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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)**

**ISSUE OF NEW SHARES PURSUANT TO  
SHARE AWARD SCHEME**

On 15 August 2011, the Board has resolved to award, and has confirmed offers to award, a total of 4,045,360 Awarded Shares to 2,016 Awarded Persons (including 176 Awarded Persons whose offers for grant were made in May or June 2011) by way of allotment of new Shares of the Company pursuant to the Scheme and the general mandate granted by the shareholders of the Company at the annual general meeting held on 11 May 2011. The Board shall cause to be paid the subscription money for all the new Shares from the Company's resources into the Account. The independent Trustee shall subscribe for all the new Shares for cash. Upon the allotment of the new Shares, the independent Trustee shall hold the new Shares on trust for the Awarded Persons and shall transfer such Shares to the Awarded Persons at no cost upon the satisfaction of the relevant vesting conditions specified by the Board at the time of making the Award.

The total number of Shares available for Awards under the Scheme is 18,258,994 and shall not exceed 2 percent of the issued share capital of the Company as at the date of adopting the Scheme. Following these Awards, there remains 14,608,034 Shares available under the Scheme for further Awards by the Board.

References are made to the Scheme adopted by the Board on 13 December 2007 and the subsequent amendments made to it on 31 January 2008 and 13 May 2009, respectively.

The Board has resolved to award, and has confirmed offers to award, a total of 4,045,360 Awarded Shares to 2,016 Awarded Persons (including 176 Awarded Persons whose offers for grant were made in May or June 2011) on 15 August 2011. Pursuant to the terms of the Scheme, the Awarded Shares shall either be acquired by the independent Trustee at the cost of the Company or be allotted to the independent Trustee under the general mandates granted by the shareholders of the Company at the general meetings from time to time and be held on trust for the Awarded Persons until the end of each vesting period.

On 15 August 2011, the Board has resolved to award 3,510,110 Awarded Shares, and has confirmed offers to award 535,250 Award Shares made in May or June 2011, by way of allotment of new Shares of the Company pursuant to the general mandate granted by the shareholders of the Company at the annual general meeting held on 11 May 2011, under which the maximum number of shares that can be issued and allotted are 367,379,658 Shares. Except for the issue of Shares as mentioned in this announcement, at the date of this announcement, no new Share has been issued or allotted under the aforesaid general mandate. Pursuant to the Scheme, the Board shall cause to be paid the subscription money for all the new Shares from the Company's resources into the Account. The independent Trustee shall subscribe for all the new Shares for cash. Upon the allotment of the new Shares, the independent Trustee shall hold the new Shares on trust for the Awarded Persons and shall transfer such Shares to the Awarded Persons at no cost upon the satisfaction of the relevant vesting conditions specified by the Board at the time of making the Award. The dates of grant of the 3,510,110 Awarded Shares and the 535,250 Awarded Shares are 15 August 2011 (or the relevant dates in May or June 2011 (as applicable)) and the vesting period of the Awarded Shares differs among the Awarded Persons. Generally, certain percentages of the total amount of the Awarded Shares granted will be vested on expiration of a period of time from the date of grant. The amount of Awarded Shares granted to each Awarded Person is subject to the position, experience and performance of each Awarded Person.

None of the Trustee and all the Awarded Persons and their respective ultimate beneficial owners, if any, is an Excluded Person for the purpose of the Scheme as at the time of granting the Awarded Shares.

The new Shares to be issued and allotted by the Company to the independent Trustee represent approximately 0.220% of the Company's existing issued share capital as at 15 August 2011 and approximately 0.219% of the Company's enlarged issued share capital after the allotment. The total number of Shares available for Awards under the Scheme is 18,258,994 as at 30 June 2011 and shall not exceed 2 percent of the issued share capital of the Company as at the date of adopting the Scheme. Following these Awards, there remains 14,608,034 Shares available under the Scheme for further Awards by the Board.

The new Shares, when issued and fully paid, will rank *pari passu* among themselves and with the Shares of the Company in issue and allotment of the new Shares, with the right to receive all dividends and other distributions declared, made or paid on or after the date of allotment. Pursuant to the Scheme, the Trustee however shall not exercise the voting rights in respect of any Shares held by it on trust.

Application will be made by the Company to the Listing Committee of The Stock Exchange of Hong Kong Limited for the granting of the listing of, and permission to deal in, all the Awarded Shares.

Further information relating to the issue of the new Shares under the Scheme is set out below:-

Securities to be issued: 4,045,360 Shares of HK\$0.0001 each in the capital of the Company

Issue price (net): Shares shall be allotted to the independent Trustee at nominal value

Funds to be raised: Nil

Note: HK\$405, which is the total nominal value of the Shares to be issued, shall be paid from the Company's resources into the Account and shall be used by the independent Trustee as subscription money for the new Shares

Reasons for the issue: To recognize the contributions made by the Awarded Persons and to attract and retain talent for the continuous operations and development of the Group

Identity of the allottee: the independent Trustee, which holds the Awarded Shares on trust for the 2,016 Awarded Persons

Market price of the Shares: HK\$189, being the closing price of the Shares as at 15 August 2011

Fund raising activities in the past 12 months: The Company has not engaged in any capital fund raising activities in the 12 months immediately preceding the date of this announcement

## Definitions

In this announcement, unless the content otherwise requires, the following expressions shall have the following meanings.

<b>Term</b>	<b>Definitions</b>
“Account”	the bank account opened in the name of the Company to be operated solely for the purposes of operating the Scheme and the funds thereof to be held on trust by the Company for the Awarded Persons
“Award”	an award of Shares by the Board pursuant to the Scheme to an Awarded Person
“Awarded Person(s)”	any Eligible Person (other than any Excluded Person) whom the Board may, from time to time, at its absolute discretion select for participation in the Scheme
“Awarded Shares”	in respect of an Awarded Person, such number of Shares of the Company determined by the Board and (i) issued by the Company to the Awarded Person, or (ii) purchased by the Trustee on the market, in either case out of cash paid by the Company by way of settlement to the Trustee pursuant to the Scheme
“Board”	the board of directors of the Company, such committee or sub-committee or person(s) delegated with the power and authority by the board of directors of the Company to administer the Scheme
“Company”	Tencent Holdings Limited, a limited liability company organized and existing under the laws of the Cayman Islands and the Shares of which are listed on The Stock Exchange of Hong Kong Limited
“Eligible Person(s)”	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 Group or any Invested Entity and any consultant, adviser or agent of any member of the Group, who have contributed or will contribute to the growth and development of the Group or any Invested Entity

“Excluded Person”	(i) at the time of the proposed grant of an Award, any connected person (as defined under the Listing Rules) of the Company other than directors or substantial shareholders of any member of the Group, or (ii) any Eligible Person who is resident in a place where the Award of the Awarded Shares and / or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Person
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Invested Entity”	any entity in which the Group holds an equity interest
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Scheme”	the Share Award Scheme adopted on 13 December 2007 by the Board and amended on 31 January 2008 and 13 May 2009, constituted by the rules thereof, in its present form or as amended from time to time in accordance with the provisions thereof
“Share”	an ordinary share of HK\$0.0001 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere

“Trustee”

the trustee appointed by the Company for the administration of the Scheme

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

15 August 2011

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:* Antonie Andries Roux and Charles St Leger Searle; and

*Independent Non-Executive Directors:* Li Dong Sheng, Iain Ferguson Bruce and Ian Charles Stone.