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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 SPIN-OFF AND SEPARATE LISTING OF  
CHINA LITERATURE LIMITED  
ON THE MAIN BOARD OF  
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**BASIS OF THE ASSURED ENTITLEMENT OF  
QUALIFYING SHAREHOLDERS TO THE RESERVED SHARES  
IN THE PREFERENTIAL OFFERING**

The Board is pleased to announce that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, if and when made. The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 1,256 Shares held by Qualifying Shareholders on Friday, 20 October 2017, being the Record Date.

**As the size and structure of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.**

**The Proposed Spin-off is subject to, among other things, the obtaining of an approval from the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the China Literature Shares, and the final decisions of the Board and of the board of directors of China Literature, which are dependent upon, among others, market conditions. Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.**

## **INTRODUCTION**

References are made to the announcements of the Company dated 30 June 2017, 6 October 2017 and 16 October 2017 (the “Announcements”) in relation to the Proposed Spin-off. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same respective meanings given to them in the Announcements.

## **BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS TO THE RESERVED SHARES IN THE PREFERENTIAL OFFERING**

The Board is pleased to announce that it has determined the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, if and when made.

**The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 1,256 Shares held by Qualifying Shareholders on Friday, 20 October 2017, being the Record Date.**

The Assured Entitlements of Qualifying Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders may apply for a number of the Reserved Shares which is greater than, equal to or less than their Assured Entitlements or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Shares which is greater than the Qualifying Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the Prospectus.

Qualifying Shareholders who hold less than 1,256 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares only. Such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlements under the Preferential Offering.

Qualifying Shareholders should note that their Assured Entitlements to the Reserved Shares may not represent a full board lot of the China Literature Shares. The Reserved Shares allocated to Qualifying Shareholders will be rounded down to the closest whole number if required. No odd lot matching services will be provided and dealings in odd lots of the Reserved Shares may be at a price below the prevailing market price for full board lots of the Reserved Shares.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

As at the date of this announcement, the Company and China Literature have been advised by their PRC legal adviser that pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Programme (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited does not provide services relating to the subscription of newly

issued shares. Accordingly, even if the Preferential Offering proceeds, beneficial owners who hold the Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

**As the size and structure of the Global Offering have not yet been finalized, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.**

## **GENERAL**

In connection with the Global Offering, the price of the China Literature Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

**The Proposed Spin-off is subject to, among other things, the obtaining of an approval from the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the China Literature Shares, and the final decisions of the Board and of the board of directors of China Literature, which are dependent upon, among others, market conditions. Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.**

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

## DEFINITION

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

<b>Term</b>	<b>Definition</b>
“PRC”	the People’s Republic of China
“Reserved Shares”	the China Literature Shares being offered by China Literature pursuant to the Preferential Offering to Qualifying Shareholders as the Assured Entitlement
“Shanghai-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited for the establishment of mutual market access between Hong Kong and Shanghai
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited for the establishment of mutual market access between Hong Kong and Shenzhen

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

16 October 2017

*As at the date of this announcement, the directors of the Company are:*

*Executive Directors:*

Ma Huateng and Lau Chi Ping Martin;

*Non-Executive Directors:*

Jacobus Petrus (Koos) Bekker and Charles St Leger Searle; and

*Independent Non-Executive Directors:*

Li Dong Sheng, Iain Ferguson Bruce, Ian Charles Stone and Yang Siu Shun.