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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, 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 together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED SHARE SUBDIVISION
PROPOSED ADOPTION OF THE RIOT OPTION SCHEME
PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION AND
ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Tencent Holdings Limited to be held at 3:30 p.m. on Wednesday, 14 May 2014 at Island Ballroom C, Level 5, Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 32 to 36 of this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

2 April 2014

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DEFINITION

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

Term	Definition
“Administrator”	the board of directors of or a board committee of Riot Games to the extent that the board of directors’ power or authority under the Riot Option Scheme have been delegated to, but not revoked from, such board committee in writing
“AGM”	the annual general meeting of the Company to be held at 3:30 p.m. on Wednesday, 14 May 2014 at Island Ballroom C, Level 5, Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong or any adjournment thereof
“Amended and Restated Memorandum and Articles of Association”	the amended and restated memorandum of association and articles of association of the Company incorporating and consolidating all the proposed amendments referred to in Appendix IV to this circular including all previous amendments adopted and approved by the Company
“Applicable Law”	the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the common stock of Riot Games or the Shares of the Company are listed or quoted (to the extent applicable as determined by the reasonable judgment of the board of Riot Games) and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Riot Option Scheme
“Articles of Association”	the articles of association of the Company
“Associate(s)”	shall have the meaning ascribed to it in Rule 1.01 of Chapter 1 of the Listing Rules in relation to any director, chief executive or substantial shareholder (being an individual)
“Award”	a grant, individually or collectively, under the Riot Option, restricted stock, restricted stock units or other stock-based awards

DEFINITION

“Award Agreement”	a written agreement evidencing an Award, of which the agreement may be in electronic medium and shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with and subject to the terms and conditions of the Riot Option Scheme
“Board”	the board of Directors
“Business Day(s)”	any day(s) on which the Stock Exchange is open for the transactions of business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Code”	The U.S. Internal Revenue Code of 1986, as amended, and the regulations issued thereunder
“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
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company

DEFINITION

“Fair Market Value”	the value of a share of common stock as of any date determined as follows: (i) if the common stock is listed on any established stock exchange (other than the Stock Exchange), its Fair Market Value shall be the closing sales price for such common stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; (ii) if the common stock is not traded on a stock exchange but is quoted on a national market or other quotation system (other than the Stock Exchange), the last sales price on such date, or if no sales occurred on such date, then on the date immediately prior to such date on which sales prices are reported, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; (iii) if the common stock is listed on the Stock Exchange, the higher of: (1) the closing price of the common stock as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a Business Day; and (2) the average closing price of the common stock as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the date of grant; or (iv) in the absence of an established market for the common stock, the Fair Market Value thereof shall be determined in good faith by the Administrator
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	28 March 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“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”	the memorandum of association of the Company

DEFINITION

“Riot Adoption Date”	14 May 2014, the date on which the Riot Option Scheme is to be adopted if such resolution is approved by the Shareholders at the AGM
“Riot Games”	Riot Games, Inc., a Delaware corporation in the U.S., or any successor thereto. Except where the context otherwise requires, the term “Riot Games” includes any of Riot Games’ present or future parent or subsidiary corporations as defined in Section 424(e) or (f) of the Code, and any other business venture (including, without limitation, joint venture or limited liability company) in which Riot Games has a significant interest, as determined by the Administrator
“Riot Incentive Stock Options”	those Riot Options intended to qualify as incentive stock option as defined in Section 422 of the Code, which are granted only to employees of Riot Games, any of Riot Games’ present or future “parent corporations” or “subsidiary corporations” as defined in Section 424(e) or (f) of the Code above, respectively, and any other entities the employees of which are eligible to receive incentive stock options under the Code above
“Riot Participant”	an employee, consultant or director of the board of Riot Games
“Riot Option(s)”	option(s) to subscribe for the common stock of Riot Games, being US\$0.0001 par value per share
“Riot Option Scheme”	the principal terms of the Riot Option Scheme are set out in Appendix III to this circular, which is to be adopted by the Company on the Riot Adoption Date and is part of the 2014 equity incentive plan of Riot Games
“Securities Act”	the Securities Act of 1933 of the U.S., as amended from time to time
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	existing ordinary share(s) of HK\$0.0001 each in the Share Capital, and upon the Share Subdivision becoming effective, it shall mean ordinary share(s) of HK\$0.00002 each in the Share Capital
“Share Capital”	the aggregate nominal amount of the share capital of the Company

DEFINITION

“Share Issue Mandate”	the general mandate to Directors to exercise the power of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued Share Capital as at the date of passing of the resolution approving such mandate
“Share Subdivision”	the proposed subdivision of each issued and unissued Share into five (5) Subdivided Shares
“Share Repurchase Mandate”	the general mandate to Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued Share Capital as at the date of passing of the resolution approving such mandate
“Shareholder(s)”	holder(s) of the Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.00002 each in the Share Capital upon the Share Subdivision becoming effective
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of U.S.

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

Non-Executive Directors:

Mr Jacobus Petrus Bekker
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:*

29/F., Three Pacific Place
No. 1 Queen's Road East
Wanchai
Hong Kong

2 April 2014

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
PROPOSED SHARE SUBDIVISION
PROPOSED ADOPTION OF THE RIOT OPTION SCHEME
PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION AND
ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM regarding (i) the granting to the Directors of general and unconditional mandates for the issue and repurchase of the securities of the Company; (ii) the re-election of retiring Directors; (iii) the Share Subdivision; (iv) the adoption of the Riot Option Scheme; and (v) the amendments to

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the Memorandum and Articles of Association and the adoption of the Amended and Restated Memorandum and Articles of Association incorporating and consolidating all the proposed amendments referred to in Appendix IV to this circular including all previous amendments to the Memorandum and Articles of Association adopted and approved by the Company.

1. GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to Directors to allot, issue and deal with Shares up to 20% of the issued Share Capital on the date of passing this ordinary resolution. In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares purchased under the Share Repurchase Mandate (referred to in section 2 below), if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are respectively set out in Resolutions 5 and 7 in the notice of the AGM set out on pages 32 to 36 of this circular. The Share Issue Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by law to be held; and (c) the date on which the authority given under the ordinary resolution approving the Share Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to Directors to repurchase Shares up to 10% of the issued Share Capital on the date of passing this ordinary resolution.

As at the Latest Practicable Date, the issued Share Capital comprised 1,864,257,020 Shares. Assuming that there is no change in the issued Share Capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate on the date of passing the resolution approving the Share Repurchase Mandate will be 186,425,702 Shares, which represent 10% of the then issued Share Capital.

An explanatory statement, giving certain information regarding the Share Repurchase Mandate, is set out in Appendix I to this circular. The Share Repurchase Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or by law to be held; and (c) the date on which the authority given under the ordinary resolution approving the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders.

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3. RE-ELECTION OF DIRECTORS

In accordance with Article 87 of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. Messrs Lau Chi Ping Martin and Charles St Leger Searle will retire at the AGM and, being eligible, will offer themselves for re-election.

Details of the Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

4. PROPOSED SHARE SUBDIVISION

Reference is made to the announcement of the Company dated 19 March 2014. The Board proposes that the Company undertakes the Share Subdivision, whereby each existing issued and unissued Share with a par value of HK\$0.0001 be subdivided into five (5) Subdivided Shares with a par value of HK\$0.00002.

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.

Effects of the Share Subdivision

As at the Latest Practicable Date, the authorised Share Capital is HK\$1,000,000 divided into 10,000,000,000 Shares of HK\$0.0001 each, of which 1,864,257,020 Shares have been issued and are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased after the Latest Practicable Date, upon the Share Subdivision becoming effective, the authorised Share Capital will be HK\$1,000,000 divided into 50,000,000,000 Subdivided Shares of HK\$0.00002 each, of which 9,321,285,100 Subdivided Shares will be in issue and fully paid or credited as fully paid. The final dividend for the year ended 31 December 2013 which is subject to the approval by the 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.

Dealings of the Subdivided Shares

The Subdivided Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of 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

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2009, such Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon: (i) the passing by the Shareholders at the AGM of an ordinary resolution approving the Share Subdivision; and (ii) 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 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.

Listing Application

An application has been made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares to be in issue, 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 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.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

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

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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 ten (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.

Expected Timetable for the Share Subdivision

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

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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 circular refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above depends on the results of the AGM and are therefore for indicative purpose only. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

Reasons 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 will enhance the liquidity in trading of Shares and thereby would enable the Company to attract more investors and broaden the 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 Latest Practicable Date, there were 6,658,816 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 6,658,816 Shares. Upon the Share Subdivision becoming effective, pro-rata adjustments

LETTER FROM THE BOARD

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.

5. PROPOSED ADOPTION OF THE RIOT OPTION SCHEME

Background

Riot Games is a non-wholly-owned subsidiary of the Company, which indirectly holds 89.74% of its issued share capital as at 28 February 2014. Riot Games is a leading developer and publisher of premium online video games based in the United States.

The Riot Option Scheme is part of an equity incentive plan, which involves the granting of the Riot Options, restricted stock awards, restricted stock units awards and other stock-based awards to the Riot Participants. As the Riot Option Scheme involves the grant of options, the Riot Option Scheme must comply with the relevant requirements of Chapter 17 of the Listing Rules. In addition, the grant of the restricted stock awards, restricted stock units awards and other stock-based awards to a Riot Participant who is a Connected Person of the Company (if any) shall comply with the relevant requirements of Chapter 14A of the Listing Rules. For the avoidance of doubt, the restricted stock awards, restricted stock units awards and other stock based awards under the equity incentive plan are not subject to the relevant requirements of Chapter 17, therefore the adoption of the relevant rules for these awards is not subject to approval of the Shareholders.

Shares of Riot Games issued under the equity incentive plan (including the Riot Option Scheme) may consist in whole or in part of authorised but unissued shares of Riot Games, shares of Riot Games purchased on the open market or treasury shares of Riot Games. The Company will, where applicable, comply with the relevant requirements of Chapter 14 of the Listing Rules in connection with the deemed disposal as a result of the exercise of the Riot Options or the grant of restricted stock awards, restricted stock units awards and other stock-based awards under the equity incentive plan, which may reduce the percentage equity interest of the Company in Riot Games.

The shares to be issued upon an exercise of an Riot Option granted under the Riot Option Scheme will be the shares in Riot Games, not the Company's Shares.

Purpose of the Riot Option Scheme

The purpose of the Riot Option Scheme is to advance the interests of Riot Games' stockholders by enhancing Riot Games' ability to attract, retain and motivate persons who make (or are expected to make) important contributions to Riot Games by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of Riot Games' stockholders.

LETTER FROM THE BOARD

Source and number of Riot Games common stock subject to the Riot Options to be granted

Unless otherwise approved by the Shareholders, the maximum number of shares of common stock of Riot Games in respect of which Riot Options may be granted under the Riot Option Scheme, when aggregated with the maximum number of shares in respect of any options to be granted under any other plan established by Riot Games (if any) is that number which is equal to ten percent (10%) of the outstanding common stock in issue of Riot Games on the date of approval of the Riot Option Scheme at the AGM by the Shareholders. As at 28 February 2014, Riot Games had 104,591,504 shares of common stock in issue. Assuming the number of common stock in issue remain unchanged on the date of AGM, the maximum number of shares of common stock of Riot Games in respect of which Riot Options may be granted under the Riot Option Scheme would be 10,459,150 shares of common stock of Riot Games.

The above maximum number is subject to the condition that the total maximum number of shares of common stock of Riot Games which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Riot Option Scheme and any other options granted and yet to be exercised under another plan shall not exceed thirty percent (30%) of the outstanding common stock in issue of Riot Games from time to time. No Riot Option may be granted under the Riot Option Scheme or another plan if this will result in the limit being exceeded.

Conditions precedent to the Riot Option Scheme becoming effective

The adoption of the Riot Option Scheme is conditional upon the passing of the necessary resolution by the directors and shareholders of Riot Games and the Company.

As at the Latest Practicable Date, the Riot Option Scheme has been approved by directors and shareholders of Riot Games. Subject to the approval of the Shareholders for the adoption of the Riot Option Scheme at the AGM, the Riot Option Scheme will take effect on the Riot Adoption Date.

Documents available for inspection

A copy of the Riot Option Scheme will be available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 29/F., Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong during the 14-day period immediately preceding the AGM (including the date of the AGM).

General information

Upon adoption of the Riot Option Scheme, the Company will disclose the required information in relation to the Riot Option Scheme in its subsequent annual report and interim report in accordance with the disclosure requirements under 17.07 of the Listing Rules.

In order to ensure that the purpose of the Riot Option Scheme is achieved and subject to the relevant requirements of Chapter 17 of the Listing Rules (where applicable), the Administrator of Riot Games will have the authority to determine which Riot Participant will receive Awards, to grant Awards and to set all terms and conditions of the Awards (including, but not limited to, vesting and forfeiture provisions).

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As at the Latest Practicable Date, the Riot Option Scheme has not appointed any trustee, accordingly none of the directors of Riot Games or the Directors is appointed as trustee of the Riot Option Scheme or has a direct or indirect interest in any trustee of the Riot Option Scheme.

A summary of all principal terms of the Riot Option Scheme in relation to the Riot Options is set out in Appendix III to this circular.

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

The Board proposes to (i) make certain amendments to the Memorandum and Articles of Association for the purpose of, among 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.

Details of the proposed amendments to the Memorandum and Articles of Association are set out in Appendix IV to this circular.

The legal advisers to the Company as to Hong Kong laws and the laws of the Cayman Islands laws have respectively confirmed that the proposals relating to amendments to the Memorandum and Articles of Association comply with the requirements of the Listing Rules and are not inconsistent with the laws of the Cayman Islands. The Company also confirms that there is nothing unusual in the proposed amendments to the Memorandum and Articles of Association from the perspective of a Cayman Islands company listed on the Stock Exchange.

The proposed amendments to the Memorandum and Articles of Association, including the Amended and Restated Memorandum and Articles of Association which consolidates all the proposed amendments referred to in the AGM Notice and all previous amendments to the Memorandum and Articles of Association adopted and approved by the Company are subject to the Shareholders' approval by way of special resolution at the AGM.

7. ANNUAL GENERAL MEETING

The proposed resolutions in this circular are subject to the Shareholders' approval at the AGM and no Shareholders are required to abstain from voting on the resolutions, provided that if an offer of the grant of Riot Option is made to a director, chief executive or substantial shareholder (other than a proposed independent non-executive director) of the Company or any of their respective Associates, all Connected Persons of the Company must abstain from voting in favour at such general meeting.

A notice convening the AGM is set out on pages 32 to 36 of this circular.

The procedures for conducting a poll at the AGM are set out in section 8 below.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed, a copy of which can also be obtained via the website of the Company at www.tencent.com or the website of HKExnews at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, and in any event so that it is received not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

8. PROCEDURES FOR POLL VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, at any general meeting, a resolution put to the vote of shareholders shall be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Detailed procedures for conducting a poll are set out below and will also be explained at the commencement of the AGM.

The chairman of the AGM will exercise his right under Article 66 of the Articles of Association to demand for poll voting on all the resolutions as set out in the notice of the AGM.

For poll voting, every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative shall have one vote for every fully paid Share in accordance with Article 66 of the Articles of Association.

Every Shareholder present in person or by proxy or, in case of a corporate Shareholder, by its duly authorised representative who is entitled to more than one vote need not use all his/her votes or cast all his/her votes in the same way. That means he/she can cast some of his/her votes in favour of the resolution and some of his/her votes against the resolution.

The branch share registrar of the Company will act as the scrutineer for the poll voting. The scrutineer will distribute a voting slip to every Shareholder in person or a proxy or duly authorised representative of a corporate Shareholder on registration of attendance at the AGM.

The chairman will arrange for all the resolutions to be proposed and seconded first and then conduct the voting by poll on each of the resolutions at the end of the AGM.

After completion of the voting slips by the Shareholders, the scrutineer will collect the completed voting slips and then count the votes.

Finally, the chairman will announce the voting results. The results of the poll on all the resolutions as set out in the notice of the AGM in both English and Chinese will be published on the website of the Company at www.tencent.com and the website of HKExnews at www.hkexnews.hk later on the date of AGM.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors (including independent non-executive Directors) are of the opinion that all the proposed resolutions are in the interests of the Company and the Shareholders as a whole and so recommend you to vote in favour of all the resolutions to be proposed at the AGM.

10. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully
Ma Huateng
Chairman

APPENDIX I EXPLANATORY STATEMENT FOR THE SHARE REPURCHASE MANDATE

This Explanatory Statement includes information required under Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders in connection with the proposed Share Repurchase Mandate.

(a) Listing Rules

The Listing Rules permit a company with a primary listing on the Stock Exchange to repurchase its fully-paid up shares on the Stock Exchange subject to certain restrictions.

(b) Shareholders' Approval

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases.

(c) Exercise of the Share Repurchase Mandate

As at the Latest Practicable Date, there were 1,864,257,020 Shares in issue. Subject to the passing of the ordinary resolution approving the Share Repurchase Mandate and on the basis that no further Shares are issued and no Shares are repurchased prior to the AGM, the Directors would be authorised under the Share Repurchase Mandate to repurchase a maximum of 186,425,702 Shares, which represent 10% of the then issued Share Capital.

(d) Reasons for the Repurchase of Shares

The Directors believe that the Share Repurchase Mandate is in the best interest of the Company and its Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per Share. The Directors are seeking the grant of a general mandate to repurchase Shares to give the Company flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing.

(e) Source of Funds

Repurchases must be made out of funds which are legally available for such purpose in accordance with all applicable laws of the Cayman Islands and the Memorandum and the Articles of Association. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There could be adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2013) in the event that the proposed Share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

APPENDIX I EXPLANATORY STATEMENT FOR THE SHARE REPURCHASE MANDATE

(f) Share Prices

The highest and lowest prices at which the Shares had been traded on the Stock Exchange in each of the past twelve months to the Latest Practicable Date were as follows:

	Share Prices (per Share)	
	Highest	Lowest
	HK\$	HK\$
2013		
March	286.00	239.40
April	268.60	237.00
May	310.00	263.40
June	315.00	269.40
July	364.00	296.00
August	380.00	351.00
September	422.40	367.00
October	455.00	402.40
November	449.40	387.80
December	502.00	440.00
2014		
January	545.00	481.20
February	631.00	500.00
March (up to the Latest Practicable Date)	646.00	513.00

(g) Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. The Directors have also undertaken not to repurchase any Shares if there is less than a minimum of 25% of the total issued Share Capital in public hands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associate(s), currently intends to sell the Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

No Connected Person has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

(h) Takeovers Code

Pursuant to Rule 32 of the Takeovers Code, if as a result of a Share repurchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for the Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, MIH TC Holdings Limited ("MIH TC") was interested in 630,240,380 Shares, representing approximately 33.81% of the issued Share Capital. In the event that the Directors exercised the Share Repurchase Mandate in full, the shareholding of MIH TC in the Company would be increased to approximately 37.56% of the issued Share Capital. The increase of MIH TC's proportionate interest in the Company will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, MIH TC or a group of Shareholders acting in concert with it could obtain or consolidate control of the Company and, when exceeding the 2% creeper, become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed herein, the Directors are not aware of any consequences which may arise under the Takeovers Code if the Share Repurchase Mandate is exercised. The Directors have no present intention to exercise the Share Repurchase Mandate to such an extent as would trigger the application of the Takeovers Code in the manner described above.

(i) Shares Purchased by the Company

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

The particulars of the Directors proposed to be re-elected at the AGM are as follows:

1. Lau Chi Ping Martin

Lau Chi Ping Martin, age 40, is an executive Director and President of the Company. He is the Chairman of the Investment Committee of the Company. Mr Lau joined the Company in 2005 as the Chief Strategy and Investment Officer and was responsible for corporate strategies, investments, merger and acquisitions and investor relations. In 2006, Mr Lau was promoted as President of the Company to manage the day-to-day operation of the Company. In 2007, he was appointed as an executive Director. Prior to joining the Company, Mr Lau was an executive director at Goldman Sachs (Asia) L.L.C.'s investment banking division and the Chief Operating Officer of its Telecom, Media and Technology Group. Prior to that, he worked at Mckinsey & Company, Inc. as a management consultant. Mr Lau received a Bachelor of Science Degree in Electrical Engineering from the University of Michigan, a Master of Science Degree in Electrical Engineering from Stanford University and an MBA Degree from Kellogg Graduate School of Management, Northwestern University. On 28 July 2011, Mr Lau was appointed as a non-executive director of Kingsoft Corporation Limited, an Internet based software developer, distributor and software service provider listed in Hong Kong.

As at the Latest Practicable Date, Mr Lau does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and Mr Lau has personal interests in 5,953,600 Shares and 4,000,000 share options of the Company within the meaning of Part XV of the SFO. Mr Lau (in his capacity as a Director) is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association.

There is a service contract between the Company and Mr Lau (in his capacity as the President of the Company) for a term of three years ending 31 December 2015. The total emoluments received by Mr Lau in the year 2013 was approximately US\$4,698,136 (before tax), which included the base salary paid under the service contract, a performance bonus, director's fee and other allowances. Mr Lau's emoluments are determined with reference to his duties and responsibilities with the Company. The annual base salary of Mr Lau for the year 2014 is US\$788,400 (before tax) and the basis of determining his emoluments including the base salary and bonus as set out in the service contract remains the same.

Save as disclosed herein, there is no information that should be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters relating to Mr Lau that need to be brought to the attention of the Shareholders.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

2. Charles St Leger Searle

Charles St Leger Searle, age 50, has been a non-executive Director since June 2001. He is the Chairman of the Corporate Governance Committee and a member of the Audit Committee, Nomination Committee and Investment Committee of the Company. Mr Searle is currently the Chief Executive Officer of Naspers Internet Listed Assets. Prior to joining the Naspers group companies, he held various corporate finance positions at Cable & Wireless plc and Hong Kong Telecom. Prior to joining Cable & Wireless plc, he was a senior corporate finance manager at Deloitte & Touche in London and Sydney. Currently, Mr Searle serves on the boards of directors of a number of companies that are subsidiaries of or associated companies with Naspers. Mr Searle graduated from the University of Cape Town in 1987 with a Bachelor of Commerce Degree and is a member of the Institute of Chartered Accountants in Australia (1992). Mr Searle has more than 20 years of experience in the telecommunications and Internet industries.

As at the Latest Practicable Date, Mr Searle was related to MIH TC, the controlling shareholder of the Company; otherwise, Mr Searle does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and does not hold any interest in Shares within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr Searle. Mr Searle's term is for one year and shall be automatically renewed upon expiry, subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Mr Searle as a non-executive Director is not entitled to any director's fee.

Save as disclosed herein, there is no information that should be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules and there are no other matters relating to Mr Searle that need to be brought to the attention of the Shareholders.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RIOT OPTION SCHEME

The following is a summary of the principal terms of the Riot Option Scheme in relation to the Riot Options to be approved and adopted at the AGM. It does not form part of, nor is it intended to be part of, the terms of the Riot Option Scheme and it should not be taken as affecting the interpretation of the terms of the Riot Option Scheme.

1. PURPOSE OF THE RIOT OPTION SCHEME

The purpose of this Riot Option Scheme is to advance the interests of Riot Games' stockholders by enhancing Riot Games' ability to attract, retain and motivate persons who make (or are expected to make) important contributions to Riot Games by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of Riot Games' stockholders.

The Directors believe that the authority given to the Administrator under the Riot Option Scheme to specify any minimum holding period and/or performance target as conditions in any Riot Option granted will serve to achieve the purpose stated above.

2. ELIGIBLE RIOT PARTICIPANTS

An employee, director of the board of Riot Games or a consultant engaged by Riot Games or a parent or subsidiary of Riot Games are eligible to be granted Awards under the Riot Option Scheme and the Administrator shall have the authority to determine which Riot Participant will receive Awards, to grant Awards and to set all terms and conditions of Awards.

3. NUMBER OF SHARES OF RIOT GAMES IN RESPECT OF WHICH RIOT OPTIONS MAY BE GRANTED

The maximum number of shares of common stock of Riot Games in respect of which Riot Options may be granted under the Riot Option Scheme (the "Maximum Number"), when aggregated with the maximum number of shares in respect of any options to be granted under any other plan established by Riot Games ("another plan") (if any) shall be such number of shares of common stock of Riot Games which is equal to ten percent (10%) of the outstanding common stock in issue of Riot Games on the date of approval of the Riot Option Scheme by the Shareholders, provided, however, that:

- (1) the Maximum Number may be "refreshed", with the separate approval of the Shareholders in general meeting, up to a maximum of ten percent (10%) of the outstanding shares of common stock of Riot Games then in issue at the date of such approval of the Riot Option Scheme by the Shareholders for the purpose of "refreshing" the Maximum Number, inclusive of the maximum number of shares of common stock of Riot Games in respect of which awards may be granted under another plan, if any and the circular containing the requisite information in accordance with Rule 17.03(3) of the Listing Rules will be sent to the Shareholders prior to general meeting;

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RIOT OPTION SCHEME

- (2) Riot Games may obtain a separate approval from the Shareholders in general meeting to permit the granting of Riot Options which will result in the number of shares of common stock of Riot Games covered by all the Riot Options granted exceeding the then Maximum Number, provided that such Riot Options are granted only to Riot Participants specifically identified by Riot Games before Shareholders' approval is sought and the circular contains the requisite information in accordance with Rule 17.03(3) of the Listing Rules (in which case such Riot Options granted shall not be counted towards the then applicable Maximum Number); and
- (3) the total maximum number of shares of common stock of Riot Games which may be issued upon exercise of all outstanding Riot Options granted and yet to be exercised under the Riot Option Scheme and any other options granted and yet to be exercised under another plan shall not exceed thirty percent (30%) of the outstanding common stock of Riot Games in issue from time to time. No Riot Option may be granted under the Riot Option Scheme or another plan if this will result in the limit being exceeded.

For the avoidance of doubt, (a) in calculating whether the Maximum Number has been exceeded, Riot Options granted under the Riot Option Scheme or options granted under another plan which have lapsed in accordance with the terms of the relevant plan shall not be counted; and (b) if the Maximum Number is "refreshed" pursuant to the Riot Option Scheme, Riot Options granted under the Riot Option Scheme or another plan (including without limitation those outstanding, cancelled or lapsed in accordance with the relevant plan and those exercised) prior thereto shall not be counted for the purpose of calculating whether the new Maximum Number has been exceeded.

The shares issued on exercise of the Riot Options will on issue be identical to the then existing issued shares of Riot Games.

4. MAXIMUM ENTITLEMENT OF EACH RIOT PARTICIPANT

Unless separately approved by the Shareholders in general meeting (with the relevant Riot Participant and such Riot Participant's Associates abstaining from voting), no Riot Participant shall be granted a Riot Option if the total number of shares of common stock of Riot Games issued and to be issued upon exercise of the Riot Options (including exercised, cancelled and outstanding Riot Options) granted and to be granted to such Riot Participant in any twelve (12)-month period up to the date of the latest grant would exceed one percent (1%) of the outstanding common stock of Riot Games in issue (as determined in accordance with Applicable Law). A circular with the requisite information must be sent to the Shareholders prior to general meeting, disclosing, amongst others, the identity of the Riot Participant and the number and terms of the Riot Options granted and proposed to be granted. The number and terms (including the subscription price) of options to be granted to such grantee must be fixed before the approvals are sought and the date of the board meeting of Riot Games for proposing such further grant should be taken as the date of the grant.

5. GRANTING OF RIOT OPTIONS TO CONNECTED PERSONS

An offer of the grant of a Riot Option to a Director, chief executive or substantial shareholder of the Company or any of their respective Associates shall be approved by the independent non-executive Directors (excluding such independent non-executive Director who is a grantee of such Riot Options) of the Company. If a grant of Riot Options to a substantial shareholder and an independent non-executive Director of the Company or any of their respective Associates, together with all other grants of Riot Options (and any other grant(s) of options under another plan of Riot Games) to any such persons, in each case, whether outstanding, cancelled or exercised, would result in the shares of common stock of Riot Games issued or issuable under all such Riot Options (and other options): (i) representing more than 0.1% in the aggregate of the shares of common stock of Riot Games outstanding in issue; and (ii) if the shares of common stock of Riot Games are listed on the Stock Exchange, having an aggregate value, based on the closing price of the shares of Riot Games at the date of each grant, in excess of HK\$5 million, then such further grant of Riot Options must be approved by the Shareholders. A circular with the requisite information must be sent to the Shareholders prior to general meeting, disclosing, amongst others, details of the number and terms (including the exercise price) of the options to be granted to each participant, a recommendation from the independent non-executive Directors of the Company and other information required under the Listing Rules. All Connected Persons of the Company must abstain from voting in favor at such general meeting (except that any Connected Person may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith).

6. RESTRICTION ON SHARES OF RIOT GAMES ACQUIRED BY RIOT OPTIONS

Share of common stock of Riot Games acquired in respect of Riot Options shall subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability of shares of common stock of Riot Games, the right of Riot Games to repurchase shares of common stock of Riot Games, the right of Riot Games to require that shares of common stock of Riot Games be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. The issuance of such shares of common stock of Riot Games shall be conditioned on the Riot Participant's consent to such terms and conditions and the Riot Participant's entering into any further agreement such as the Award Agreement, stockholders' agreements or such other agreement as the Administrator shall determine.

7. DURATION OF RIOT OPTIONS

Each Riot Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable Award Agreement, provided that the term of any Riot Option shall not exceed ten (10) years from the date of grant of the Riot Option. The Riot Option Scheme does not specify the requirement as to the minimum period for which a Riot Option must be held before the Riot Option can be exercised in whole or in part.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RIOT OPTION SCHEME

In the case of a Riot Incentive Stock Option granted to an employee who, at the time of grant of the Riot Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than ten percent (10%) of the voting power of all classes of stock of Riot Games (or a “parent corporation” or “subsidiary corporation” thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the term of the Riot Option shall not exceed five (5) years.

8. TIME FOR EXERCISE OF RIOT OPTIONS AND LOCK-UP PERIOD

The Administrator shall determine the minimum period for which a Riot Option must be held before a Riot Option can be exercised. The Riot Option Scheme does not provide for any minimum period for which a Riot Option must be held before it can be exercised, provided that Riot Games may, at the request of any representative of the underwriters or otherwise, in connection with any registration of the offering of any securities of Riot Games under the Securities Act, prohibit Riot Participants from, directly or indirectly, selling or otherwise transferring any shares of common stock of Riot Games or other securities of the Company during a period of up to one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act.

9. PERFORMANCE TARGETS

The Administrator shall determine the performance target which must be achieved before a Riot Option can be exercised. The Riot Option Scheme does not provide further details in relation to performance targets.

10. SUBSCRIPTION PRICE

The Administrator shall have authority to set all terms and conditions of the Riot Options, including the subscription price.

11. EXERCISE PRICE

The Administrator shall establish the exercise price of each Riot Option and specify the exercise price in the applicable Award Agreement, in compliance with Applicable Law from time to time. The exercise price shall not be less than one hundred percent (100%) of the Fair Market Value on the date the Riot Option is granted; provided that if the Administrator approves the grant of a Riot Option on a future date with an exercise price to be determined on such future date, the exercise price shall not be less than one hundred percent (100%) of the Fair Market Value on such future grant date.

In the case of a Riot Incentive Stock Option granted to an employee who, at the time of grant of the Riot Option, owns (or is treated as owning under Section 424 of the Code) stock representing more than ten percent (10%) of the voting power of all classes of stock of Riot Games (or a “parent corporation” or “subsidiary corporation” thereof within the meaning of Sections 424(e) or 424(f) of the Code, respectively), the exercise price per share of Riot Games shall be no less than one hundred ten percent (110%) of the Fair Market Value on the date the Riot Option is granted.

APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE RIOT OPTION SCHEME

In the event that Riot Games resolves to seek a separate listing of its shares on the Stock Exchange or an overseas stock exchange, the exercise price of any Riot Options granted after such resolution to the listing date of Riot Games shall not be lower than the new issue price (if any). In particular, any Riot Options granted during the period commencing six (6) months before the lodgment of the listing application and up to the listing date of Riot Games shall not be lower than the new issue price.

12. TERM OF THE RIOT OPTION SCHEME

The Riot Option Scheme shall be subject to the approval by the board of Riot Games, Riot Games' stockholders and the Shareholders and shall become effective on the Riot Adoption Date. No Riot Options shall be granted under the Riot Option Scheme after the completion of ten (10) years from the Riot Adoption Date.

13. LAPSE OF RIOT OPTIONS

A Riot Option shall lapse automatically and not be exercisable on the earliest of the tenth (10th) anniversary of the date on which such Riot Option was granted or such earlier date(s) as may be set forth elsewhere in the Riot Option Scheme and/or in the applicable Award Agreement.

14. ADJUSTMENT RELEVANT TO RIOT OPTIONS

In the event of any alteration in the capital structure of Riot Games (whether by way of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital) whilst any Riot Option remains exercisable, corresponding adjustments (if any) shall be made to the exercise price and/or the number of shares of common stock of Riot Games subject to a Riot Option already granted and to the Riot Option Scheme. Any adjustment shall be made on the basis that the proportion of the common stock of Riot Games to which a Riot Participant is entitled after such adjustment shall remain as nearly as possible the same as but not greater than that to which he or she was entitled before such adjustment, but so that no such adjustment shall be made the effect of which would be to enable any common stock of Riot Games to be issued at less than its nominal value, or to increase the proportion of the common stock of Riot Games for which any Riot Participant would have been entitled to subscribe had he or she exercised all the Riot Options held by him immediately prior to such adjustments. Notwithstanding the foregoing, such adjustments shall only be made in the event of a capital change which significantly and inequitably affects any outstanding Riot Options, as determined by the Administrator and, in lieu or in addition to any such adjustment the Administrator may provide for payment of cash or other consideration to any affected Riot Participant.

15. CANCELLATION OF RIOT OPTIONS

Any cancellation of Riot Options granted but not exercised shall be subject to approval by the Administrator and shall require the written consent of the Riot Participant to whom such Riot Options were granted. If a Riot Participant's Riot Option is cancelled by the Company and a new Riot Option will be granted to the same Riot Participant, such new Riot Option grant may only be made if sufficient shares of common stock of Riot Games remain available (excluding the cancelled Riot Options) under the Maximum Number.

16. RIGHTS ATTACHING TO SHARES OF RIOT GAMES UPON EXERCISE OF RIOT OPTIONS

Shares of common stock of Riot Games to be allotted upon exercise of a Riot Option will be subject to all the provisions of the constitutional documents of Riot Games for the time being in force and will rank *pari passu* with the fully paid common stock of Riot Games issued on the date of allotment (including in the event of liquidation of Riot Games) and accordingly will entitle the holders of shares of common stock of Riot Games to participate in all dividends and other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment.

17. ALTERATION OR TERMINATION

Subject to Applicable Law, the Administrator may amend, modify or terminate any outstanding Riot Options, provided, that no amendment of the Riot Option Scheme shall materially and adversely affect any Riot Options outstanding at the time of such amendment without the consent of the affected Riot Participant. Further, unless Riot Games ceases being a subsidiary of the Company, the provisions of the Riot Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules (namely the provisions in the rules of the Riot Option Scheme in relation to matters set out in paragraphs 1 to 5, 7, 9, 11 to 18 and 20) cannot be altered to the advantage of the Riot Participants without the prior approval of the Shareholders. Any alteration to the terms and conditions of the Riot Option Scheme with respect to Riot Options which are of a material nature or any change to the terms of the Riot Options granted must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Riot Option Scheme. The amended terms of the Riot Option Scheme or the Riot Options shall remain in compliance with Chapter 17 of the Listing Rules. Any change to the authority of the directors of Riot Games or the Administrator with respect to Riot Options in relation to any alteration to the terms of the Riot Option Scheme must be separately approved by the Shareholders.

Riot Options outstanding under the Riot Option Scheme at the time of any suspension or termination of the Riot Option Scheme shall continue to be governed in accordance with the terms of the Riot Option Scheme and applicable Award Agreement, as in effect prior to such suspension or termination. The board of Riot Games shall obtain approval of the shareholders of Riot Games and the Shareholders for any Riot Option Scheme amendment to the extent necessary to comply with Applicable Law.

18. TRANSFERABILITY OF RIOT OPTIONS

Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, (i) Riot Options shall not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered by the person to whom they are granted, except by will or the laws of the descent and distribution; and (ii) during the life of the Riot Participant, Riot Options shall be exercisable only by the Riot Participant. In addition, any recipient of Riot Options upon the death of the transferor shall not transfer such Riot Options except upon such transferee's death.

19. EXCHANGE FOR RESTRICTED STOCK OF RIOT GAMES

The Administrator may provide in the terms of an Award Agreement that the Riot Participant may exercise a Riot Option in whole or in part prior to the full vesting of the Riot Option in exchange for unvested shares of restricted stock of Riot Games with respect to any unvested portion of the Riot Option so exercised. Shares of restricted stock of Riot Games acquired upon exercising of any unvested portion of a Riot Option shall be subject to such terms and conditions as the Administrator shall determine.

20. ADMINISTRATION OF THE RIOT OPTION SCHEME

The Riot Option Scheme will be administered by the Administrator. The Administrator shall have authority to determine which Riot Participant will receive Riot Options, to grant Riot Options and to set all terms and conditions of Riot Options (including, but not limited to, performance target, vesting and forfeiture provisions). In addition, the Administrator shall have the authority to take all actions and make all determinations contemplated by the Riot Option Scheme and to adopt, amend and repeal such administrative rules, guidelines and practices for the purpose of the Riot Option Scheme as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Riot Option Scheme or any Riot Options in the manner and to the extent it shall deem necessary or appropriate to carry the Riot Option Scheme and any Riot Options into effect, as determined by the Administrator. The Administrator shall make all determinations under the Riot Option Scheme in the Administrator's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Riot Option Scheme or in any Riot Options.

The details of the proposed amendments to the Memorandum and Articles of Association are as follows:

a. The Memorandum be amended as follows:

(1) Paragraph 8

Paragraph 8 be amended by replacing the following:

“The authorised share capital of the Company is HK\$1,000,000 divided into 10,000,000,000 ordinary shares of a par value of HK\$0.0001 each, with the power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.”

With:

“The authorised share capital of the Company is HK\$1,000,000 divided into 50,000,000,000 ordinary shares of a par value of HK\$0.00002 each, with the power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.”

b. The Articles of Association be amended as follows:

(1) Article 1A

Article 1A be amended by deleting the existing Article 1A in its entirety.

(2) Article 2(1)

The definition of “ordinary resolution” in Article 2(1) be amended by replacing the following:

“a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) clear days’ Notice has been duly given;”

With:

“a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been given in accordance with these Articles.”

(3) Article 3(1)

Article 3(1) be amended by replacing the following:

“The share capital of the Company at the date on which these Articles come into effect shall be divided into shares of a par value of HK\$0.0001 each.”

With:

“The share capital of the Company is HK\$1,000,000 and shall be divided into shares of a par value of HK\$0.00002 each.”

(4) Article 11

Article 11 be amended by replacing the following:

“The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith.”

With:

“The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking *pari passu* therewith. No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.”

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Tencent Holdings Limited (the “Company”) will be held at Island Ballroom C, Level 5, Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong on Wednesday, 14 May 2014 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31 December 2013.
2. To declare a final dividend.
3. To re-elect Directors and authorise the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint Auditor and authorise the Board of Directors to fix their remuneration.

To consider and if thought fit, to pass with or without modification the following resolutions:

ORDINARY RESOLUTIONS

5. **“That:**
 - (a) subject to paragraph (c), a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and dispose of shares in the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
 - (b) the mandate in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or

NOTICE OF ANNUAL GENERAL MEETING

employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company from time to time, shall not exceed twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. **“That:**

- (a) a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“That**, conditional upon the passing of Resolutions 5 and 6 set out in the Notice convening this Annual General Meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution 5.”
8. **“That**, conditional upon The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Subdivided Shares (as defined below) in issue and to be issued, with effect from 9:00 a.m. on the next business day following the day on which this resolution is passed by the shareholders of the Company, 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 (each a “Subdivided Share”) so that 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 immediately following the share subdivision being effective and such Subdivided Share(s) shall rank pari passu with each other in all respects with the shares in issue prior to the share subdivision, and any Director of the Company be and is hereby authorised to sign and execute such documents and do all such acts, deeds and things incidental to any of the foregoing as he considers necessary, desirable or expedient in connection with the implementation of or giving effect to any of the foregoing and the transactions contemplated thereunder.”
9. **“That**, the option scheme of Riot Games, Inc., as part of the 2014 equity incentive plan of Riot Games, Inc., the terms of which are contained in the document marked “A” produced to the meeting and for the purpose of identification signed by the chairman of the meeting be and is hereby approved and adopted and any Director of the Company be and is hereby authorised to execute such documents and take such action as they deem appropriate to implement and give effect to the option scheme of Riot Games, Inc..”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

10. “That,

- (a) the proposed amendments to the existing memorandum of association and articles of association of the Company be and are hereby approved. For details of the proposed amendments to the memorandum of association and articles of association, please refer to Appendix IV to the circular dated 2 April 2014;
- (b) the amended and restated memorandum of association and articles of association, consolidating all the proposed amendments to the existing memorandum of association and articles of association and the previous amendments to the memorandum of association and articles of association adopted and approved by the Company, a copy of which has been produced to this meeting and marked “B” and initialled by the chairman of the meeting for identification purpose, be and are hereby approved and adopted in substitution for and to the exclusion of the existing memorandum of association and articles of association with immediate effect; and
- (c) any Director or Secretary of the Company be authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements as he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the amended and restated memorandum of association and articles of association of the Company.”

By Order of the Board
Ma Huateng
Chairman

2 April 2014

Notes:

1. For ascertaining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Monday, 12 May 2014 to Wednesday, 14 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with 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 for registration not later than 4:30 p.m. on Friday, 9 May 2014.
2. For ascertaining the entitlement to proposed final dividend, the register of members of the Company will be closed from Tuesday, 20 May 2014 to Wednesday, 21 May 2014, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with 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 for registration not later than 4:30 p.m. on Monday, 19 May 2014.

NOTICE OF ANNUAL GENERAL MEETING

3. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or, if he holds two or more shares, more person(s) as his proxy or proxies to attend and vote instead of him. A proxy needs not be a member of the Company.

4. The form of proxy for use at the Annual General Meeting is enclosed with the circular to the shareholders dated 2 April 2014. The form of proxy can also be downloaded from the website of the Company at www.tencent.com and the website of HKExnews at www.hkexnews.hk. To be valid, the form of proxy must be completed, signed and deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.