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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 SUBDIVISION OF SHARES
AND
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION AND THE ADOPTION OF
AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION

PROPOSED SHARE SUBDIVISION

The Board proposes that each of the existing issued and unissued Shares of HK\$0.0001 each in the share capital of the Company be subdivided into five (5) Subdivided Shares of HK\$0.00002 each. The Share Subdivision will become effective upon the fulfilment of the conditions set out in the section headed “Conditions of the Share Subdivision” below.

The Shares are currently traded in board lot size of 100 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 100 Subdivided Shares.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE ADOPTION OF AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposed to (i) make certain amendments to the Memorandum and Articles of Association for the purpose of, amongst others, conforming with the latest amendments to the Listing Rules and giving effect to the Share Subdivision and (ii) adopt the Amended and Restated Memorandum and Articles of Association incorporating and consolidating all the proposed amendments, including all previous amendments to the Memorandum and Articles of Association adopted and approved by the Company.

GENERAL

The Share Subdivision, the proposed amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association are subject to approval by Shareholders at the forthcoming AGM.

The Circular containing, amongst others, further details of the Share Subdivision, the proposed amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association, together with the notice of AGM, will be dispatched to the Shareholders on or around 2 April 2014.

PROPOSED SHARE SUBDIVISION

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.0001 each in the share capital of the Company into five (5) Subdivided Shares of HK\$0.00002 each.

Effects of the Share Subdivision

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000 divided into 10,000,000,000 Shares of HK\$0.0001 each, of which 1,863,999,994 Shares have been issued and are fully paid or credited as fully paid. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$1,000,000 divided into 50,000,000,000 Subdivided Shares of HK\$0.00002 each, of which 9,319,999,970 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective. The final dividend for the year ended 31 December 2013 which is subject to the approval by Shareholders at the AGM shall be adjusted from HK\$1.20 per Share to HK\$0.24 per Subdivided Share upon the Share Subdivision becoming effective.

All Subdivided Shares will rank pari passu with each other in all respects with the Shares in issue prior to the Share Subdivision and the Share Subdivision will not result in any change in the relevant rights of the Shareholders.

The Shares are currently traded in board lot size of 100 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 100 Subdivided Shares.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the AGM of an ordinary resolution approving the Share Subdivision; and
- (b) the Listing Committee granting the listing of, and permission to deal in, the Subdivided Shares, and any Subdivided Shares which may fall to be issued upon exercise of the outstanding share options granted by the Company and all Subdivided Shares which may fall to be issued upon the exercise of options to be granted from time to time under the share option schemes adopted by the Company on 16 May 2007 and 13 May 2009.

The Share Subdivision will become effective after the conditions of the Share Subdivision above are fulfilled.

Exchange of Share Certificates

Subject to the Share Subdivision having become effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 19 June 2014 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of legal title to the Subdivided Shares on the basis of one (1) Share for five (5) Subdivided Shares.

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing certificates for the Shares to 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, in exchange for the new share certificates for the Subdivided Shares free of charge between 9:00 a.m. and 4:00 p.m. on any Business Day from 15 May 2014 to 23 June 2014 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher). It is expected that the new share certificates for the Subdivided Shares will be available for collection within a period of 10 Business Days after the submission of the existing share certificates for the Shares to Computershare Hong Kong Investor Services Limited for exchange.

The new share certificates will be blue in colour so as to be distinguished from the existing share certificates which are orange in colour.

REASON FOR THE SHARE SUBDIVISION

The proposed Share Subdivision will reduce the nominal value and trading price of each Share and increase the number of Shares in issue. Although the Share Subdivision will result in downward adjustment to the trading price of the Shares, the Board believes that the Share Subdivision would enhance the liquidity in trading of Shares and thereby would enable the Company to attract more investors and broaden its Shareholder base. Accordingly, the Board considers that the Share Subdivision is in the interest of the Company and its Shareholders as a whole.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders.

ADJUSTMENT TO OPTIONS

As at the date of this announcement, there were 6,915,842 outstanding options granted under the Company's share option schemes adopted on 16 May 2007 and 13 May 2009 to subscribe for an aggregate of 6,915,842 Shares. Upon the Share Subdivision becoming effective, pro-rata adjustments will be made to the exercise prices and the number of outstanding share options. The Company has appointed an auditor to certify in writing that such pro-rata adjustments are in accordance with the terms of the share option schemes adopted on 16 May 2007 and 13 May 2009 and the supplementary guidance regarding the adjustment of share options under Rule 17.03(13) of the Listing Rules.

The Company will inform each of the grantees of the share options regarding the adjustments to be made pursuant to the respective terms and conditions of the share option schemes.

Save as disclosed above, the Company has no other outstanding share options or convertible securities to subscribe for any Share.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

Dispatch of the Circular and the related form of proxy to the Shareholders On or around Wednesday, 2 April 2014

Latest date and time of lodgment of form of proxy for the AGM 3:30 p.m. on Monday, 12 May 2014

Expected date and time of the AGM 3:30 p.m. on Wednesday, 14 May 2014

Publication of the announcement of the results of the AGM Wednesday, 14 May 2014

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Conditions of the Share Subdivision” above.

Effective date of the Share Subdivision Thursday, 15 May 2014

First day of free exchange of existing share certificates for the new share certificates for the Subdivided Shares Thursday, 15 May 2014

Dealings in Subdivided Shares commence . . . 9:00 a.m. on Thursday, 15 May 2014

Original counter for trading in existing Shares of board lots of 100 Shares temporarily closes 9:00 a.m. on Thursday, 15 May 2014

Temporary counter for trading in Subdivided Shares of board lots of 500 Subdivided Shares (in the form of existing share certificates) opens 9:00 a.m. on Thursday, 15 May 2014

Original counter for trading in Subdivided Shares of board lots of 100 Subdivided Shares (only new share certificates for Subdivided Shares can be traded at this counter) reopens 9:00 a.m. on Thursday, 29 May 2014

Parallel trading in the Shares and Subdivided Shares (in the form of existing share certificates and new share certificates) commences 9:00 a.m. on Thursday, 29 May 2014

Temporary counter for trading Subdivided Shares of board lots of 500 Subdivided Shares (in the form of existing share certificates) closes 4:00 p.m. on Thursday, 19 June 2014

Parallel trading in the Shares and Subdivided Shares (in the form of existing share certificates and new share certificates) ends..... 4:00 p.m. on Thursday, 19 June 2014

Free exchange of existing share certificates for the Shares for new share certificates for the Subdivided Shares ends..... 4:00 p.m. on Monday, 23 June 2014

Note: all times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND THE ADOPTION OF AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposed to (i) make certain amendments to the Memorandum and Articles of Association for the purpose of, amongst others, conforming with the latest amendments to the Listing Rules and giving effect to the Share Subdivision, and (ii) adopt the Amended and Restated Memorandum and Articles of Association incorporating and consolidating all the proposed amendments including all previous amendments to the Memorandum and Articles of Association adopted and approved by the Company. The proposed amendments to the Memorandum and Articles of Association as well as the adoption of the Amended and Restated Memorandum and Articles of Association are subject to approval by Shareholders at the AGM by way of special resolution.

Details of the proposed amendments to the Memorandum and Articles of Association as well as the adoption of the Amended and Restated Memorandum and Articles of Association will be provided in the Circular to be dispatched to the Shareholders.

GENERAL

An AGM will be convened and held to approve, amongst others, the Share Subdivision, the proposed amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association. No Shareholders will be required to abstain from voting at the AGM.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares arising from the Share Subdivision, and any Subdivided Shares which may fall to be issued upon exercise of the outstanding share options granted by the Company and all Subdivided Shares which may fall to be issued upon the exercise of options to be granted from time to time under the share option schemes adopted by the Company on 16 May 2007 and 13 May 2009.

The Circular containing, amongst others, further details of the Share Subdivision, the proposed amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association, will be dispatched to the Shareholders on or around 2 April 2014.

DEFINITION

Unless otherwise defined, the following expressions in this announcement have the following meanings:

Term	Definition
“AGM”	the annual general meeting of the Company to be convened to consider, if thought fit, approve, among others, the Share Subdivision, the proposed amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association
“Amended and Restated Memorandum and Articles of Association”	the amended and restated memorandum of association and articles of association of the Company
“Board”	the board of Directors

“Business Day(s)”	any day(s) on which the Stock Exchange is open for the transactions of business
“Circular”	circular containing, amongst others, further details of the Share Subdivision, the proposed amendments to the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association, including the notice of AGM, will be dispatched to the Shareholders on or around 2 April 2014
“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)”	director(s) of the Company
“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
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the existing memorandum of association and articles of association of the Company
“Share(s)”	existing ordinary share(s) of HK\$0.0001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) or Subdivided Share(s), as the case may be
“Share Subdivision”	the proposed subdivision of each issued and unissued Share into five (5) Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subdivided Share(s)” ordinary share(s) of HK\$0.00002 each in the share capital of the Company upon the Share Subdivision becoming effective

By Order of the Board
Ma Huateng
Chairman

Hong Kong, 19 March 2014

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

Executive Directors:

Ma Huateng, Lau Chi Ping Martin and Zhang Zhidong;

Non-Executive Directors:

Jacobus Petrus Bekker and Charles St Leger Searle; and

Independent Non-Executive Directors:

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