

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, 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 to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

***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)**

**DISCLOSEABLE TRANSACTION**  
**PURCHASE OF PROPERTY**

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	2
<b>APPENDIX — GENERAL INFORMATION</b> .....	5

---

## DEFINITIONS

---

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

“Agreement”	the agreement entered into by Tencent Tianjin and Shanghai Caohejing;
“Board”	the board of directors of the Company;
“Company”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Group”	The Company and its subsidiaries;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	11 June 2008, being the latest practicable date for ascertaining certain information in this circular prior to its publication;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China;
“Property”	The area of 17,645.85 sq. m. located at 1st to 9th Floors, Zone C, 1801 Hongmei Road of the first phase of “Shanghai Modern Technology Services Community Zone”;
“Purchase”	The purchase of the Property by Tencent Tianjin;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Caohejing”	Shanghai Caohejing Development Zone Hi-Tech Park Development Company Limited, a company incorporated in the PRC, the main business of which is zone development, construction, operation and management of property; property operation, project investment and development, information consultation and services; storage service;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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; and
“Tencent Tianjin”	Tencent Cyber (Tianjin) Company Limited, a company incorporated in the PRC.

*For illustration purposes only, exchange rate of RMB1.00 = HKD1.11445 has been used in this circular.*

---

LETTER FROM THE BOARD

---

**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  
Mr. Zhang Zhidong

*Non-executive Directors:*

Mr. Antonie Andries Roux  
Mr. Charles St Leger Searle

*Independent Non-executive Directors:*

Mr. Li Dong Sheng  
Mr. Iain Ferguson Bruce  
Mr. Ian Charles Stone

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business in*

*Hong Kong:*

Room 3002, 30th Floor  
Far East Finance Centre  
16 Harcourt Road  
Hong Kong

16 June 2008

*To the Shareholders*

Dear Sir and Madam

**DISCLOSEABLE TRANSACTION**  
**PURCHASE OF PROPERTY**

**INTRODUCTION**

On 28 May 2008, the Board announced that, on 15 May 2008, the Agreement was entered into between Tencent Tianjin, a wholly owned subsidiary of the Company, and Shanghai Caohejing in relation to a discloseable transaction relating to the Purchase.

The purpose of this circular is to provide you with further details of the Purchase.

---

## LETTER FROM THE BOARD

---

### THE PURCHASE

On 15 May 2008, Tencent Tianjin, entered into an agreement with Shanghai Caohejing in relation to the purchase of the Property, details of which are set out below:

Vendor: Shanghai Caohejing

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, Shanghai Caohejing and its ultimate beneficial owner are independent third parties of the Company and not connected persons of the Company as defined under the Listing Rules.

Purchaser: Tencent Tianjin

Consideration: The total cash consideration payable to Shanghai Caohejing shall be approximately RMB335.27 million (equivalent to approximately HKD373.64 million) and the payment details are as follows:

- i) RMB1 million paid on 15 May 2008;
- ii) RMB99.58 million to be paid before 31 May 2008;
- iii) RMB100.58 million to be paid before 15 June 2008;
- iv) RMB134.11 million to be paid before 15 August 2008.

The Purchase will be funded by internal resources of the Group.

### REASONS FOR THE PURCHASE

Currently, the construction of the Property has been completed. The Purchase price is set by the Vendor and is offered to all potential subscribers at pre-determined prices. The total asset value of the Property, including all transaction costs for the Purchase of approximately RMB10.50 million, shall be in a total sum of approximately RMB345.77 million.

The Board, having made reference to the market value of similar properties in similar location, considers that the Purchase price and the terms of the Purchase are fair and reasonable and in the best interest of the Company and the shareholders as a whole. According to the Agreement, the expected date of delivery of the Property shall be before 15 August 2008. The Group intends to use the Property as its office in Shanghai. In order to better manage the funds, the Board is of the view that the Property investment will meet the future development needs of the Group.

---

## LETTER FROM THE BOARD

---

### EFFECT ON EARNINGS AND ASSETS AND LIABILITIES

As at the Latest Practicable Date, there was no material effect of the Purchase on the earnings and assets and liabilities of the Company.

### GENERAL

The Company and its subsidiaries are principally engaged in the provision of Internet and mobile value-added services and online advertising services to users in the PRC.

Since one of the percentage ratios under Chapter 14 of the Listing Rules for the Purchase is more than 5% but less than 25%, the Purchase constitutes a discloseable transaction for the Company under the Listing Rules. Accordingly, the Purchase is subject to the reporting announcement and circular requirements as set out in the relevant provisions of Chapter 14 of the Listing Rules.

Yours faithfully  
**Ma Huateng**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm that, having made all reasonable enquiries, to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## 2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

### (A) Long position in the shares and underlying shares of the Company

Name of Director	Nature of interests	Number of Shares/ underlying shares held	Percentage of issued share capital
Ma Huateng	Corporate ( <i>Note 1</i> )	227,006,680	12.64%
Zhang Zhidong	Corporate ( <i>Note 2</i> )	77,000,000	4.29%
Lau Chi Ping Martin	Personal	12,153,600 ( <i>Note 3</i> )	0.68%
Li Dong Sheng	Personal	100,000 ( <i>Note 4</i> )	0.01%
Iain Ferguson Bruce	Personal	100,000 ( <i>Note 4</i> )	0.01%
Ian Charles Stone	Personal	100,000 ( <i>Note 4</i> )	0.01%

*Notes:*

- 1 These shares are held by Advance Data Services Limited, a BVI company wholly owned by Ma Huateng.
- 2 These shares are held by Best Update International Limited, a BVI company wholly owned by Zhang Zhidong.
- 3 The interest comprises 150,000 shares and 12,003,600 underlying shares in respect of the share options granted pursuant to the Post-IPO Option Scheme I and Post-IPO Option Scheme II.
- 4 The interest represents the underlying shares in respect of the share options granted pursuant to the Post-IPO Option Scheme I.

## (B) Long position in the shares in associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares and class of shares held	Percentage of issued share capital
Ma Huateng	Shenzhen Tencent Computer Systems Company Limited (“Tencent Computer”)	Personal	RMB10,857,140 (registered capital)	54.29%
	Shenzhen Shiji Kaixuan Technology Company Limited (“Shiji Kaixuan”)	Personal	RMB5,971,427 (registered capital)	54.29%
Zhang Zhidong	Tencent Computer	Personal	RMB4,571,420 (registered capital)	22.86%
	Shiji Kaixuan	Personal	RMB2,514,281 (registered capital)	22.86%

Save as disclosed above, none of the directors or chief executive and their associates, had interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations as at the latest Practicable Date.

### 3. DIRECTORS’ SERVICE CONTRACTS

Each of Messrs Ma Huateng and Zhang Zhidong has entered into a service contract with the Company for a term of three years from 25 March 2007. The term of each service contract can be extended by agreement between the Company and the relevant Director. The Company may terminate the contracts by three months’ written notice at any time, subject to paying the Director his salary for the shorter of six months and a portion of his annual bonus for the year in which termination occurred pro rata to the portion of the year before the termination became effective.

Mr Lau Chi Ping Martin has entered into a service contract with the Company for a term of three years from 3 February 2008. Mr Lau is entitled to an annual bonus based on the performance of the Company in an amount to be determined by the Remuneration Committee. Mr Lau is entitled to participate in all employee benefit plans, programs and arrangements of the Company.

Save as disclosed above, none of the directors has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.



#### 4. DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed above, no contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the Latest Practicable Date.

#### 5. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following persons, other than the directors or chief executive of the Company, had an interest or short position in the shares or underlying shares in the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the issued share capital of the Company:

##### Long position in the shares in the Company

Name of shareholder	Nature of interest	Number of shares	Percentage of issued share capital
MIH China (BVI) Limited	Corporate ( <i>Note 1</i> )	630,240,380	35.08%
Advance Data Services Limited	Corporate ( <i>Note 2</i> )	227,006,680	12.64%
ABSA Bank Limited	Corporate ( <i>Note 3</i> )	185,000,000	10.30%

##### Notes:

- As MIH China (BVI) Limited ("MIH") is wholly owned by Naspers Limited through its intermediary companies MIH (Mauritius) Limited and MIH Holdings Limited. Naspers Limited, MIH (Mauritius) Limited and MIH Holdings Limited are deemed to be interested in the same block of 630,240,380 Shares under Part XV of the SFO. Out of the 630,240,380 shares held by MIH, 185,000,000 shares are pledged to ABSA Bank Limited, as referenced in Note 3 below.
- As Advance Data Services Limited is wholly owned by Ma Huateng, Mr Ma has interest in these shares as disclosed under the section of "Directors' Interests in Securities".
- As ABSA Bank Limited has a security interest in 185,000,000 Shares, which are held by MIH China (BVI) Limited, and ABSA Bank Limited is wholly owned by Barclays Bank PLC through its intermediary company ABSA Group Limited, Barclays Bank PLC and ABSA Group Limited are deemed to be interested in the same block of 185,000,000 Shares under Part XV of the SFO.

Save as disclosed above, the Company had not been notified of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares in the Company as recorded in the register required to be kept under section 336 of the SFO.

## **6. COMPETING BUSINESS**

As at the Latest Practicable Date, the Board was not aware that any of the Directors has interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which falls to be disclosed under the Listing Rules.

## **7. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

## **8. GENERAL**

- (a) The company secretary of the Company is Ms Lau Suk Yi, who is an associate member of the Hong Kong Institute of Company Secretaries. The qualified accountant of the Company is Mr Lo, John Shek Hon, who was admitted as a CPA by CPA Australia in 1994 and has been a Fellow of the Hong Kong Society of Accountants since 2002.
- (b) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (c) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.