of directors of Tencent Music to amend the Share Option Plan, shall extend beyond such date.

10. LAPSE OF SHARE OPTIONS

A Share Option shall lapse automatically and not be exercisable on the earliest of the tenth (10th) anniversary of the date on which such Share Option was granted or such earlier date(s) as may be set forth elsewhere in the Share Option Plan and/ or in the applicable Award Agreement.

11. ADJUSTMENT RELEVANT TO SHARE OPTIONS

In the event of any alteration in the capital structure of Tencent Music (whether by way of any dividend or other distribution (whether in the form of cash, shares or other securities), recapitalisation, stock split, reverse stock split, reorganisation, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of the shares of Tencent Music or other securities of Tencent Music, issuance of warrants or other rights to purchase shares or other securities of Tencent Music, issuance of shares of Tencent Music pursuant to the anti-dilution provisions of securities of Tencent Music, or other similar corporate transaction or event affecting the shares of Tencent Music, or of changes in the Applicable Law, regulations or accounting principles) whilst any Share Option remains exercisable, corresponding adjustments (if any) shall be made equitably by the Committee in accordance with Chapter 17 of the Listing Rules to the grant, purchase, exercise or hurdle price and/ or the number and type of shares of Tencent Music subject to a Share Option already granted and to the Share Option Plan, provided that the number of shares of Tencent Music subject to any Award denominated in the shares of Tencent Music shall always be a whole number.

12. CANCELLATION OF SHARE OPTIONS

Any cancellation of Share Options granted but not exercised shall be subject to the Applicable Law and stock exchange rules or by any applicable policy or arrangement of Tencent Music. Tencent Music shall, to the extent required, cancel or require reimbursement of any Awards which are granted to but not exercised by an Eligible Participant. If an Eligible Participant's Share Option is cancelled by Tencent Music and a new Share Option will be granted to the same Eligible Participant, such new Share Option grant may only be made if sufficient shares of Tencent Music remain available (excluding the cancelled Share Options) under the Maximum Number.

13. RIGHTS ATTACHING TO SHARES OF TENCENT MUSIC UPON EXERCISE OF SHARE OPTIONS

The shares of Tencent Music to be allotted upon exercise of a Share Option will be subject to all the provisions of the constitutional documents of Tencent Music for the time being in force and will rank *pari passu* with the fully paid shares of Tencent Music issued on the date of allotment (including in the event of liquidation of Tencent Music) and accordingly will entitle the holders of shares of Tencent Music to participate in all dividends and other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

14. ALTERATION OR TERMINATION

Except to the extent prohibited by the Applicable Law and unless otherwise expressly provided in an Award Agreement or in the Share Option Plan, the Committee may amend, alter, suspend, discontinue or terminate any outstanding Share Options, provided, that no amendment of the Share Option Plan shall materially and adversely affect any Share Options outstanding at the time of such amendment without the consent of the affected Eligible Participant. Further, unless Tencent Music ceases being a subsidiary of the Company, the provisions of the Share Option Plan relating to the matters set out in Rule 17.03 of the Listing Rules (namely the provisions in the rules of the Share Option Plan in relation to matters set out in sections 1, 3, 5, 6, 7, 8, 10, 13 and 14 and the definitions of “employee” and “participant” set out in the Share Option Plan) cannot be altered to the advantage of the Eligible Participants or proposed grantees without the prior approval of the Shareholders. Any alteration to the terms and conditions of the Share Option Plan with respect to Share Options which are of a material nature or any change to the terms of the Share Options granted must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Plan. The amended terms of the Share Option Plan or the Share Options shall remain in compliance with Chapter 17 of the Listing Rules. Any change to the authority of the board of directors of Tencent Music or the Committee with respect to Share Options in relation to any alteration to the terms of the Share Option Plan must be separately approved by the Shareholders.

Notwithstanding anything to the contrary in the Share Option Plan, the Committee may amend the Share Option Plan, or create sub-plans, in such manner as may be necessary to enable the Share Option Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations, including Chapter 17 of the Listing Rules.

In the event that the Share Option Plan is terminated, no further Share Options will be offered but the provisions of the Share Option Plan shall remain in full force in all other respects. All Awards granted prior to such termination shall continue to be valid and exercisable in accordance with the terms of the Share Option Plan.

The board of directors of Tencent Music shall obtain approval of the shareholders of Tencent Music and the Shareholders for any Share Option Plan amendment to the extent necessary to comply with the Applicable Law.

15. TRANSFERABILITY OF SHARE OPTIONS

Except as the Committee may otherwise determine or provide in an Award Agreement or otherwise, (i) Share Options shall not be sold, assigned, alienated, transferred or otherwise encumbered by the person to whom they are granted, except by will or procedures approved or accepted by the Committee for the purpose of designating a beneficiary entitled to receive payments or other benefits or exercise rights that are available under the Share Option Plan in the event of the Eligible Participant's death; and (ii) during the life of the Eligible Participant, Share Options shall be exercisable only by the Eligible Participant.

16. ADMINISTRATION OF THE SHARE OPTION PLAN

The Share Option Plan will be administered by the Committee. The Committee shall have the authority to determine which Eligible Participant will receive Share Options, to grant Share Options and to set all terms and conditions of Share Options (including, but not limited to, vesting and forfeiture provisions). In addition, the Committee shall have the authority to take all actions and make all determinations contemplated by the Share Option Plan and to adopt, amend and repeal such administrative rules, guidelines and practices to enable the Share Option Plan to achieve its stated purposes in any jurisdiction in a tax-efficient manner and in compliance with local rules and regulations. The Committee may correct any defect, supply any omission or reconcile any inconsistency in the Share Option Plan or any Award in the manner and to the extent it shall deem desirable to carry the Share Option Plan and any Share Options into effect, as determined by the Committee. The Committee shall make all determinations under the Share Option Plan in the Committee's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Share Option Plan or in any Share Options.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Tencent 腾讯
TENCENT HOLDINGS LIMITED
騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 700)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of the shareholders of Tencent Holdings Limited (the “Company”) will be held at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong immediately after the Annual General Meeting of the Company to be held at 3:00 p.m. on Wednesday, 17 May 2017 for the following purpose:

To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

“**That**, the share option plan of Tencent Music Entertainment Group, as part of the 2017 equity incentive plan of Tencent Music Entertainment Group, the terms of which are contained in the document marked “A” produced to the meeting and for the purpose of identification signed by the chairman of the meeting be and is hereby approved and adopted and that any Director of the Company be and is hereby authorised to execute such documents and take such action as they deem appropriate to implement and give effect to the share option plan of Tencent Music Entertainment Group.”

By Order of the Board
Ma Huateng
Chairman

25 April 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. For ascertaining the entitlement to attend and vote at the Extraordinary General Meeting, the register of members of the Company will be closed from Monday, 15 May 2017 to Wednesday, 17 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the Extraordinary General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 May 2017.
2. Any member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or, if he holds two or more shares, more person(s) as his proxy or proxies to attend and vote instead of him. A proxy needs not be a member of the Company.
3. The form of proxy for use at the Extraordinary General Meeting is enclosed with the circular to the shareholders dated 25 April 2017. The form of proxy can also be downloaded from the website of the Company at www.tencent.com and the website of HKExnews at www.hkexnews.hk. To be valid, the form of proxy must be completed, signed and deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof (as the case may be).