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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 REFRESHMENT OF SCHEME MANDATE LIMIT UNDER THE SHARE OPTION PLAN OF TENCENT MUSIC ENTERTAINMENT GROUP AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of Tencent Holdings Limited to be held at Island Ballroom B, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong immediately after the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 18 May 2022 is set out on pages 11 to 12 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 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
- compulsory wearing of surgical face masks
- no provision of refreshments and corporate gifts
- maintaining appropriate distancing and spacing
- limiting the number of the EGM attendees to avoid over-crowding

Attendees are reminded that they should consider the risks of attending the EGM, taking into account their own personal circumstances. Any person, who (a) does not comply with the precautionary measures; (b) is subject to the Hong Kong Government's quarantine requirements or has close contact with any person under quarantine; (c) is subject to the Hong Kong Government's prescribed testing requirement or direction and has not tested negative; or (d) feels unwell or has any symptoms of COVID-19, will be denied entry into the EGM venue at the absolute discretion of the Company as permitted by law. All attendees are requested to wear surgical face masks at all times at the EGM venue. It is possible that Shareholders and/or their representatives may not be able to attend in person at the EGM venue depending on the prevailing Hong Kong Government regulations. 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 resolution 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.

PRECAUTIONARY MEASURES FOR THE EGM

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 ensure the health and safety of the EGM attendees and to prevent the spreading of the COVID-19 pandemic:

- (i) Compulsory body temperature screening will be conducted on EGM 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 EGM attendees are requested to wear surgical face masks at the EGM venue at all times, and to maintain a safe distance with other attendees.
- (iii) No refreshments and corporate gifts will be provided.
- (iv) Appropriate distancing and spacing at the EGM venue will be maintained to avoid over-crowding.
- (v) The Company will limit the attendance in person at the EGM venue in accordance with the prevailing requirements or guidelines published by the Hong Kong Government and/or regulatory authorities at the time of the EGM. Given the limited capacity of the EGM venue and the requirements for social distancing to ensure attendees' health and safety, only Shareholders and/or their representatives and relevant EGM staff will be admitted to the EGM. Admission to the EGM venue will not be granted in excess of the capacity of the EGM venue.
- (vi) Any other additional precautionary measures in accordance with the prevailing requirements or guidelines of the Hong Kong Government and/or regulatory authorities, or as considered appropriate in light of the development of the COVID-19 pandemic.

To the extent permitted under 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 health and safety of the attendees at the EGM.

Shareholders are requested (a) to consider carefully the risk of attending the EGM, which will be held in an enclosed environment, (b) to follow any prevailing requirements or guidelines of the Hong Kong Government relating to COVID-19 pandemic in deciding whether or not to attend the EGM, and (c) not to attend the EGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anyone who has contracted or is suspected to have contracted COVID-19.

PRECAUTIONARY MEASURES FOR 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 their 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 form of proxy in accordance with the instructions printed thereon instead of attending the EGM or any adjourned meeting in person.**

Subject to the development of the COVID-19 pandemic and the requirements or guidelines of the Hong Kong Government and/or regulatory authorities, the Company may announce further updates on the EGM arrangement on the website of the Company at www.tencent.com as and when appropriate.

DEFINITION

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

Term	Definition
“ADSs”	American depositary shares, each representing two Class A Ordinary Shares in Tencent Music
“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
“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 second amended and restated articles of association of the Company adopted by special resolution passed on 13 May 2020
“Award(s)”	any Share Option(s) granted under the Share Option Plan
“Board”	the board of Directors
“Class A Ordinary Share(s)”	Class A ordinary share(s) of Tencent Music with par value of US\$0.000083 each
“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”	has the meaning ascribed thereto under the Listing Rules

DEFINITION

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Island Ballroom B, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong immediately after the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 18 May 2022 or any adjournment thereof
“Eligible Participant”	the recipient of an Award granted under the Share Option Plan
“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
“Latest Practicable Date”	22 April 2022, 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
“Proposed Refreshment”	the proposed refreshment of the Scheme Mandate Limit
“Scheme Mandate Limit”	the maximum number of the Class A Ordinary Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Plan and any other share option scheme(s) of Tencent Music (if any), which shall mean (i) in aggregate not exceeding 10% of the total number of the Class A Ordinary Shares in issue as at the date of approval of the Share Option Plan; or (ii) if such limit in (i) above is to be refreshed thereafter, not exceeding 10% of the total number of the Class A Ordinary Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“Share(s)”	the ordinary share(s) with par value of HK\$0.00002 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Plan”	the 2017 Share Option Plan of Tencent Music, the adoption of which was approved by the Shareholders on 17 May 2017, and the refreshment of the Scheme Mandate Limit of which was approved by the Shareholders on 15 May 2019

DEFINITION

“Share Option(s)”	option(s) to subscribe for the Class A Ordinary Share(s) pursuant to the Share Option Plan
“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 whose ADSs are listed on the New York Stock Exchange (NYSE: TME)
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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 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

25 April 2022

To the Shareholders

Dear Sir or Madam

**PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER 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 the resolution to be proposed at the EGM for the approval of the Proposed Refreshment.

LETTER FROM THE BOARD

1. PROPOSED REFRESHMENT

Reference is made to the circular of the Company dated 25 April 2017 regarding the adoption of the Share Option Plan which was approved by the Shareholders on 17 May 2017, and the refreshment of the Scheme Mandate Limit of which was approved by the Shareholders on 15 May 2019. 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. Apart from the Share Option Plan, Tencent Music had no other share option scheme pursuant to which options may be granted as at the Latest Practicable Date.

Any employee of Tencent Music or certain external consultants who provide expert advisory 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).

Pursuant to the Share Option Plan and in compliance with Chapter 17 of the Listing Rules, the maximum number of the Class A Ordinary Shares which may be allotted and issued upon exercise of all Share Options to be granted under the Share Option Plan and any other share option scheme(s) of Tencent Music (if any) shall not in aggregate exceed 61,873,924 Class A Ordinary Shares (as refreshed by the Shareholders at the extraordinary general meeting of the Company held on 15 May 2019), which is not more than 10% of the total number of the Class A Ordinary Shares in issue as at the date of refreshment of the Scheme Mandate Limit of the Share Option Plan. The Scheme Mandate Limit may be further refreshed by the Shareholders provided that:

- (a) the Scheme Mandate Limit as further refreshed shall not exceed 10% of the total number of the Class A Ordinary Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit;
- (b) Share Options previously granted under the Share Option Plan and any other share option scheme(s) adopted by Tencent Music (including those outstanding, cancelled or lapsed in accordance with the relevant scheme(s) or exercised Share Options) will not be counted for the purpose of calculating the Scheme Mandate Limit to be further refreshed; and
- (c) the total number of the Class A Ordinary Shares which may be allotted and issued upon exercise of all Share Options granted and yet to be exercised under the Share Option Plan and any other share option scheme(s) adopted by Tencent Music must not exceed 30% of the Class A Ordinary Shares in issue from time to time.

As at the Latest Practicable Date, Tencent Music has granted Share Options carrying rights to subscribe for 69,252,954 Class A Ordinary Shares under the Share Option Plan, of which Share Options carrying rights to subscribe for 24,355,912 Class A Ordinary Shares had been exercised and 4,612,316 Class A Ordinary Shares had been cancelled, resulting in Share Options carrying rights to subscribe for 40,284,726 Class A Ordinary Shares outstanding.

LETTER FROM THE BOARD

In order for the Share Option Plan to continue to properly serve its purpose, the directors of Tencent Music believe that it is necessary to implement the Proposed Refreshment. The Directors concur with the view of the directors of Tencent Music and believe that the future development and success of Tencent Music and the appropriate reward and motivation of the Eligible Participants are in the interests of the Company and the Shareholders as a whole.

Based on 1,675,015,086 Class A Ordinary Shares in issue as at the Latest Practicable Date and assuming no further Class A Ordinary Shares will be issued or bought back between the Latest Practicable Date and the date of the EGM, if the Proposed Refreshment is approved at the EGM, the Scheme Mandate Limit will be further refreshed and renewed to 167,501,508 Class A Ordinary Shares, representing approximately 10% of the Class A Ordinary Shares in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, the total number of the Class A Ordinary Shares which may be allotted and issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Plan was 40,284,726 Class A Ordinary Shares, representing approximately 2.41% of the Class A Ordinary Shares in issue as at the Latest Practicable Date.

The Proposed Refreshment is conditional upon the passing of an ordinary resolution to approve the Proposed Refreshment at the EGM by the Shareholders pursuant to the requirements of Rule 17.01(4) of the Listing Rules.

The shares to be issued upon exercise of the Share Options will be the Class A Ordinary Shares and not the shares of the Company. These Class A Ordinary Shares will be listed on the New York Stock Exchange.

Upon the issue of all Class A Ordinary Shares issuable upon the exercise of all Share Options under the Share Option Plan (taking into account the effect of the Proposed Refreshment), and assuming there is no other change in the share capital of Tencent Music between the Latest Practicable Date up to and including the date of exercise of all Share Options in full, the Company's shareholding in Tencent Music will be diluted from approximately 48.4% to approximately 45.6%. Tencent Music will continue to be a subsidiary of the Company.

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 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 further reduce the percentage equity interest of the Company in Tencent Music.

Since the adoption of the Share Option Plan, Awards have been granted to employees of Tencent Music or its subsidiaries, and to external consultants who have provided expert advisory services relating to the music industry to Tencent Music. As at the Latest Practicable Date, Tencent Music had no intention to grant new Awards to Eligible Participants.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required under the Listing Rules to abstain from voting on the proposed ordinary resolution in respect of the Proposed Refreshment at the EGM.

LETTER FROM THE BOARD

2. EXTRAORDINARY GENERAL MEETING

A notice convening the EGM is set out on pages 11 to 12 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 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 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.

LETTER FROM THE BOARD

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 and the website of HKEXnews at www.hkexnews.hk later on the date of the EGM.

4. RECOMMENDATION

The Directors (including independent non-executive Directors) are of the opinion that the proposed resolution in respect of the Proposed Refreshment 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

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 Island Ballroom B, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong immediately after the Annual General Meeting of the Company to be held at 3:00 p.m. on Wednesday, 18 May 2022 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 existing scheme mandate limit in respect of the granting of options to subscribe for the class A ordinary shares (the “Class A Ordinary Shares”) of Tencent Music Entertainment Group (“Tencent Music”) under the share option plan of Tencent Music as approved and refreshed by the shareholders of the Company on 15 May 2019 be further refreshed and renewed to 167,501,508 Class A Ordinary Shares (the “Refreshed Limit”), and that any director of the Company be and is hereby authorised to execute all such documents and take all such steps as he/she may deem necessary, desirable or expedient to effect the Refreshed Limit.”

By Order of the Board
Ma Huateng
Chairman

25 April 2022

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 Friday, 13 May 2022 to Wednesday, 18 May 2022, 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, 12 May 2022.
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 25 April 2022. 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).