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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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  
CHINA LITERATURE LIMITED  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting of Tencent Holdings Limited to be held at Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong immediately after the annual general meeting of the Company to be held at 3:00 p.m. on Thursday, 20 May 2021 is set out on pages 18 to 19 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. **In view of the ongoing COVID-19 pandemic, you are strongly encouraged to appoint the chairman of the EGM as proxy to attend and vote on your behalf at the EGM or any adjourned meeting.**

**PRECAUTIONARY MEASURES FOR THE EGM**

**In order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders, and in line with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, the Company will implement the following precautionary measures at the EGM:**

- **compulsory body temperature screening**
- **mandatory health declaration**
- **compulsory wearing of surgical face masks**
- **no provision of refreshments and corporate gifts**
- **maintaining appropriate distancing and spacing**

**Attendees are reminded that they should consider the risks of attending the EGM, taking into account their own personal circumstances. Any person who does not comply with the precautionary measures will be denied entry into the EGM venue at the absolute discretion of the Company. All attendees are requested to wear surgical face masks at all times at the EGM venue. Shareholders are strongly encouraged to exercise their voting rights at the EGM by appointing the chairman of the EGM as proxy to attend and vote on the relevant resolutions at the EGM instead of attending the EGM or any adjourned meeting in person.**

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*Note:* In the event of any discrepancy between the English and Chinese versions of this circular, the English version shall prevail.

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## PRECAUTIONARY MEASURES FOR THE EGM

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In view of the ongoing COVID-19 pandemic and in line with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, the Company will implement the following precautionary measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature screening will be conducted on every attending Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person found to be suffering from a fever or otherwise unwell will be denied entry into the EGM venue or be required to leave the EGM venue at the absolute discretion of the Company.
- (ii) All attending Shareholders, proxies and other attendees are required to complete and submit at the entrance of the EGM venue a declaration form confirming their names and contact details, and be asked whether (a) they have been in close contact with anyone who has contracted or is suspected to have contracted COVID-19 in the preceding 21 days of the EGM; (b) they have travelled to, or to their best of knowledge have close contact with any person who has recently travelled to, areas outside of Hong Kong at any time in the preceding 21 days of the EGM; and (c) they are, or are residing with anyone who is, subject to any compulsory quarantine. Any person who responds affirmatively to any one of the above questions will be denied entry into the EGM venue or be required to leave the EGM venue.
- (iii) All attendees are requested to wear surgical face masks at the EGM venue at all times, and to maintain a safe distance with other attendees.
- (iv) No refreshments and corporate gifts will be provided.
- (v) Appropriate distancing and spacing at the EGM venue will be maintained to avoid overcrowding.

To the extent permitted under the applicable laws, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interests of all stakeholders' health and safety and in response to the relevant guidelines prescribed by the Hong Kong Government on prevention and control of COVID-19 pandemic, Shareholders are reminded that **physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights, and are strongly encouraged to appoint the chairman of the EGM as proxy to attend and vote on the resolution at the EGM by completing a form of proxy in accordance with the instructions printed thereon instead of attending the EGM or any adjourned meeting in person.**

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## DEFINITION

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

<b>Term</b>	<b>Definition</b>
“Administrative Committee”	the committee comprising of one executive director of China Literature from time to time
“Adoption Date”	the day when the Share Option Plan is approved and adopted by the shareholders of China Literature
“Articles of Association”	the second amended and restated articles of association of the Company adopted by special resolution passed on 13 May 2020
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the business of dealing in securities
“Business Partner(s)”	business partner(s) of any member of the China Literature Group or Invested Entity
“China Literature”	China Literature Limited (阅文集团), a non wholly-owned subsidiary of the Company which is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“China Literature Group”	China Literature and its subsidiaries and consolidated affiliated entities from time to time
“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
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong immediately after the annual general meeting of the Company to be held at 3:00 p.m. on Thursday, 20 May 2021 or any adjournment thereof
“Eligible Participant(s)”	individual(s) or entity(ies) who may be eligible to participate in the Share Option Plan
“Grant Date”	the date of the grant letter in writing for each grant of Share Options to an Eligible Participant

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## DEFINITION

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“Grantee”	the Eligible Participant who accepts or is deemed to have accepted the offer of any Options in accordance with the terms of the Share Option Plan or (where the context so permits) a person entitled to any such Share Options in consequence of the death of the original Grantee
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region, the PRC
“Invested Entity”	any entity in which any member of the China Literature Group holds an equity interest, and shall, for the purpose of the Share Option Plan, exclude any members of the China Literature Group
“Junior Grantee(s)”	any Grantee(s) other than a Senior Grantee. The Junior Grantees (i) include any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the China Literature Group, other than the director or the member of the senior management of China Literature as included in the latest annual report of China Literature published on the website of the Stock Exchange immediately before the Grant Date; and (ii) do not include non-employees
“Latest Practicable Date”	14 April 2021, 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, as amended from time to time
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Senior Grantee(s)”	the Grantee(s) who is either (i) a director of China Literature, (ii) a consultant, adviser or agent of the China Literature Group, (iii) a member of the senior management of China Literature as included in the latest annual report of China Literature published on the website of the Stock Exchange immediately before the Grant Date, (iv) a Business Partner, or (v) an individual or entity that is an employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors), consultant, adviser or agent of any Invested Entity or any Business Partner
“Share(s)”	the ordinary share(s) with par value of HK\$0.00002 each in the share capital of the Company

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## DEFINITION

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“Share Option(s)”	the right to subscribe for a specified number of shares of China Literature in issue at the Subscription Price
“Share Option Plan”	the share option plan for Eligible Participants proposed to be conditionally adopted at the EGM, a summary of the key terms of which is set out in the Appendix to this circular
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per share of China Literature at which a Grantee may subscribe for on the exercise of Share Options calculated in accordance with the Share Option Plan
“%”	per cent

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LETTER FROM THE BOARD

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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)**

*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

Professor Ke Yang

*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

23 April 2021

*To the Shareholders*

Dear Sir or Madam

**PROPOSED ADOPTION OF THE SHARE OPTION PLAN OF  
CHINA LITERATURE LIMITED  
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.

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## LETTER FROM THE BOARD

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### 1. PROPOSED ADOPTION OF THE SHARE OPTION PLAN

#### Background

China Literature is a non wholly-owned subsidiary of the Company, which was interested in approximately 59% of the issued share capital of China Literature as at the Latest Practicable Date. China Literature is principally engaged in online literature business in China.

Reference is made to the announcement of China Literature dated 25 March 2021. The board of directors of China Literature has resolved to propose the adoption of the Share Option Plan for the approval by shareholders of China Literature and the Shareholders. The purposes of the Share Option Plan are to (i) provide incentives and rewards to the directors, employees, advisers, consultants and business partners of the China Literature Group for their contributions to, and continuing efforts to promote the interest of, China Literature; (ii) recognise the contributions by the Eligible Participants with an opportunity to acquire a proprietary interest in China Literature; (iii) encourage and retain such individuals for the continual operation and development of the China Literature Group; (iv) provide additional incentives for them to achieve performance goals; (v) attract suitable personnel for further development of the China Literature Group; and (vi) motivate the Eligible Participants to maximise the value of China Literature for the benefits of both the Eligible Participants and China Literature, with a view to achieving the objectives of increasing the value of the China Literature Group and aligning the interests of the Eligible Participants directly to the shareholders of China Literature through ownership of shares of China Literature. The Share Option Plan will become effective after all the conditions of the Share Option Plan have been fulfilled and shall be valid and effective for a period of ten (10) years commencing on the Adoption Date.

To determine the Senior Grantees other than the employees of the China Literature Group including consultants, the board of directors of China Literature shall take into account (i) the contribution of such Senior Grantee to the growth and development of the China Literature Group, and (ii) his/her/its potential value to the China Literature Group due to such Senior Grantee's expertise, experience or business resources. The purposes of the grant to the Senior Grantees who are not the employees of the China Literature Group are to provide a means of compensating them through the grant of Share Options for their contribution to China Literature's growth and profits, and to allow such non-employees to participate in such growth and profitability.

As of the Latest Practicable Date, no proposed Grantees had been identified by China Literature, and thus no Share Options had been granted or agreed or intended to be granted under the Share Option Plan.

As at the Latest Practicable Date, there were in issue an aggregate of 1,018,805,679 shares of China Literature. Assuming no further shares are issued and/or brought back prior to the date of adoption of the Share Option Plan by China Literature, options to subscribe for a total of 25,470,141 shares of China Literature may be granted under the Share Option Plan, representing 2.5 per cent (2.5%) of the issued share capital as at the date of the adoption of the Share Option Plan. China Literature may seek approval by its shareholders to renew the 2.5% limit on the basis that the total number of shares which may be issued upon exercise of all Share Options that may be granted under the Share Option Plan and any other option scheme shall not exceed ten per cent (10%) of the issued share capital of China Literature as at the date of approval of the refreshed limit. The maximum number of shares of China Literature which may

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## LETTER FROM THE BOARD

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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 any other option scheme shall not exceed thirty per cent (30%) of the issued share capital of China Literature from time to time.

As the Share Option Plan involves the grant of share 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 a director of China Literature or a connected person (as defined in the Listing Rules) of China Literature or the Company (if any) will be subject to compliance with Chapter 14A of the Listing Rules, including the applicable reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A.

The shares of China Literature issued under the Share Option Plan may consist in whole or in part of authorised but unissued shares of China Literature. The shares to be issued upon an exercise of a Share Option will be the shares in China Literature, not the Company's Shares. 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 of equity interest of the Company in China Literature.

The Company will disclose in its annual report and interim report the following information in respect of the Share Option Plan:

- (a) particulars of outstanding Share Options at the beginning and at the end of the financial year/period;
- (b) particulars of Share Options granted during the financial year/period; and
- (c) the number of Share Options exercised, cancelled and/or lapsed during the financial year/period.

### **Conditions of the Share Option Plan**

The Share Option Plan shall take effect subject to the following conditions:

- (a) the passing of an ordinary resolution to approve the adoption of the Share Option Plan by the Shareholders in general meeting;
- (b) the passing of an ordinary resolution to approve the adoption of the Share Option Plan by the shareholders of China Literature in general meeting; and
- (c) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any shares of China Literature to be issued and allotted pursuant to the exercise of Share Options granted under the Share Option Plan.

Any alterations to the provisions of the Share Option Plan which are of a material nature (except where alterations take effect automatically under the provisions of the Share Option Plan) must be approved by (i) the shareholders of China Literature and (ii) the Shareholders in general meeting, respectively.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Share Option Plan has been approved by the directors of China Literature. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new shares of China Literature which may be issued and allotted pursuant to the Share Option Plan.

### **Value of the Share Options**

The directors of China Literature consider that it is not appropriate to state the value of all Share Options that may be granted pursuant to the Share Option Plan as if they had been granted on the Latest Practicable Date, because the calculation of the value of the Share Options is based on a number of variables such as the exercise price, exercisable period, interest rate, expected volatility and other relevant variables. As no Share Options have been granted under the Share Option Plan as at the Latest Practicable Date, certain variables were not available for calculating the value of the Share Options. The directors of China Literature believe that any calculation of the value of the Share Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the shareholders of China Literature.

### **Key terms of the Share Option Plan**

For details of the Share Option Plan, please refer to the Appendix of this circular. Pursuant to the requirements of the Listing Rules, the Share Option Plan will be submitted to the EGM for consideration.

A copy of the Share Option Plan is available for inspection at 29/F., Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM, which is a period of not less than fourteen (14) days before the date of the EGM.

### **General information**

As at the Latest Practicable Date, the Share Option Plan has not appointed any trustee, accordingly none of the directors of China Literature 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.

## **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 18 to 19 of this circular.

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

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](http://www.tencent.com) or the website of HKExnews at [www.hkexnews.hk](http://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

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## LETTER FROM THE BOARD

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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. **In view of the ongoing COVID-19 pandemic, you are strongly encouraged to appoint the chairman of the EGM as proxy to attend and vote on your behalf at the EGM or any adjourned meeting.**

### 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.

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](http://www.tencent.com) and the website of HKEXnews at [www.hkexnews.hk](http://www.hkexnews.hk) later on the date of the EGM.

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## LETTER FROM THE BOARD

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#### 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*

*The following is a summary of the key terms of the Share Option Plan 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. EFFECTIVENESS AND DURATION**

The Share Option Plan shall take effect on the date of the passing of the necessary resolution to adopt the Share Option Plan by the board of directors and shareholders of China Literature and the Shareholders.

The Share Option Plan shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Share Options will be granted under the Share Option Plan, but the provisions of the Share Option Plan shall remain in full force and effect to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Plan.

### **2. ADMINISTRATION**

The board of directors of China Literature shall have the sole and absolute right to, among others, interpret and construe the provisions of the Share Option Plan, determine the Senior Grantees who will be offered Share Options under the Share Option Plan and the Subscription Price in relation to such Share Options in accordance with the provisions of the Share Option Plan. The chairman of China Literature shall have the sole and absolute right to, among other things, determine the Junior Grantees who will be offered Share Options under the Share Option Plan and the Subscription Price in relation to such Share Options in accordance with the provisions of the Share Option Plan.

The Administrative Committee shall be responsible for, among other things, applying to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, any shares of China Literature to be issued pursuant to the exercise of Share Options under the Share Option Plan on the Stock Exchange and approving the draft announcement to be published by China Literature in connection with the grant of Share Options.

### **3. ELIGIBILITY AND GRANT OF SHARE OPTIONS**

#### **(A) Eligibility and making and acceptance of an offer**

The Eligible Participants for the Share Option Plan include (i) any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the China Literature Group; and (ii) any individual or entity that is either (a) a Business Partner, (b) a consultant, adviser or agent of any member of the China Literature Group, any Invested Entity or any Business Partner or (c) an employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any Invested Entity or any Business Partner who, in the sole opinion of the board of directors of China Literature, have contributed or will contribute to the growth and development of the China Literature Group or any Invested Entity.

The board of directors (in the case of Senior Grantees) or the chairman of the board of directors (in the case of Junior Grantees) of China Literature shall be entitled at any time during the operation of the Share Option Plan, at its/his/her sole and absolute discretion, to make an offer of Share Options to an Eligible Participant by letter in such form as the board of directors or the chairman of the board of directors of China Literature (as the case may be) may from time to time determine. An amount of RMB1.00 is payable by the Grantee to China Literature upon acceptance of the offer of Share Options within three (3) days after such acceptance or other time as prescribed by China Literature, and such remittance shall not be refundable and shall not be deemed to be a part payment of the Subscription Price.

**(B) Grant of Share Options to director, chief executive, substantial shareholder, and their respective associates**

Any grant of Share Options to a connected person (as defined in the Listing Rules) of China Literature, or any of its/his/her associates, shall also comply and be approved in accordance with the applicable requirements of the Listing Rules, including but not limited to:

- (i) if Share Options are granted to a director, chief executive or substantial shareholder of China Literature or any of their respective associates, such grant shall be subject to the approval by the independent non-executive directors of China Literature (and in the event that the board of China Literature offers to grant Share Options to any independent non-executive director of China Literature, the vote of such independent non-executive director shall not be counted for the purposes of approving such grant); and
- (ii) if Share Options are granted to a substantial shareholder or an independent non-executive director of China Literature (or any of their respective associates) and that grant would result in the shares of China Literature issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Plan and any other schemes in the 12-month period up to and including the Grant Date:
  - (a) representing in aggregate over 0.1 per cent (0.1%), or such other percentage as may from time to time be provided under the Listing Rules, of the shares of China Literature in issue on the Grant Date; and
  - (b) having an aggregate value, based on the official closing price of the shares of China Literature as stated in the daily quotation sheets of the Stock Exchange on the Grant Date, in excess of HK\$5 million or such other sum as may from time to time be provided under the Listing Rules,

such grant shall be subject to, in addition to the approval of the independent non-executive directors of China Literature, the issue of a circular by China Literature to its shareholders and the approval of the shareholders of China Literature in general meeting by way of a poll convened and held in accordance with its articles of association at which all connected persons (as defined in the Listing Rules) of China Literature shall abstain from voting in favour of the resolution concerning the grant of such Share Options at the general meeting, and/or such other requirements prescribed under the Listing Rules from time to time. Unless provided otherwise in the Listing Rules, the date of the board meeting at which the board of directors of China Literature proposes to grant the proposed Share Options to that Eligible Participant shall be taken as the Grant Date for the purpose of calculating the Subscription Price.

**(C) Restrictions on the time of grant of Share Options**

For as long as the shares of China Literature are listed on the Stock Exchange, a Share Option must not be granted after inside information has come to the knowledge of China Literature until such inside information has been announced in accordance with the requirements of the Listing Rules. In particular, a Share Option must not be granted during the period commencing one (1) month immediately preceding the earlier of:

- (i) the date of the meeting of the board of China Literature (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the results of China Literature for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for China Literature to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

For as long as the shares of China Literature are listed on the Stock Exchange, where any Share Option is proposed to be granted to a director of China Literature, it shall not be granted on any day on which the financial results of China Literature are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**4. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION****(A) Scheme limit**

The total number of shares of China Literature which may be issued upon exercise of all Share Options that may be granted under the Share Option Plan and any other option scheme involving the issue or grant of options over shares or other securities by China Literature or any of its subsidiaries shall not in aggregate exceed 2.5 per cent (2.5%) of the issued share capital of China Literature as of the date of general meeting of China Literature approving the adoption of the Share Option Plan (the “**Scheme Limit**”) unless otherwise permitted by the Listing Rules or China Literature obtains the approval of its shareholders to refresh the Scheme Limit.

**(B) Refreshment of Scheme Limit**

China Literature may seek the approval of its shareholders in general meeting to refresh the Scheme Limit such that the total number of shares which may be issued upon exercise of all Share Options that may be granted under the Share Option Plan and any other option scheme/plan involving the issue or grant of options over shares or other securities by China Literature under the limit as refreshed shall not exceed ten per cent (10%) of the issued share capital of China Literature as at the date of approval of the refreshed limit.

China Literature may seek the approval of its shareholders in general meeting to grant Share Options which will result in the number of shares in respect of all the Share Options granted under the Share Option Plan and all the options granted under any other option scheme exceeding ten per cent (10%) of the issued share capital of China Literature, provided that such Share Options are granted only to participants specifically identified by China Literature before the approval of its shareholders is sought.

**(C) Maximum number of shares issued pursuant to Share Options**

The maximum number of shares of China Literature 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 any other option scheme shall not exceed thirty per cent (30%) of the issued share capital of China Literature from time to time.

**(D) Maximum entitlement of each Eligible Participant**

No Share Option may be granted to any Eligible Participant which, if exercised in full, would result in the total number of shares of China Literature issued and to be issued upon exercise of the Share Options already granted or to be granted to such Eligible Participant under the Share Option Plan (including exercised, cancelled and outstanding Share Options) in the 12-month period up to and including the Grant Date of such new grant exceeding one per cent (1%) in aggregate of the issued share capital of China Literature as at the Grant Date of such new grant. Any grant of further Share Options above this limit shall be subject to the requirements provided under the Listing Rules.

**5. OPTION TERMS AND EXERCISE OF SHARE OPTIONS****(A) Subscription Price**

The Subscription Price shall be a price determined by the board or the chairman of the board of directors (as the case may be) of China Literature and notified to any Grantee and will be the highest of:

- (a) the closing price of a share of China Literature as stated in the Stock Exchange's daily quotations sheet on the Grant Date of the relevant Share Options, which must be a Business Day;
- (b) an amount equivalent to the average closing price of a share of China Literature as stated in the Stock Exchange's daily quotation sheets for the five (5) Business Days immediately preceding the Grant Date of the relevant Share Options; and
- (c) the nominal value per share of China Literature on the Grant Date.

**(B) Vesting schedule and exercise period**

The board or the chairman of the board of directors (as the case may be) of China Literature may specify the exercise period and the vesting schedule of the Share Options in the grant letter. Unless the Share Options have been withdrawn and cancelled or been forfeited in whole or in part, the Grantee may exercise his rights under the Share Option Plan according to the vesting schedule set out in the relevant grant letter. The Share Option must be exercised no more than ten (10) years from the Grant Date. There is no minimum period for which a Share Option must be held before it can be exercised.

**(C) Performance target**

The Share Option Plan does not provide for any performance target that must be achieved before the Share Options can be exercised.

**6. TRANSFERABILITY**

Any Share Options shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Share Options. Any breach of the foregoing by the Grantee shall entitle China Literature to cancel any Share Options or part thereof granted to such Grantee (to the extent not already exercised) without incurring any liability on the part of China Literature.

**7. LAPSE**

Any Share Options shall lapse forthwith and not exercisable (to the extent not already exercised), with immediate effect or after such period the board or the chairman of the board of directors (as the case may be) of China Literature may determine, on the earliest of:

- (a) the expiry of the exercise period of the Share Options;
- (b) subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the exercise period relating to termination of employment of the Grantee or the listing of the subsidiary of China Literature which employs the Grantee;
- (c) the date on which the Grantee ceases to be an Eligible Participant in accordance with the Share Option Plan;
- (d) the date of the commencement of the voluntary winding-up of China Literature;
- (e) the date on which the board or the chairman of the board of directors (as the case may be) of China Literature exercises China Literature's right to cancel or forfeit the Share Options if the Grantee commits any breach of the provisions of paragraph 6 above or the confidentiality clause of the Share Option Plan; and
- (f) the date on which the Share Options are cancelled in accordance with the Share Option Plan.

## 8. RANKING OF THE SHARES

No dividends (including distributions made upon the liquidation of China Literature) will be payable and no voting rights will be exercisable in relation to any Share Options that have not been exercised. Shares of China Literature allotted and issued on the exercise of any Share Options will be subject to all provisions of the articles of association of China Literature and will rank equally in all respects with the shares of China Literature in issue on the date of allotment and issuance. Such shares of China Literature will not rank for any rights attaching to shares of China Literature by reference to a record date preceding the date of allotment and issuance.

## 9. ADJUSTMENT

If there is any alteration in the capital structure of China Literature while any Share Options remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of China Literature (other than an issue of shares of China Literature as consideration in respect of a transaction to which China Literature is a party), such corresponding alterations (if any) shall be made to:

- (a) the number of shares (without fractional entitlements) of China Literature subject to the Share Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the maximum number of shares of China Literature for which further Share Options may be granted under the Share Option Plan.

Except alterations made on a capitalisation issue, any alteration to the number of shares of China Literature which is the subject of the Share Options and/or the Subscription Price shall be conditional on the auditors or the independent financial adviser appointed by China Literature confirming by the issue of certificate to the board of directors of China Literature that the alteration is in their opinion fair and reasonable, is made on the basis that the proportion of the issued share capital of China Literature to which a Grantee is entitled after such alteration shall remain the same as that to which he was entitled before such alteration. No such alteration shall be made to the effect which would be to enable any share of China Literature to be issued at less than its nominal value (where applicable) or which would result in the aggregate amount payable on the exercise of any Share Options in full being increased.

## 10. ALTERATION

The Share Option Plan may be altered in any respect by resolution of the board of directors of China Literature except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to extend the class of persons eligible for the grant of options or to the advantage of Grantees or prospective Grantees except with the prior approval of the shareholders of China Literature in general meeting (with participants and their respective associates abstaining from voting). The amended terms of the Share Option Plan shall comply with the relevant requirements of the Listing Rules (including, without limitation, Chapter 17 of the Listing Rules).

Notwithstanding the foregoing, the Share Option Plan may be amended or altered in any aspect by resolution of the board of directors of China Literature without the approval of the shareholders of China Literature or the Grantees to the extent such amendment or alteration is required by the Listing Rules and/or any applicable legal or regulatory requirements from time to time.

#### **11. TERMINATION**

The board of directors of China Literature may at any time terminate the operation of the Share Option Plan before the end of its life and in such event no further Share Options will be offered but (save in the case of termination pursuant to paragraph 1 above) the provisions of the Share Option Plan shall remain in all other respects in full force and effect in respect of Share Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant.

#### **12. CANCELLATION**

Unless otherwise provided for in the Share Option Plan, any cancellation of Share Options granted in accordance with the Share Option Plan but not exercised must be approved by the Grantee concerned in writing. In the event that the board of directors of China Literature or the chairman of the board of directors of China Literature (as the case may be) elects to cancel any Share Options and issue new ones to the same Grantee, the issue of such new Share Options may only be made with the available unissued Share Options (excluding the cancelled Share Options) within the limit set out in paragraph 4 above.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

**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 Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong immediately after the Annual General Meeting of the Company to be held at 3:00 p.m. on Thursday, 20 May 2021 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 China Literature Limited, 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 actions as he deems appropriate to implement and give effect to the share option plan of China Literature Limited.”

By Order of the Board  
**Ma Huateng**  
*Chairman*

23 April 2021

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*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 Friday, 14 May 2021 to Thursday, 20 May 2021, 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 Thursday, 13 May 2021.
2. Any member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or, if he/she holds two or more shares, more person(s) as his/her proxy or proxies to attend and vote instead of him/her. A proxy needs not be a member of the Company. **In view of the ongoing COVID-19 pandemic, shareholders are strongly encouraged to appoint the chairman of the Extraordinary General Meeting as proxy to attend and vote on his/her behalf at the Extraordinary General Meeting or any adjourned meeting.**
3. The form of proxy for use at the Extraordinary General Meeting is enclosed with the circular to the shareholders dated 23 April 2021. The form of proxy can also be downloaded from the website of the Company at [www.tencent.com](http://www.tencent.com) and the website of HKEXnews at [www.hkexnews.hk](http://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).