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

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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**  
**ADOPTION OF THE 2017 SHARE OPTION SCHEME**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Tencent Holdings Limited to be held at 3:00 p.m. on Wednesday, 17 May 2017 at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong is set out on pages 25 to 28 of this circular. Whether you are able to attend the AGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy 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.

10 April 2017

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## DEFINITION

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

| <b>Term</b>                | <b>Definition</b>                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “2004 Share Option Scheme” | the share option scheme of the Company adopted on 24 March 2004 which was terminated on 16 May 2007 when the 2007 Share Option Scheme was adopted                                                                                                                                                                                                                                      |
| “2007 Share Option Scheme” | the share option scheme of the Company adopted on 16 May 2007                                                                                                                                                                                                                                                                                                                          |
| “2009 Share Option Scheme” | the share option scheme of the Company adopted on 13 May 2009                                                                                                                                                                                                                                                                                                                          |
| “2017 Share Option Scheme” | the share option scheme for Eligible Persons proposed to be conditionally adopted at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular                                                                                                                                                                                                    |
| “AGM”                      | the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 17 May 2017 at Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong or any adjournment thereof                                                                                                                                                     |
| “Articles of Association”  | the amended and restated articles of association of the Company adopted by special resolution passed on 14 May 2014                                                                                                                                                                                                                                                                    |
| “Associate(s)”             | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                                                                                                                                                                                               |
| “Board”                    | the board of Directors                                                                                                                                                                                                                                                                                                                                                                 |
| “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)”              | the director(s) of the Company                                                                                                                                                                                                                                                                                                                                                         |
| “Eligible Person”          | any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) or any member of the Group or any Invested Entity and any consultant, adviser or agent of any member of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity |

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## DEFINITION

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|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Grantee”                               | any Eligible Person who accepts an offer in accordance with the terms of the 2017 Share Option Scheme, or (where the context so permits) a person entitled, in accordance with the laws of succession applicable, to exercise any option in consequence of the death of the original Grantee |
| “Group”                                 | the Company and its subsidiaries                                                                                                                                                                                                                                                             |
| “HK\$”                                  | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                                                                                                          |
| “Hong Kong”                             | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                                                                                                                |
| “Invested Entity”                       | any entity in which the Group holds an equity interest                                                                                                                                                                                                                                       |
| “Latest Practicable Date”               | 7 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular                                                                                                                                   |
| “Listing Rules”                         | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                          |
| “Memorandum”                            | the amended and restated memorandum of association of the Company adopted by special resolution passed on 14 May 2014                                                                                                                                                                        |
| “NASDAQ”                                | NASDAQ Global Select Market                                                                                                                                                                                                                                                                  |
| “Pre-IPO Share Option Scheme”           | the share option scheme of the Company adopted on 27 July 2001 which was terminated at the date of the listing of the Shares                                                                                                                                                                 |
| “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)”                              | the ordinary share(s) with par value of HK\$0.00002 each in the share capital of the Company                                                                                                                                                                                                 |
| “share(s) before the Share Subdivision” | the ordinary share(s) with par value of HK\$0.0001 each in the share capital of the Company before the Share Subdivision                                                                                                                                                                     |
| “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 total number of the issued Shares as at the date of passing of the resolution approving such mandate                                                     |

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## DEFINITION

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|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Share Repurchase Mandate” | the general mandate to Directors to exercise the power of the Company to repurchase Shares not exceeding 10% of the total number of the issued Shares as at the date of passing of the resolution approving such mandate                                                                                                                                                                                     |
| “Share Subdivision”        | with effect from 15 May 2014, each existing issued and unissued share of HK\$0.0001 each in the share capital of the Company was subdivided into five subdivided shares of HK\$0.00002 each, after passing of an ordinary resolution at the annual general meeting of the Company held on 14 May 2014 and granting by the Stock Exchange of the listing of, and permission to deal in, the subdivided shares |
| “Shareholder(s)”           | holder(s) of the Share(s)                                                                                                                                                                                                                                                                                                                                                                                    |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                                                                      |
| “Takeovers Code”           | the Code on Takeovers and Mergers as approved by the Securities and Futures Commission                                                                                                                                                                                                                                                                                                                       |
| “US\$”                     | United States dollars, the lawful currency of the United States of America                                                                                                                                                                                                                                                                                                                                   |

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr Ma Huateng (*Chairman*)  
Mr Lau Chi Ping Martin

*Non-Executive Directors:*

Mr Jacobus Petrus (Koos) Bekker  
Mr Charles St Leger Searle

*Independent Non-Executive Directors:*

Mr Li Dong Sheng  
Mr Iain Ferguson Bruce  
Mr Ian Charles Stone  
Mr Yang Siu Shun

*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

10 April 2017

*To the Shareholders*

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**RE-ELECTION OF DIRECTORS**  
**ADOPTION OF THE 2017 SHARE OPTION SCHEME**  
**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; and (iii) the adoption of the 2017 Share Option Scheme.

**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 total number of issued Shares at the date of passing this ordinary resolution. In addition, an ordinary

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## LETTER FROM THE BOARD

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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 total 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 25 to 28 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 total number of issued Shares at the date of passing this ordinary resolution.

As at the Latest Practicable Date, the total number of issued Shares was 9,477,436,398 Shares. Assuming that there is no change in the total number of issued Shares 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 at the date of passing the resolution approving the Share Repurchase Mandate will be 947,743,639 Shares, which represent 10% of the total number of issued Shares at the date of passing the ordinary resolution.

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.

### **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. In accordance with Article 86(3) of the Articles of Association, Mr Yang Siu Shun ("Mr Yang"), who was appointed as an independent non-executive Director with effect from 1 July 2016, will hold office until the AGM and, being eligible, will offer himself for re-election.

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## LETTER FROM THE BOARD

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At the time of appointment as an independent non-executive Director, Mr Yang has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. He has submitted to the Stock Exchange a written confirmation concerning his independence to the Company. Mr Yang has confirmed that there is no subsequent change of circumstances which may affect his independence which would require him to inform the Stock Exchange. The Company has continued to receive written confirmation from Mr Yang annually on his independence in accordance with the Listing Rules.

Having considered the requirements and obligations of an independent non-executive director, including the factors to be taken into account in assessing his independence under Rule 3.13 of the Listing Rules, the Board believes that Mr Yang continues to be independent and should be re-elected as an independent non-executive Director at the AGM. In addition, the Board believes that Mr Yang has the character, integrity, independence and expertise to fulfill his role effectively and will continue to bring valuable experience, knowledge and professionalism to the Board for its efficient and effective functioning.

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

#### 4. EXISTING SHARE OPTION SCHEMES

Save for the 2009 Share Option Scheme, the 2007 Share Option Scheme, the 2004 Share Option Scheme and the Pre-IPO Share Option Scheme, details of which are summarised as follows, there were and are no other share option schemes of the Company involving issue of new Shares.

- (I) Under the 2009 Share Option Scheme, as at the Latest Practicable Date, options to subscribe for a total of 1,000,000 shares before the Share Subdivision (equivalent to 5,000,000 Shares) were granted, for which:
- (a) 500,000 shares before the Share Subdivision (equivalent to 2,500,000 Shares) had been issued pursuant to the exercise of options;
  - (b) 2,500,000 options are outstanding, of which 1,250,000 options are exercisable; and
  - (c) no option to subscribe for Shares had been lapsed/ cancelled.

The 2009 Share Option Scheme will expire on 13 May 2019.

- (II) Under the 2007 Share Option Scheme, as at the Latest Practicable Date, options to subscribe for a total of 48,793,260 shares before the Share Subdivision (equivalent to 243,966,300 Shares) were granted, for which:
- (a) approximately 31,642,089 shares before the Share Subdivision (equivalent to 158,210,448 Shares) had been issued pursuant to the exercise of options;



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## LETTER FROM THE BOARD

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- (b) 59,406,108 options are outstanding, of which 14,956,112 options are exercisable; and
- (c) options to subscribe for approximately 5,269,948 shares before the Share Subdivision (equivalent to 26,349,744 Shares) had been lapsed/ cancelled.

The 2007 Share Option Scheme will expire on 16 May 2017.

(III) Under the 2004 Share Option Scheme, as at the Latest Practicable Date, options to subscribe for a total of 76,064,388 shares before the Share Subdivision (equivalent to 380,321,940 Shares) were granted, for which:

- (a) 67,432,882 shares before the Share Subdivision (equivalent to 337,164,410 Shares) had been issued pursuant to the exercise of options;
- (b) no option is outstanding nor exercisable; and
- (c) options to subscribe for 8,631,506 shares before the Share Subdivision (equivalent to 43,157,530 Shares) had been lapsed/ cancelled.

The 2004 Share Option Scheme was terminated on 16 May 2007. Upon termination of the 2004 Share Option Scheme, no further options were granted under such scheme.

(IV) Under the Pre-IPO Share Option Scheme, as at the Latest Practicable Date, options to subscribe for a total of 73,025,330 shares before the Share Subdivision (equivalent to 365,126,650 Shares) were granted, for which:

- (a) 70,259,710 shares before the Share Subdivision (equivalent to 351,298,550 Shares) had been issued pursuant to the exercise of options;
- (b) no option is outstanding nor exercisable; and
- (c) options to subscribe for 2,765,620 shares before the Share Subdivision (equivalent to 13,828,100 Shares) had been lapsed/ cancelled.

The Pre-IPO Share Option Scheme was terminated on 16 June 2004. Upon termination of the Pre-IPO Share Option Scheme, no further options were granted under such scheme.

### **5. ADOPTION OF THE 2017 SHARE OPTION SCHEME**

#### **(I) Number of Shares which may be issued under the 2017 Share Option Scheme**

As at the Latest Practicable Date, there were in issue an aggregate of 9,477,436,398 Shares. Assuming no further Shares are allotted, issued or repurchased prior to the date of adoption of the 2017 Share Option Scheme, options to subscribe for a total of 379,097,455 Shares may be granted under the 2017 Share Option Scheme, representing 4% of the issued Shares as at the date of the adoption of the 2017 Share Option Scheme.

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## LETTER FROM THE BOARD

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Assuming no further Shares are allotted, issued or repurchased prior to the date of adoption of the 2017 Share Option Scheme, the total number of Shares which may be issued upon exercise of all options to be granted under the 2017 Share Option Scheme and any other schemes in aggregate shall be 754,742,755 Shares, representing approximately 7.96% of the issued Shares as at the date of approval of the 2017 Share Option Scheme.

As at the Latest Practicable Date, the total number of Shares which may be issued upon exercise of all options to be granted under the 2017 Share Option Scheme and any other schemes in aggregate shall be 754,742,755 Shares, representing approximately 7.96% of the issued Shares, and the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under any other schemes in aggregate shall be 61,906,108 Shares, representing approximately 0.65% of the issued Shares.

Pursuant to Note (2) to Rule 17.03(3) of the Listing Rules, the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2017 Share Option Scheme and any other share option schemes must not exceed 30% of the issued Shares from time to time. No options may be granted under any schemes of the Company if this will result in this 30% limit being exceeded. Adjustments made to the exercise price of the option under the 2017 Share Option Scheme will be made in accordance with the Listing Rules applicable from time to time as set out in paragraph headed "EFFECT OF ALTERATIONS TO CAPITAL" under Appendix III to this circular.

### **(II) Restriction on the Time of Grant of Options**

Pursuant to Rule 17.05 of the Listing Rules, the Company may not grant any options after inside information has come to its knowledge until it has announced the information. In particular, the Company may not grant any option during the period commencing one month immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

### **(III) Principal Terms of the 2017 Share Option Scheme**

A summary of the principal terms of the 2017 Share Option Scheme is set out in Appendix III to this circular.

### **(IV) Reasons for the 2017 Share Option Scheme**

The Board considers that it is in the best interests of the Company and the Shareholders to provide incentive or reward to certain persons, i.e. the Eligible Persons, for their contributions to, and continuing efforts to promote the interests of, the Company.

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## LETTER FROM THE BOARD

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### **(V) Conditions of the 2017 Share Option Scheme**

The 2017 Share Option Scheme is conditional on:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM to approve the adoption of the 2017 Share Option Scheme and to authorise the Board to grant options under the 2017 Share Option Scheme and to allot and issue Shares pursuant to the exercise of options under the 2017 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of any options granted under the 2017 Share Option Scheme representing 4% of the issued Shares on the date of the AGM.

### **(VI) Value of the Options**

The Directors consider it inappropriate to value all the options that can be granted under the 2017 Share Option Scheme on the assumption that they were granted on the Latest Practicable Date as a number of factors crucial for the valuation cannot be determined. Such factors include the exercise period and the conditions, if any, that an option is subject to. Accordingly, any valuation of the options based on a large number of speculative assumptions would not be meaningful and possibly misleading to the Shareholders.

### **(VII) Listing and Dealing**

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares which may be issued and allotted pursuant to the exercise of options under the 2017 Share Option Scheme representing 4% of the issued Shares on the date of the AGM.

The Shares are only listed on the Stock Exchange and not on any other stock exchange.

### **(VIII) General Information**

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2017 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto at the AGM.

None of the Directors is a trustee of the 2017 Share Option Scheme nor has a direct or indirect interest in the trustees of the 2017 Share Option Scheme (if any).

A summary of the principal terms of the 2017 Share Option Scheme is set out in Appendix III to this circular. A copy of the 2017 Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 29/F., Three Pacific Place, No. 1 Queen's Road East, Wanchai, Hong Kong during normal business hours from the date hereof up to the date of the AGM and at the AGM.

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## LETTER FROM THE BOARD

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### 6. ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 25 to 28 of this circular.

The procedures for conducting a poll at the AGM are set out in section 7 below.

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](http://www.tencent.com) or the website of HKExnews at [www.hkexnews.hk](http://www.hkexnews.hk). Whether you are able to attend the AGM or not, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy 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.

### 7. 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/its votes or cast all his/her/its votes in the same way. That means he/she/it can cast some of his/her/its votes in favour of the resolution and some of his/her/its 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 of the AGM 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.

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## LETTER FROM THE BOARD

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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 of the AGM 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](http://www.tencent.com) and the website of HKExnews at [www.hkexnews.hk](http://www.hkexnews.hk) later on the date of the AGM.

### 8. 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.

### 9. 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*

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## **APPENDIX I EXPLANATORY STATEMENT FOR THE SHARE REPURCHASE MANDATE**

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*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 9,477,436,398 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 947,743,639 Shares, which represent 10% of the total number of issued Shares at the date of passing the ordinary resolution.

### **(d) Reasons for the Repurchase of Shares**

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and the 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 year ended 31 December 2016) 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.

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**APPENDIX I EXPLANATORY STATEMENT FOR THE SHARE REPURCHASE MANDATE**

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**(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:

|                                           | <b>Share Prices (per Share)</b> |               |
|-------------------------------------------|---------------------------------|---------------|
|                                           | <b>Highest</b>                  | <b>Lowest</b> |
|                                           | <b>HK\$</b>                     | <b>HK\$</b>   |
| <b>2016</b>                               |                                 |               |
| April                                     | 167.20                          | 154.40        |
| May                                       | 173.70                          | 152.20        |
| June                                      | 178.50                          | 167.00        |
| July                                      | 189.80                          | 173.00        |
| August                                    | 205.40                          | 181.50        |
| September                                 | 220.80                          | 200.80        |
| October                                   | 218.20                          | 205.20        |
| November                                  | 209.60                          | 189.70        |
| December                                  | 195.40                          | 179.60        |
| <b>2017</b>                               |                                 |               |
| January                                   | 205.60                          | 188.00        |
| February                                  | 216.40                          | 200.80        |
| March                                     | 230.20                          | 204.20        |
| April (up to the Latest Practicable Date) | 228.80                          | 222.40        |

**(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 number of issued Shares in public hands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (with the meaning ascribed thereto under the Listing Rules), 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 core connected person (with the meaning ascribed thereto under the Listing Rules) 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.

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## APPENDIX I EXPLANATORY STATEMENT FOR THE SHARE REPURCHASE MANDATE

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### **(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 right 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"), controlled by Naspers Limited through its wholly-owned intermediary companies, was interested in 3,151,201,900 Shares, representing approximately 33.25% of the total number of issued Shares. 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 36.94% of the total number of issued Shares. 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.



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

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*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 43, 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. On 10 March 2014, Mr Lau was appointed as a director of JD.com, Inc., an online direct sales company in China, which has been listed on NASDAQ since May 2014. On 31 March 2014, Mr Lau was appointed as a director of Leju Holdings Limited, an online-to-offline real estate services provider in China, which has been listed on New York Stock Exchange since April 2014. Mr Lau also serves as a director/ corporate representative of certain subsidiaries of the Company.

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 has personal interests in 31,668,000 Shares and 16,500,000 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 2018. The total emoluments received by Mr Lau in the year 2016 was approximately US\$4,056,761 (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 2017 is US\$1,050,000 (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.

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

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### 2. Charles St Leger Searle

Charles St Leger Searle, age 53, 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, the Nomination Committee and the Investment Committee of the Company. Mr Searle is currently the Chief Executive Officer of Naspers Internet Listed Assets. He serves on the board of a number of companies associated with the Naspers Group, including Mail.ru Group Limited that is listed on the London Stock Exchange and MakeMyTrip Limited that is listed on NASDAQ. Prior to joining the Naspers Group, he held positions at Cable & Wireless plc and at Deloitte & Touche in London and Sydney. Mr Searle is a graduate of the University of Cape Town and a member of the Institute of Chartered Accountants in Australia and New Zealand. Mr Searle has more than 23 years of international experience in the telecommunications and Internet industries. Mr Searle also serves as a director of certain subsidiaries of the Company.

As at the Latest Practicable Date, Mr Searle is related to Naspers Limited, 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 or emoluments.

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.

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

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### 3. Yang Siu Shun

Yang Siu Shun, age 61, has been an independent non-executive Director since July 2016. He is a member of the Audit Committee and the Corporate Governance Committee of the Company. Mr Yang is currently serving as a Member of the 12th National Committee of the Chinese People's Political Consultative Conference, a Justice of the Peace in Hong Kong, a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority, a Steward of the Hong Kong Jockey Club, the Deputy Chairman of the Council of the Open University of Hong Kong, a Board Member and the Audit Committee Chairman of the Hang Seng Management College and an independent non-executive director of Industrial and Commercial Bank of China Limited which is publicly listed on the Stock Exchange and the Shanghai Stock Exchange. Mr Yang retired from PricewaterhouseCoopers ("PwC") on 30 June 2015. Before his retirement, he served as the Chairman and Senior Partner of PwC Hong Kong, the Executive Chairman and Senior Partner of PwC China and Hong Kong, one of the five members of the Global Network Leadership Team of PwC and the PwC Asia Pacific Chairman. Mr Yang graduated from the London School of Economics and Political Science in 1978. Mr Yang is a Fellow Member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

As at the Latest Practicable Date, Mr Yang does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and has personal interests in 21,474 awarded shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr Yang. Mr Yang's term is for one year but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association. Mr Yang is entitled to a director's fee of HK\$750,000 for the year 2017, which is determined with reference to his duties and responsibilities with the Company.

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 Yang that need to be brought to the attention of the Shareholders.

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## APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE 2017 SHARE OPTION SCHEME

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*The principal terms of the 2017 Share Option Scheme proposed to be adopted at the AGM are as follows:*

### **PURPOSE OF THE SCHEME**

The purpose of the 2017 Share Option Scheme is to provide incentive or reward to Eligible Persons for their contributions to, and continuing efforts to promote the interests of, the Company.

### **WHO MAY JOIN**

The Board may, in its absolute discretion, grant options to any Eligible Person.

### **PRICE OF SHARES**

The subscription price for Shares under the 2017 Share Option Scheme will be a price determined by the Board and notified to each Grantee. The subscription price will be the highest of: (i) the nominal value of a Share; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant.

A consideration of HK\$1.00 is required to be paid by a Grantee for each acceptance of the offer of the grant of an option, which should be made within 28 days from the date of grant, under the 2017 Share Option Scheme.

### **MAXIMUM NUMBER OF SHARES**

The maximum number of Shares in respect of which options may be granted under the 2017 Share Option Scheme from the date of adoption of the 2017 Share Option Scheme shall not exceed 4% of the issued Shares as at the date of Shareholders' approval of the 2017 Share Option Scheme (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the 2017 Share Option Scheme shall not be counted for the purpose of calculating the 4% limit. The Company may refresh the Scheme Mandate Limit by ordinary resolution of the Shareholders in a general meeting, provided that the Scheme Mandate Limit so refreshed shall not exceed 4% of the issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit. Options previously granted under any existing schemes (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed.

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2017 Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of issued Shares from time to time.

As at the Latest Practicable Date, there were in issue an aggregate of 9,477,436,398 Shares. Assuming no further Shares are issued prior to the date of adoption of the 2017 Share Option Scheme, options to subscribe for a total of 379,097,455 Shares (representing 4% of the issued Shares on the date of the AGM) may be granted under the 2017 Share Option Scheme pursuant to the Scheme Mandate Limit.

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## **APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE 2017 SHARE OPTION SCHEME**

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The maximum number of Shares (issued and to be issued) in respect of which options may be granted under the 2017 Share Option Scheme and any other share option scheme(s) of the Company (whether exercised, cancelled or outstanding) to any Eligible Person in any 12-month period shall not exceed 1% of the issued Shares from time to time unless such grant has been duly approved by ordinary resolution of the Shareholders in general meeting at which the relevant Eligible Person and his close associates (with the meaning ascribed thereto under the Listing Rules) (or his Associates if the Eligible Person is a Connected Person) shall abstain from voting.

In calculating the aforesaid limit of 1%, options that have lapsed shall not be counted.

### **GRANT OF OPTIONS TO CONNECTED PERSONS**

Any grant of options to a Director, chief executive or substantial shareholder of the Company or any of their respective Associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a prospective Grantee).

Where options are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective Associates, and the proposed grant of options would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the grant of such options to represent in aggregate over 0.1% of the total number of Shares and have an aggregate value (based on the closing price of a Share at each date of the grant of these options) exceeding HK\$5,000,000, the proposed grant shall be subject to the issue of a circular and the approval of the Shareholders in general meeting (taken on a poll) in accordance with the requirements of the Listing Rules at which the Grantee, his Associates and all core connected persons (with the meaning ascribed thereto under the Listing Rules) of the Company must abstain from voting in favour of the resolution at such general meeting.

In calculating the aforesaid limit of 0.1%, options that have lapsed shall not be counted.

### **TIME FOR EXERCISE OF OPTIONS**

The Grantee may subscribe for Shares during such period as may be determined by the Board (the period shall commence on the date on which the offer relating to such option is duly approved by the Board in accordance with the 2017 Share Option Scheme and expire in any event not later than the last day of the 7-year period after the date of grant of option (subject to early termination as set out in the 2017 Share Option Scheme)). The 2017 Share Option Scheme does not provide for any minimum period for which an option must be held before it can be exercised.

### **PERFORMANCE TARGETS**

The 2017 Share Option Scheme provides that options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise (e.g. by linking their exercise to the attainment or performance of certain milestones) as the Board may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the 2017 Share Option Scheme.

**RIGHTS ARE PERSONAL TO GRANTEE**

An option shall be personal to the Grantee and shall not be assignable nor transferable.

**RIGHTS ON CEASING EMPLOYMENT**

Subject to the provision in the paragraph below headed “RIGHTS ON DEATH” and the sub-paragraph (iv) under the paragraph below headed “LAPSE OF OPTION”, if a Grantee ceases to be an Eligible Person for any reason other than on his or her death or the termination of his or her employment on one or more of the grounds specified in sub-paragraph (iv) under the paragraph below headed “LAPSE OF OPTION”, the Grantee may only exercise the option within a period of 3 months thereafter.

**RIGHTS ON DEATH**

If a Grantee dies before exercising the option in full and none of the events which would be a ground for termination of his or her employment specified in sub-paragraph (iv) under the paragraph below headed “LAPSE OF OPTION” arises, the personal representative(s) of the Grantee may only exercise the option within a period of 12 months thereafter.

**RIGHTS ON EMPLOYMENT BY A SUBSIDIARY**

If a Grantee shall be employed by a subsidiary and the shares in such subsidiary (or in any other subsidiary which is a holding company of such subsidiary) shall be listed on, or become publicly traded on any recognised stock exchange, the Company may, if the Board considers it appropriate, give notices to the Grantee requiring the Grantee to exercise the option (to the extent not already exercised) to its full extent, or to the extent specified in such notice and on such other terms as the Board shall decide.

**EFFECT OF ALTERATIONS TO CAPITAL**

In the event of a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company, the Company shall make corresponding alterations (if any) to:

- (a) the number of Shares subject to options already granted so far as they remain exercisable; and/or
- (b) the subscription price; provided that:
  - (i) each Grantee is given the same proportion of the equity capital of the Company as that to which he was previously entitled;
  - (ii) no alterations shall be made which would result in the subscription price for a Share being less than its nominal value;
  - (iii) no such alterations shall be made in respect of an issue of securities by the Company as consideration in a transaction; and
  - (iv) any such alterations, save as those made on a capitalisation issue, shall be confirmed by the auditors of the Company or the independent financial adviser in writing to the Directors as satisfying the requirements of the foregoing paragraphs (i) and (ii).

**RIGHTS ON A GENERAL OFFER**

If a general offer is made to all the Shareholders and such offer is declared unconditional before the expiry date of the option, the Grantee may by notice in writing within 21 days after such offer becoming or being declared unconditional exercise any options to its full extent, and to the extent that they have not been so exercised, the right to exercise the options shall upon the expiry of such period terminate immediately.

**RIGHTS ON A COMPROMISE OR ARRANGEMENT**

If a compromise or arrangement between the Company and its members or creditors is proposed, the Company shall give notice to the Grantee on the same date as it dispatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his or her personal representative(s)) may until the expiry of the period commencing with such date and ending with the earlier of the date 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court, provided that the relevant options are not subject to a term or condition precedent to them being exercisable which has not been fulfilled, exercise any of his or her options whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the 2017 Share Option Scheme. The Company may require the Grantee (or his or her personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

**RIGHTS ON WINDING UP**

If a notice is given to each Grantee of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, each Grantee shall be entitled to exercise all or any of his options at any time not later than 2 business days prior to the proposed general meeting of the Company. The Company shall, as soon as possible, and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee, credited as fully paid. The right to exercise the options shall, to the extent that they have not been exercised, terminate immediately on the date of the commencement of the voluntary winding-up of the Company.

**RIGHTS ON A SCHEME OF ARRANGEMENT**

If a general offer by way of a scheme of arrangement is made to all the Shareholders and such scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Grantee may thereafter (up to the record date for determining entitlements under such scheme of arrangement) by notice in writing to the Company exercise the option in full or in part. The right to exercise the option shall terminate immediately on the record date for determining entitlements under such scheme of arrangement.

**RANKING OF SHARES**

Shares allotted and issued on the exercise of options will rank pari passu with the other Shares in issue at the relevant date of exercise of the option except in respect of any dividend or other distribution previously declared or allotted.

**PERIOD OF THE SCHEME**

The 2017 Share Option Scheme shall be valid and effective for a period of 10 years commencing on its date of adoption.



### **VARIATION AND TERMINATION**

The 2017 Share Option Scheme may be altered in any respect by resolution of the Board except that certain provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to extend the class of persons eligible for the grant of options or to the advantage of Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective Associates abstaining from voting). No such alterations shall operate to affect adversely the terms of issue of any options granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

Any alterations to the provisions of the 2017 Share Option Scheme which are of a material nature (except where alterations take effect automatically under the provisions of the 2017 Share Option Scheme) or any change to the terms of options granted must be approved by the Shareholders in general meeting. The amended terms of the 2017 Share Option Scheme or the options must still comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alterations to the terms of the 2017 Share Option Scheme must be approved by the Shareholders in general meeting.

The Company by resolution in general meeting or the Board may terminate the operation of the 2017 Share Option Scheme at any time and options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2017 Share Option Scheme.

### **LAPSE OF OPTION**

The right to exercise an option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the option period as described in the above paragraph headed “TIME FOR EXERCISE OF OPTIONS”;
- (ii) the expiry of any of the periods referred to in the paragraphs above headed “RIGHTS ON CEASING EMPLOYMENT”, “RIGHTS ON DEATH”, “RIGHTS ON EMPLOYMENT BY A SUBSIDIARY”, “RIGHTS ON A GENERAL OFFER” and “RIGHTS ON A SCHEME OF ARRANGEMENT”;
- (iii) subject to the compromise or arrangement (for the purpose of or in connection with reconstruction or amalgamation) becoming effective, the expiry of the period referred to in the paragraph above headed “RIGHTS ON A COMPROMISE OR ARRANGEMENT”;
- (iv) the date on which the Grantee ceases to be an Eligible Person by reason of the termination of his or her employment on the grounds that he or she has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay debts or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty;

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**APPENDIX III SUMMARY OF THE PRINCIPAL TERMS OF THE 2017 SHARE OPTION SCHEME**

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- (v) subject to the provision in the paragraph above headed “RIGHTS ON WINDING UP”, the date of the commencement of the voluntary winding-up of the Company; or
- (vi) the date on which the Grantee commits a breach of the provision of the 2017 Share Option Scheme that an option shall be personal to the Grantee and shall not be assignable nor transferable and that no Grantee shall sell, transfer, charge, mortgage or encumber or create any interest in favour of a third party over or in relation to any options.

**CANCELLATION OF UNEXERCISED OPTIONS**

The Company may cancel an option granted under the 2017 Share Option Scheme but not exercised after obtaining approval of Shareholders in general meeting with the relevant Grantees and their respective Associates abstaining from voting. Any vote taken at the general meeting for approving such cancellation shall be taken by poll. Cancelled options may be re-issued after such cancellation has been approved, provided that re-issued options shall only be granted in compliance with the terms of the 2017 Share Option Scheme.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

## 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 Four Seasons Grand Ballroom, Level 2, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Wednesday, 17 May 2017 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited Financial Statements, the Directors’ Report and the Independent Auditor’s Report for the year ended 31 December 2016.
2. To declare a final dividend.
3. To re-elect Directors and authorise the Board of Directors to fix the Directors’ remuneration:
  - (a) To re-elect Mr Lau Chi Ping Martin as Director;
  - (b) To re-elect Mr Charles St Leger Searle as Director;
  - (c) To re-elect Mr Yang Siu Shun as Director; and
  - (d) To 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 as 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the total number of shares 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 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 total number of issued shares of the Company 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 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 total number of shares so purchased or otherwise acquired shall not exceed ten per cent (10%) of the total number of issued shares of the Company at the date of this Resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(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 total number of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution 6 shall be added to the total number of the shares which may be issued pursuant to Resolution 5.”
8. “**That**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares of the Company, representing 4% of the issued shares of the Company as at the date of passing this Resolution, to be issued pursuant to the exercise of any options granted under the 2017 Share Option Scheme (as defined below), the rules of the new share option scheme (“2017 Share Option Scheme”) of the Company (a copy of which has been submitted to this Annual General Meeting and signed by the Chairman of this Annual General Meeting for the purpose of identification) be and are hereby approved and adopted as an additional share option scheme of the Company; and that the Directors of the Company be and are hereby authorised, at their absolute discretion, to grant options thereunder and to allot and issue shares of the Company pursuant to the exercise of such options.”

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

10 April 2017

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## NOTICE OF ANNUAL GENERAL MEETING

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*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, 15 May 2017 to Wednesday, 17 May 2017, 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, 12 May 2017.
2. For ascertaining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 23 May 2017 to Wednesday, 24 May 2017, 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, 22 May 2017.
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 10 April 2017. The form of proxy can also be downloaded from the website of the Company at [www.tencent.com](http://www.tencent.com) and the website of HKExnews at [www.hkexnews.hk](http://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 appointed for the holding of the Annual General Meeting or any adjournment thereof (as the case may be).