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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**

The Board has resolved to award 1,016,050 Awarded Shares to 184 Awarded Persons on 29 August 2008. Pursuant to the terms of the Scheme, the 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 shareholders of the Company at general meetings from time to time and be held in trust for the Awarded Persons until the end of each vesting period.

On 29 August 2008, the Board has resolved to award 1,016,050 Awarded Shares (which shall be held by the independent Trustee) by way of allotment of new shares of the Company pursuant to the general mandate granted by shareholders of the Company at the annual general meeting held on 14 May 2008. The Board shall cause to be paid the subscription money for the 1,016,050 new shares from the Company's resources into the Account. The independent Trustee shall subscribe for 1,016,050 new shares for cash. Upon allotment of the new shares, the independent Trustee shall hold the new shares in trust for the Awarded Persons. The shares held by the independent Trustee shall be transferred to the Awarded Persons at no cost upon all vesting conditions specified by the Board at the time of making the Award being satisfied.

References are made to the announcements made by the Board on 13 December 2007 and 31 January 2008 regarding the adoption of the Scheme and the amendment to the Scheme, respectively.

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The Trustee and all the 184 Awarded Persons and their respective ultimate beneficial owners, if any, are third parties independent of the Company and connected persons of the Company and none of them is a director or a substantial shareholder of the Group as defined under the Listing Rules.

1,016,050 new shares to be issued and allotted by the Company to the independent Trustee represent approximately 0.057% of the Company's existing issued share capital and approximately 0.056% of the Company's enlarged issued share capital after the allotment.

The new shares, when issued and fully paid, will rank *pari passu* among themselves and with 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 under the 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, the 1,016,050 Awarded Shares.

The information relating to the issue of new shares is set out below:-

Securities to be issued:	1,016,050 ordinary shares of HK\$0.0001 each in the capital of the Company
Issue (net) price:	shares shall be allotted to the independent Trustee at nominal value
Funds to be raised:	Nil
	Note: HK\$101.605, which is the 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 shares.
Reasons for the issue:	For better utilization of the resources of the Company, the issue is to make available the Awarded Shares for granting to Awarded Persons under the Scheme, which forms part of the incentive schemes of the Company that recognize the contributions made by the Awarded Persons and that attract and retain talents for the continual operation and development of the Group.
Identity of the allottee:	the independent Trustee, which holds the Awarded Shares in trust for the 184 Awarded Persons
Market price of the shares:	the closing price of the shares of the Company as at 29 August 2008 was HK\$67
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

“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 Persons (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 company incorporated in the Cayman Islands
“Eligible Persons”	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 and amended on 31 January 2008, constituted by the rules thereof, in its present form or as amended from time to time in accordance with the provisions thereof
“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

29 August 2008

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.