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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)

CONNECTED TRANSACTIONS
RESTRUCTURING OF THE BUSINESSES IN INDIA AND THAILAND
EXERCISE OF THE LEVEL UP OPTION

India Restructuring

The Board wishes to announce that in relation to the India Restructuring, on 10 October 2013, the Company, through its subsidiaries, entered into (i) the 10c India Sale and Purchase Agreement, (ii) the Deed of Assignment of Trademarks, (iii) the Tencent Social Shareholders' Agreement and (iv) the MIH India eCommerce Shareholders' Agreement. To facilitate the streamlining of the shareholding structure for the eCommerce Business in India, the Company, through its subsidiaries, also entered into (v) the MIH India Global Sale and Purchase Agreement and (vi) the MIH India eCommerce Assignment and Delegation of Loan Agreement. Simultaneously with completion under the 10c India Sale and Purchase Agreement, the Company, through its subsidiaries, will enter into (vii) the India Termination Agreement, (viii) the Amended and Restated Shared Services Agreement and (ix) the Domain Name and Copyright Licence Agreement.

Thailand Restructuring

The Board wishes to announce that in relation to the Thailand Restructuring, on 10 October 2013, the Company, through its subsidiaries or associates, entered into (i) the MWEB Holdings Sale and Purchase Agreement and (ii) the DF Marketplace Sale and Purchase Agreement. Simultaneously with completion under the MWEB Holdings Sale and Purchase Agreement, the Company, through its subsidiaries, will enter into (iii) the Thailand Termination Agreement.

Exercise of the Level Up Option

Reference is made to the announcement of the Company dated 19 January 2012 in relation to the purchase of 49% shares of Level Up from MIH LatAm and the grant of Level Up Option to Aceville.

The Board wishes to announce that on 10 October 2013, Aceville has exercised the Level Up Option to acquire from MIH LatAm an additional 18% of the shares of Level Up in accordance with the terms of the Option Letter Agreement. The total consideration for such shares is US\$10,073,523.94.

The counterparties of the aforesaid agreements are the MIH Group companies. The MIH Group is controlled by Naspers, the ultimate controlling shareholder of the Company. Accordingly, the Transactions contemplated under the aforesaid agreements constitute connected transactions of the Company.

As each of the applicable percentage ratios, on an aggregate basis, is lower than the 5% threshold as stipulated in Rule 14A.32 of the Listing Rules and a number of the applicable percentage ratios, on an aggregate basis, are higher than the 0.1% threshold as stipulated in Rule 14A.31 of the Listing Rules, the Transactions are subject to the reporting and announcement requirements while exempt from the independent shareholders' approval requirements under the Listing Rules.

I. THE INDIA RESTRUCTURING

A. INTRODUCTION

The Group participates in the provision of internet and mobile services in the Republic of India or targets ethnic Indian users in cooperation with the MIH Group. The MIH Group is controlled by Naspers, the ultimate controlling shareholder of the Company. The Indian business is operated by MIH India Global, of which the Group and the MIH Group holds 19.9% and 80.1% interest, respectively. The Indian business is broadly categorized into two segments, the Social Network Business and eCommerce Business. The Group and the MIH Group are contemplating a restructuring of the Indian business such that the Group will own 80.1% and 19.9% interest in the Social Network Business and eCommerce Business, respectively. The MIH Group will own 19.9% and 80.1% interest in the Social Network Business and eCommerce Business, respectively.

In connection with this restructuring, for the purpose of the India Restructuring, the Board wishes to announce that on 10 October 2013, the Company, through its subsidiaries, entered into (i) the 10c India Sale and Purchase Agreement, (ii) the Deed of Assignment of Trademarks, (iii) the Tencent Social Shareholders' Agreement and (iv) the MIH India eCommerce Shareholders' Agreement.

The MIH Group will undergo an internal reorganization with a view to facilitating the streamlining of the shareholding structure for the eCommerce Business in India. As such, on 10 October 2013, the Group entered into (v) the MIH India Global Sale and Purchase Agreement for the disposal of 19.9% shares of MIH India Global to MIH India Holdings and (vi) the MIH India eCommerce Assignment and Delegation of Loan Agreement. The Group will continue to hold 19.9% interest in the eCommerce Business in India through its 19.9% shareholding in MIH India eCommerce.

Simultaneously with completion under the 10c India Sale and Purchase Agreement, the Company, through its subsidiaries, will enter into (vii) the India Termination Agreement, (viii) the Amended and Restated Shared Services Agreement and (ix) the Domain Name and Copyright Licence Agreement.

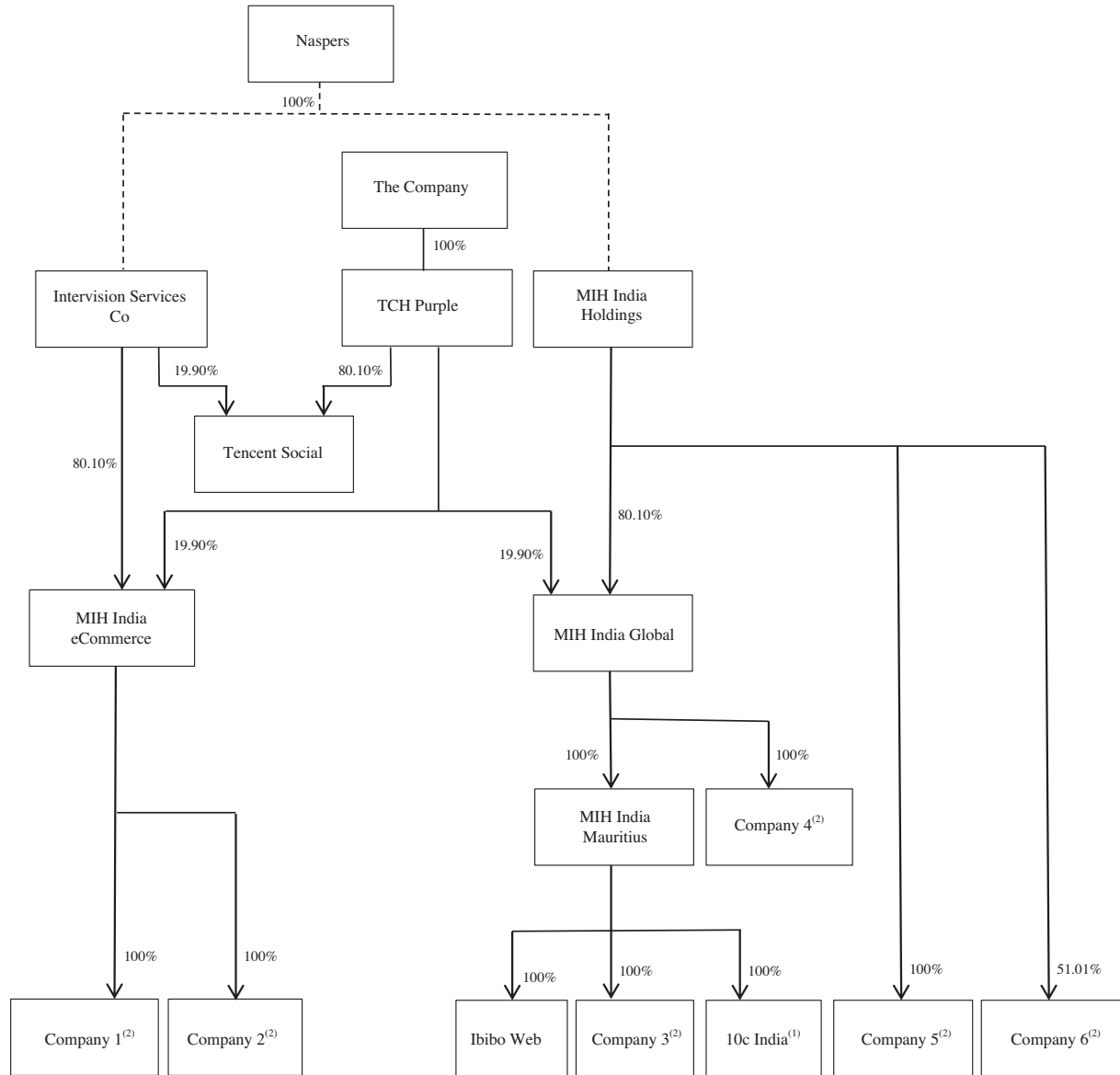
Upon completion of the India Restructuring, the Group will own (a) 80.1% interest in the Social Network Business through Tencent Social, which in turn holds 99.999995% interest in 10c India (the remaining 0.000005% is held by TCH Purple, a wholly-owned subsidiary of the Company), and (b) 19.9% interest in the eCommerce Business through MIH India eCommerce. The MIH Group will hold (a) 19.9% interest in Social Network Business through Tencent Social, and (b) 80.1% interest in the eCommerce Business through MIH India eCommerce.

The consideration for the acquisition of the Social Network Business (see "V. General" below for the net assets, total assets and net losses of 10c India) in India is US\$3,561,850.20, which has been arrived at after arm's length negotiation between the Group on the one part and the MIH Group on the other part by reference to the financial performance and strategic value of 10c India.

B. CHANGE IN THE GROUP'S INTERESTS IN COMPANIES FOR INDIA OPERATIONS

Set out below are the simplified shareholding structures showing the Group's interests in companies immediately before and after completion of the India Restructuring:

(i) Immediately prior to the India Restructuring

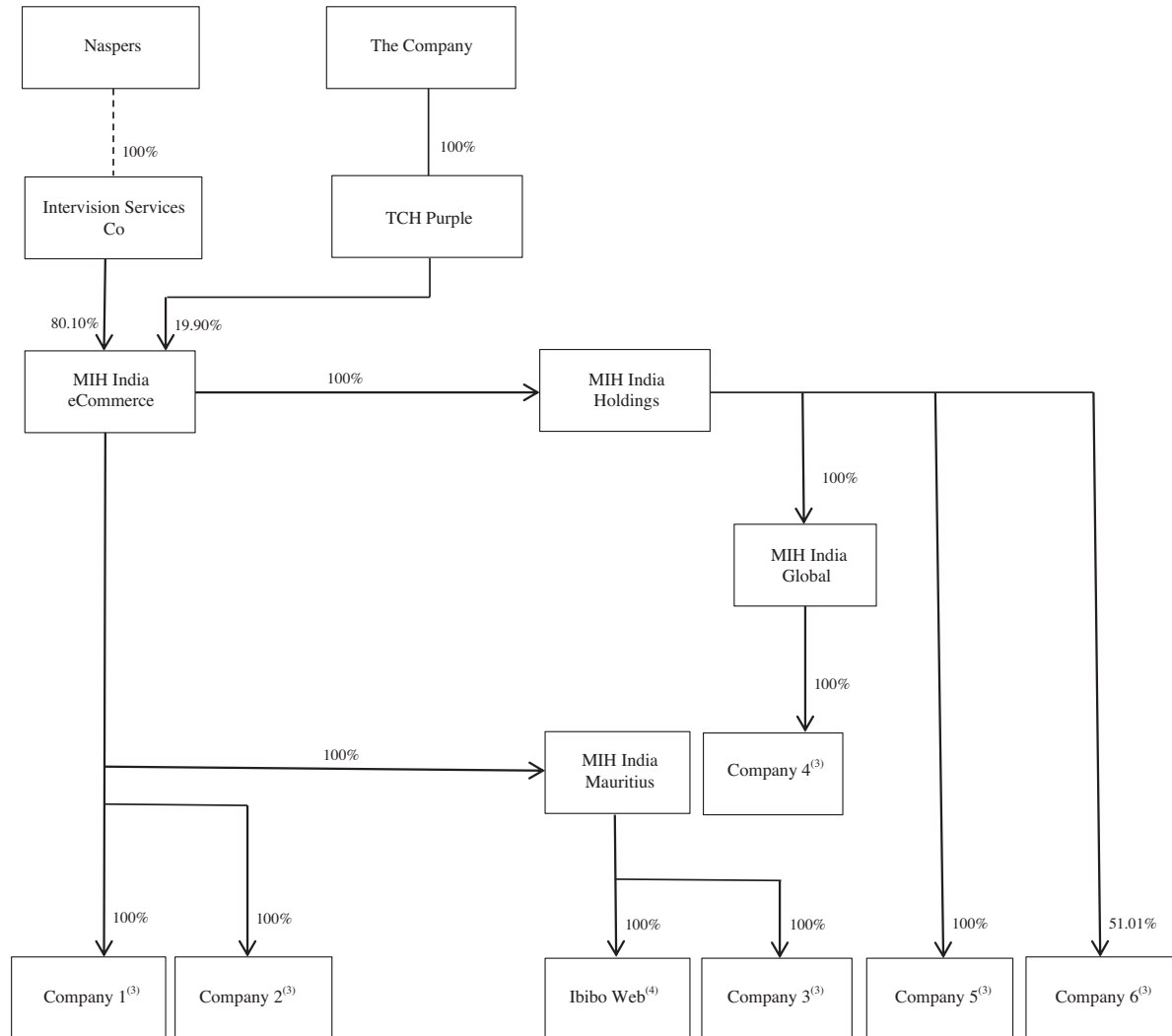


Note (1): The total issued shares of 10c India is 19,025,500 ordinary shares. MIH India Mauritius holds 19,025,499 ordinary shares and MIH India Global holds 1 ordinary share.

Note (2): MIH India eCommerce, MIH India Global and MIH India Holdings hold various subsidiaries for the conduct of eCommerce Business in India.

(ii) Immediately upon completion of the India Restructuring

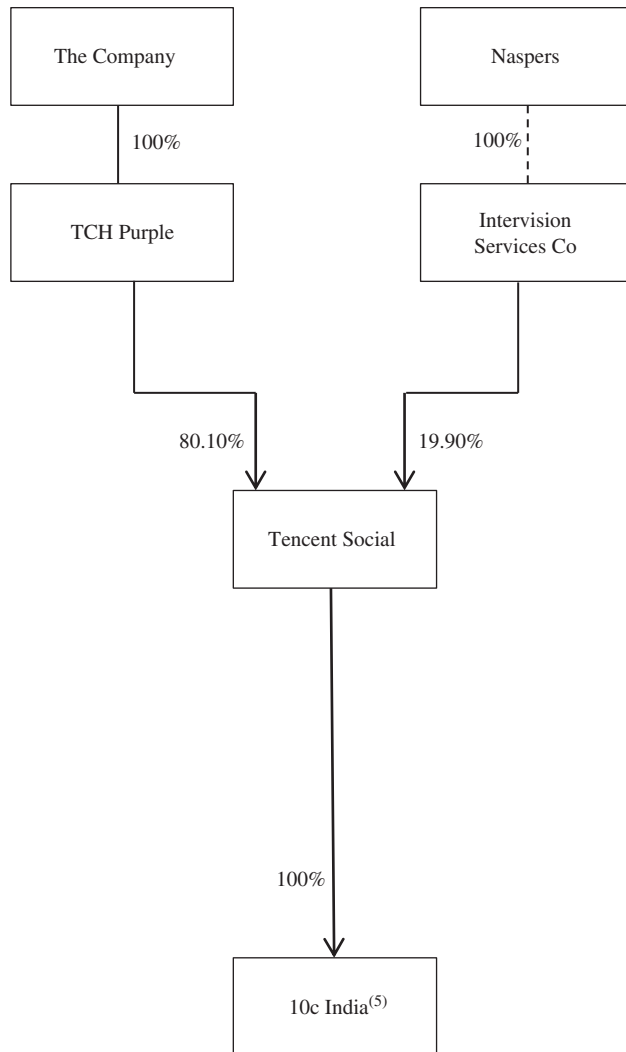
eCommerce Business



Note (3): MIH India eCommerce, MIH India Global and MIH India Holdings conduct the eCommerce Business in India through various subsidiaries.

Note (4): To be renamed to PayU India Pvt Limited.

Social Network Business



Note (5): The total issued shares of 10c India is 19,025,500 ordinary shares. Upon completion of the 10c India Sale and Purchase Agreement, Tencent Social will hold 19,025,499 ordinary shares and TCH Purple will hold 1 ordinary share.

MIH India eCommerce was incorporated in Singapore on 30 November 2012. At the time of incorporation and up to the date of this announcement, MIH India eCommerce is held 19.9% and 80.1% by the Group and the MIH Group, respectively.

Tencent Social was incorporated in Singapore on 9 November 2012. At the time of incorporation and up to the date of this announcement, Tencent Social is held 80.1% and 19.9% by the Group and the MIH Group, respectively. Tencent Social is not carrying on any business as of the date of this announcement.

As each of the applicable ratios, is lower than the 0.1% threshold as stipulated in Rule 14A.31 of the Listing Rules, the formation of the joint ventures at the relevant time is exempt from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

Further, the MIH Group is undergoing an internal reorganization in order to streamline the shareholding structure for the eCommerce Business in India (as shown in the shareholding structure chart immediately upon completion of the India Restructuring above). The restructuring steps to be undergone by the MIH Group do not constitute connected transactions under Chapter 14A of the Listing Rules.

C. MAJOR TERMS OF THE AGREEMENTS

(i) 10c India Sale and Purchase Agreement

Date : 10 October 2013

Parties : MIH India Mauritius (Vendor)
MIH India Global (Vendor)
Tencent Social (Purchaser)
TCH Purple (Purchaser)
10c India

Subject Matter : Tencent Social and TCH Purple have agreed to purchase from MIH India Mauritius and MIH India Global an aggregate of 19,025,500 ordinary shares of 10c India, representing 100% of its issued share capital.

10c India is principally engaged in the Social Network Business in India. This includes Ibibo games business operations and marketing of WeChat in India. Pursuant to the Business Transfer Agreement, Ibibo Web transferred the Social Network Business to 10c India in December 2012.

Consideration : The aggregate consideration for the acquisition is US\$3,561,850.20, of which US\$3,561,850 is payable to MIH India Mauritius and US\$0.20 is payable to MIH India Global. The consideration was arrived at after arm's length negotiation among Tencent Social, TCH Purple, MIH India Mauritius and MIH India Global with reference to the financial performance and strategic value of 10c India.

The consideration will be paid in cash and shall be satisfied from the internal resources of the Group.

The MIH Group did not acquire 10c India from third parties and therefore there is no original purchase cost of 10c India.

Completion : Completion shall take place on the closing date, upon fulfillment of certain conditions precedent as set forth under the agreement. It is intended that completion will take place simultaneously with closing under, and effectiveness of, the various other transaction documents forming part of the India Restructuring.

Following completion of the sale and purchase, 10c India will be 99.999995% held by Tencent Social and 0.000005% held by TCH Purple.

MIH India Mauritius and MIH India Global are connected persons under Chapter 14A of the Listing Rules by virtue of them being subsidiaries of Naspers. Accordingly, the entering into of the 10c India Sale and Purchase Agreement constitutes a connected transaction of the Company.

(ii) Deed of Assignment of Trademarks

Date : 10 October 2013

Parties : Ibibo Mauritius (Assignor)
10c India (Assignee)

Subject Matter : Ibibo Mauritius agrees to assign to 10c India trademarks that are required for the conduct of the Social Network Business.

Consideration : Nil. This is because the assignment of trademarks is for the purpose of giving complete effect to the acquisition of the Social Network Business by 10c India from Ibibo Web pursuant to the Business Transfer Agreement; and the trademarks are required for the conduct of the Social Network Business.

Effective Date : The agreement shall be effective on the date of completion under the 10c India Sale and Purchase Agreement. Ibibo Mauritius acknowledges that 10c India has used the trademarks prior to the effective date and has agreed to waive all the claims against 10c India for the use of the trademarks prior to the effective date.

Ibibo Mauritius is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. Accordingly, the entering into of the Deed of Assignment of Trademarks constitutes a connected transaction of the Company.

(iii) Tencent Social Shareholders' Agreement

Date : 10 October 2013

Parties : TCH Purple
Intervision Services Co
Tencent Social

Subject Matter : The Tencent Social Shareholders' Agreement sets out the rights and obligations of the parties thereto relating to the management and operations of Tencent Social and its subsidiaries, including (without limitation):

Management

- (a) the board of directors shall be up to four members. Each shareholder shall have the right to nominate one director for every 20% of all outstanding shares of Tencent Social on a non-diluted basis held by the shareholder;
- (b) so long as Intervision Services Co or its affiliates hold more than 5% but less than 20% of all outstanding shares on a non-diluted basis, such shareholder shall have a right to appoint a board observer to attend the meetings of the board of directors. Such board observer does not have voting right at the board of directors meetings;
- (c) chairman of the board of directors shall be selected by a majority vote of the directors and the chairman shall not have a casting vote;
- (d) all meetings of the board of directors requires a quorum of more than half of the number of directors;

- (e) for so long as Intervision Services Co and its affiliates hold more than 10% shares on a non-diluted basis, Tencent Social and its group companies shall not, without the prior written consent of Intervision Services Co, take any action with respect to certain reserved matters, which include, amongst others, the amendment of the memorandum or articles of association of any group companies of Tencent Social if such amendment would adversely affect any rights of the shareholders under the Tencent Social Shareholders' Agreement, the commencement of voluntary liquidation or winding up proceeding of any group companies of Tencent Social;

Transfer of shares

- (f) each shareholder shall have a right of first refusal, tag along (which is a full tag in the event of a sale of control) and drag along right with respect to proposed transfers of shares under certain circumstances;
- (g) in the event that a shareholder and its affiliates hold less than 5% shares on a non-diluted basis, such shareholder (being a Minority Shareholder) shall have the Put Option to require the other shareholder to purchase all the shares at fair market value per share, and the other shareholder shall have a Call Option to require the Minority Shareholder and its affiliates to sell all the shares to it at fair market value per share;
- (h) in the event of a change in control, Intervision Services Co shall have the Put Option to require TCH Purple to purchase all the shares at fair market value per share, and TCH Purple shall have a Call Option to require Intervision Services Co to sell all its shares at fair market value per share;

- (i) in the event of issuance of shares on account of a merger or other reorganization resulting in a dilution below 10% for Intervision Services Co, Intervision Services Co shall have (i) if offered by TCH Purple, a right to acquire additional shares either through the purchase of shares from TCH Purple or through the subscription of new shares or a combination of both to increase its stake in Tencent Social to 10%, and (ii) if TCH Purple does not offer such shares or facilitate such acquisition of additional shares described above, then Intervision Services Co shall have a Put Option to require TCH Purple to purchase all its shares at the issue price of shares for such merger;

Funding and MIH Top-Up Right

- (j) as at 1 April 2012, each of the MIH Group and TCH Purple had extended shareholder loans to MIH India Global in proportion to the parties' respective interests in MIH India Global. From 1 April 2012, TCH Purple would extend 100% of the funds required to finance Tencent Social by way of extension of a shareholder loan, which shall accrue interest. Such shareholder loan shall be capitalized on the next Capitalization Date. As at the date of this announcement, TCH Purple has not extended any loan to Tencent Social;
- (k) Intervision Services Co shall have the MIH Top-Up Right to subscribe for new shares in cash on each Capitalization Date such that Intervision Services Co maintains its then shareholding percentage in Tencent Social in accordance with the formula stated in the Tencent Social Shareholders' Agreement. If Intervision Services Co does not exercise the MIH Top-Up Right, its shareholding percentage will be diluted in accordance with the formula stated in the Tencent Social Shareholders' Agreement.

Effective Date : The Tencent Social Shareholders' Agreement shall be effective as of the date of completion under various related agreements, including the 10c India Sale and Purchase Agreement and the MIH India Global Sale and Purchase Agreement, and with the effectiveness of the MIH India eCommerce Shareholders' Agreement.

Intervision Services Co is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. Accordingly, (a) the entering into of the Tencent Social Shareholders' Agreement, (b) the granting of the Call Option and Put Option between TCH Purple and Intervision Services Co and (c) the granting of the MIH Top-Up Right to Intervision Services Co constitute connected transactions of the Company.

Based on the total asset value of the Social Network Business in India as at 31 March 2013 (see "V. General" below for details), it is expected that the fair market value of all the shares of Tencent Social will not exceed 5% threshold of the applicable percentage ratios under the Listing Rules and thus the exercise of the Put Option and/or the Call Option would not constitute a connected transaction requiring independent shareholders' approval under Rule 14A.48 of the Listing Rules.

In connection with the shareholder loans extended to MIH India Global by the MIH Group and TCH Purple prior to 1 April 2012, given such shareholder loans were on normal commercial terms in proportion to the Group's shareholding, the provision of shareholder loans is exempt from reporting, announcement and independent shareholders' approval requirements under R14A.65(3) of the Listing Rules.

Based on the expected financing arrangement between Intervision Services Co and TCH Purple, it is expected that the amount of shareholder loan to be advanced by TCH Purple to Tencent Social on the Capitalization Date will not exceed 5% threshold of the applicable percentage ratios under the Listing Rules and thus the exercise of MIH Top-Up Right would not constitute a connected transaction requiring independent shareholders' approval under Rule 14A.48 of the Listing Rules.

Upon exercise of the MIH Top-Up Right, the Put Option and/or the Call Option, the Company will comply with the applicable requirements under the Listing Rules.

(iv) MIH India eCommerce Shareholders' Agreement

Date : 10 October 2013

Parties : Intervision Services Co
TCH Purple
MIH India eCommerce

Subject Matter : The MIH India eCommerce Shareholders' Agreement sets out the rights and obligations of the parties thereto relating to the management and operations of MIH India eCommerce, including (without limitation):

Management

- (a) the board of directors shall be up to four members. Each shareholder shall have the right to nominate one director for every 20% of all outstanding shares of MIH India eCommerce on a non-diluted basis held by the shareholder;
- (b) so long as TCH Purple or its affiliates hold more than 5% but less than 20% of all outstanding shares on a non-diluted basis, such shareholder shall have a right to appoint a board observer to attend the meetings of the board of directors. Such board observer does not have voting right at the board of directors meetings;
- (c) chairman of the board of directors shall be selected by a majority vote of the directors and the chairman shall not have a casting vote;
- (d) all meetings of the board of directors requires a quorum of more than half of the number of directors;
- (e) for so long as TCH Purple and its affiliates hold more than 10% shares on a non-diluted basis, MIH India eCommerce and its group companies shall not, without the prior written consent of TCH Purple, take any action with respect to certain reserved matters, which include, amongst others, the amendment of the memorandum or articles of

association of any group companies of MIH India eCommerce if such amendment would adversely affect any rights of the shareholders under the MIH India eCommerce Shareholders' Agreement, the commencement of voluntary liquidation or winding up proceeding of any group companies of MIH India eCommerce;

Transfer of shares

- (f) each shareholder shall have a right of first refusal, tag along (which is a full tag in the event of sale of control) and drag along right with respect to proposed transfers of shares under certain circumstances;
- (g) in the event that a shareholder and its affiliates hold less than 5% shares on a non-diluted basis, such shareholder (being a Minority Shareholder) shall have the Put Option to require the other shareholder to purchase all the shares at fair market value per share, and the other shareholder shall have a Call Option to require the Minority Shareholder and its affiliates to sell all the shares to it at fair market value per share;
- (h) in the event of a change in control, TCH Purple shall have the Put Option to require Intervision Services Co to purchase all the shares at fair market value per share, and Intervision Services Co shall have a Call Option to require TCH Purple to sell all its shares at fair market value per share;

- (i) in the event of issuance of shares on account of a merger or other reorganization resulting in a dilution below 10% for TCH Purple, TCH Purple shall have (i) if offered by Intervision Services Co, a right to acquire additional shares either through the purchase of shares from Intervision Services Co or through the subscription of new shares or a combination of both to increase its stake in MIH India eCommerce to 10%, and (ii) if Intervision Services Co does not offer such shares or facilitate such acquisition of additional shares described above, then TCH Purple will have a Put Option to require Intervision Services Co to purchase all its shares at the issue price of shares for such merger;

Funding and TCH Top-Up Right

- (j) as at 1 April 2012, each of the MIH Group and TCH Purple had extended shareholder loans to MIH India Global in proportion to the parties respective interests in MIH India Global. From 1 April 2012, Intervision Services Co has extended 100% of the funds required to finance MIH India eCommerce by way of extension of a shareholder loan, which shall accrue interest. Such shareholder loan together with all accrued interest shall be capitalized on the next Capitalization Date;
- (k) TCH Purple shall have the TCH Top-Up Right to subscribe for new shares in cash on each Capitalization Date such that TCH Purple maintains its then shareholding percentage in MIH India eCommerce in accordance with the formula stated in the MIH India eCommerce Shareholders' Agreement. If TCH Purple does not exercise the TCH Top-Up Right, its shareholding percentage will be diluted in accordance with the formula stated in the MIH India eCommerce Shareholders' Agreement.

Effective Date : The MIH India eCommerce Shareholders' Agreement shall be effective as of the date of completion under various related agreements, including the 10c India Sale and Purchase Agreement and the MIH India Global Sale and Purchase Agreement, and with the effectiveness of the Tencent Social Shareholders' Agreement.

Intervision Services Co is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. Accordingly, (a) the entering into of the MIH India eCommerce Shareholders' Agreement, (b) the granting of the Call Option and Put Option between Intervision Services Co and TCH Purple and (c) the granting of the TCH Top-Up Right to TCH Purple constitute connected transactions of the Company.

Based on the total asset value of the eCommerce Business in India as at 31 March 2013, it is expected that the fair market value of all the shares of MIH India eCommerce will not exceed 5% threshold of the applicable percentage ratios under the Listing Rules and thus the exercise of the Put Option and/or the Call Option would not constitute a connected transaction requiring independent shareholders' approval under Rule 14A.48 of the Listing Rules.

In connection with the shareholder loans extended to MIH India Global by the MIH Group and TCH Purple prior to 1 April 2012, given such shareholder loans were on normal commercial terms in proportion to the Group's shareholding, the provision of shareholder loans is exempt from reporting, announcement and independent shareholders' approval requirements under R14A.65(3) of the Listing Rules.

Based on the expected financing arrangement between Intervision Services Co and TCH Purple, it is expected that the amount of shareholder loan to be advanced by Intervision Services Co to MIH India eCommerce on the Capitalization Date will not exceed 5% threshold of the applicable percentage ratios under the Listing Rules and thus the exercise of TCH Top-Up Right would not constitute a connected transaction requiring independent shareholders' approval under Rule 14A.48 of the Listing Rules.

Upon exercise of the TCH Top-Up Right, the Put Option and/or the Call Option, the Company will comply with the applicable requirements under the Listing Rules.

(v) MIH India Global Sale and Purchase Agreement

- Date : 10 October 2013
- Parties : TCH Purple (Vendor)
MIH India Holdings (Purchaser)
MIH India Global
- Subject Matter : MIH India Holdings has agreed to purchase from TCH Purple an aggregate of 2,484 shares of MIH India Global, representing 19.9% of its issued share capital.
- MIH India Global, through its wholly-owned subsidiaries, operates the eCommerce Business in India. These subsidiaries include the Indian companies Ibibo Web (which owns the businesses “Goibibo”, “Tradus” and “PayU”) and Gaadi Web Pvt Ltd.
- Consideration : The consideration for the acquisition is US\$2,484, which is the nominal value of the 19.9% shares of MIH India Global. The consideration was arrived at after arm’s length negotiation between MIH India Holdings and TCH Purple taking into account that the commercial intention is to streamline the shareholding structure of the eCommerce Business and that MIH India eCommerce will hold all the companies for the eCommerce Business and TCH Purple holds 19.9% shares of MIH India eCommerce.
- Completion : Completion shall take place on the closing date subject to fulfillment of certain conditions precedent (which is intended to be at or about the same time as the completion under the 10c India Sale and Purchase Agreement) or on such other time as the parties may agree.

Following completion of the sale and purchase, MIH India Global shall be wholly-owned by MIH India Holdings.

Given that the Group will continue to hold 19.9% shareholding in the eCommerce Business in India, the Group does not expect any gain or loss as a result of the transfer. The sale proceeds from the transfer will be applied for working capital purposes.

(vi) MIH India eCommerce Assignment and Delegation of Loan Agreement

- Date : 10 October 2013
- Parties : TCH Purple
MIH India Global (Assignor)
MIH India eCommerce (Assignee)
- Subject Matter : In connection with the proposed restructuring in India, MIH India Global will assign to MIH India eCommerce shareholder loans owed by MIH India Global to TCH Purple.
- The amount of shareholder loans being assigned is US\$19,447,984 (as of 31 July 2013) together with all accrued and unpaid interest since 31 July 2013.
- Consideration : Nil. The assignment of loans is taking place in connection with the proposed restructuring and MIH India eCommerce becoming the holding company for the eCommerce Business.
- Effective Date : The agreement shall be effective as of the date of completion under the MIH India Global Sale and Purchase Agreement.

(vii) India Termination Agreement

- Date : To be dated as of completion under the MIH India Global Sale and Purchase Agreement
- Parties : MIH India Holdings
The Company
TCH Purple
MIH India Global
- Subject Matter : The parties wish to terminate (a) the existing shareholders' agreement dated 15 December 2008 pursuant to which MIH India Holdings, the Company and TCH Purple agreed to certain matters relating to the transfer of shares in, and the operations of, MIH India Global; (b) an option agreement dated 17 June 2008 as amended on 15 December 2008 pursuant to which MIH India Global granted an option to the Company to subscribe for certain shares in MIH India Global (see the announcement of the Company dated 17 June 2008 for details).

Consideration : Nil. This is because the termination is to give effect to the India Restructuring.

Effective Date : The existing shareholders' agreement and the amended option agreement are terminated on the date of the India Termination Agreement.

(viii) Amended and Restated Shared Services Agreement

Date : To be dated as of completion under the 10c India Sale and Purchase Agreement

Parties : Ibibo Web
10c India

Subject Matter : The parties entered into a shared services agreement dated 1 December 2012 pursuant to which Ibibo Web agreed to provide certain services to 10c India.

The parties wish to amend and restate the shared services agreement, pursuant to which Ibibo Web shall provide support services, including finance, human resources, technical support and administrative services to 10c India.

Consideration : The services provided by Ibibo Web shall be charged at the rate of INR924,000 per month from 1 October 2013 until 31 March 2014 (pro-rated for the actual period of services utilized). The consideration was arrived at after arm's length negotiation between Ibibo Web and 10c India having regard to the service fees charged by independent third party service providers for providing the same kind of services.

Effective Date and Term : The agreement shall be effective on the date of the Amended and Restated Shared Services Agreement, and expire on 31 March 2014 (unless mutually extended in writing following such date).

Termination : Each party shall be entitled to terminate the agreement by giving 15 days' written notice to the other party in the event of (a) material breach of the Amended and Restated Shared Services Agreement by the other party and failure to remedy such breach within 30 days after receiving a written notice or (b) if the non-terminating party is subject to any insolvency, winding up, dissolution or bankruptcy proceeding.

Ibibo Web is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. Upon completion of the acquisition of 10c India by the Group pursuant to the 10c India Sale and Purchase Agreement (see C.(i) of above for details), the performance of the Amended and Restated Shared Services Agreement will constitute a continuing connected transaction of the Company.

The maximum amount of service fee payable to Ibibo Web is not expected to exceed INR5,544,000 for the six month term of the agreement. As each of the applicable percentage ratios is lower than the 0.1% threshold as stipulated in Rule 14A.33 of the Listing Rules, the transactions contemplated by the Amended and Restated Shared Services Agreement is exempt from reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

(ix) Domain Name and Copyright Licence Agreement

Date : To be dated as of completion under the 10c India Sale and Purchase Agreement

Parties : Ibibo Web (Licensor)
10c India (Licensee)

Subject Matter : Ibibo Web agrees to grant 10c India a royalty free and exclusive licence to use 90 domain names and certain logos owned by Ibibo Web for the purpose of conducting the Social Network Business.

10c India shall have the right to grant sublicences to use the domain names and logos to its affiliates.

Licence Fee : The licence is granted on a royalty free basis. This is because the grant of the licence is for the purpose of giving complete effect to the acquisition of the Social Network Business by 10c India from Ibibo Web pursuant to the Business Transfer Agreement.

- Effective Date and Term : The agreement shall be effective on the date of the Domain Name and Copyright Licence Agreement, and the licence shall expire on 31 March 2014 (although Ibibo Web will continue providing forwarding services until 31 December 2014 relating to queries regarding Ibibo games). Ibibo Web acknowledges that 10c India may have used the domain names and the logos prior to the effective date and has agreed to waive all the claims against 10c India for the use of the domain names and the logos prior to the effective date.
- Renewal and termination : The agreement shall be automatically terminated on 31 December 2014, unless the parties mutually agree to renew in writing.

At the time the Business Transfer Agreement was entered into, both Ibibo Web and 10c India were part of the MIH Group; and therefore the transactions contemplated under the Business Transfer Agreement do not constitute connected transactions under Chapter 14A of the Listing Rules.

Ibibo Web is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. Upon completion of the acquisition of 10c India by the Group pursuant to the 10c India Sale and Purchase Agreement (see C.(i) of above for details), the performance of the Domain Name and Copyright Licence Agreement will constitute a continuing connected transaction of the Company.

As each of the applicable percentage ratios is lower than the 0.1% threshold as stipulated in Rule 14A.33 of the Listing Rules, the transactions contemplated by the Domain Name and Copyright Licence Agreement is exempt from reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

II. THAILAND RESTRUCTURING

A. INTRODUCTION

The Group participates in the Thailand online service market in cooperation with the MIH Group. The MIH Group is controlled by Naspers, the ultimate controlling shareholder of the Company. The Thailand business is broadly categorized into two segments — the Social Network Business and eCommerce Business. At present, the Group holds 50.0% of the ordinary shares of the Thailand business and the MIH Group holds 49.92% ordinary shares, with 0.08% held by three minority shareholders who are independent third parties. Integrated Holdings Limited, a company established under the laws of Thailand and an independent third party, holds 51% of the aggregate ownership of the Thailand business through non-convertible preferred shares.

The Group and the MIH Group are contemplating a restructuring of the Thailand business such that (i) the Group will hold 99.92% of the ordinary shares in Social Network Business by acquiring 49.92% of the ordinary shares in the Social Network Business from the MIH Group, and (ii) the MIH Group will hold the eCommerce Business by (a) acquiring 13,020,673 shares in the eCommerce Business from MWEB Holdings (held by the Group and MIH Group immediately prior to completion of the Thailand Restructuring) through M-WEB Thailand and (b) 13,020,675 shares from MWEB Holdings through DF Marketplace Holding (a MIH Group company). Upon completion of the Thailand Restructuring, the Group will hold 99.92% of the ordinary shares in Social Network Business but will not hold any interest in the eCommerce Business, whereas the MIH Group will hold the eCommerce Business but not any interest in the Social Network Business.

In this connection, for the purpose of the Thailand Restructuring, the Board wishes to announce that on 10 October 2013, the Company, through its subsidiaries or associates, entered into (i) the MWEB Holdings Sale and Purchase Agreement and (ii) the DF Marketplace Sale and Purchase Agreement. Simultaneously with completion under the MWEB Holdings Sale and Purchase Agreement, the Company, through its subsidiaries, will enter into (iii) the Thailand Termination Agreement.

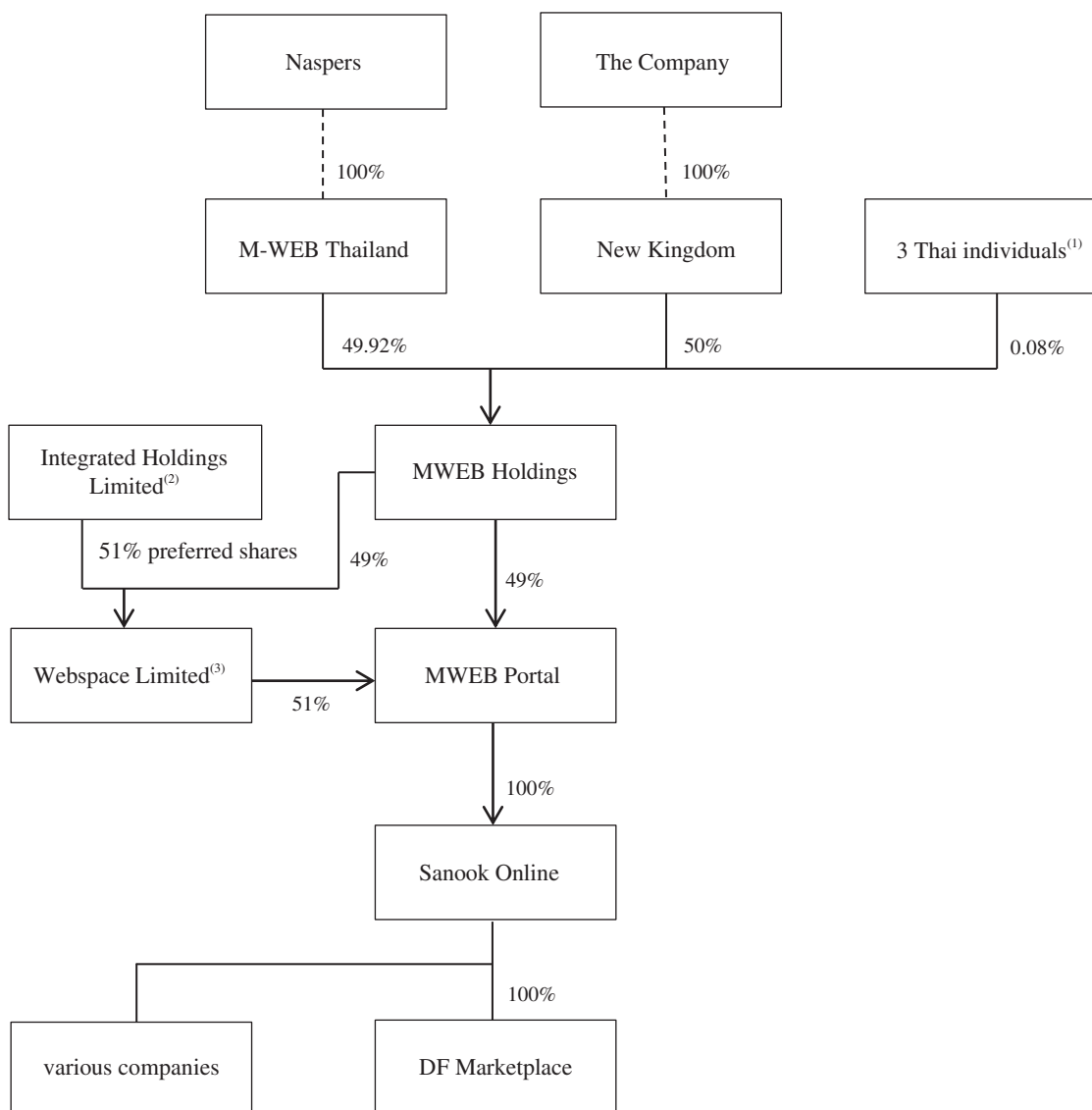
Upon completion of the Thailand Restructuring, MWEB Holdings will be the holding company to conduct the Social Network Business, and DF Marketplace will be the operating company for the conduct of the eCommerce Business.

The consideration for the acquisition of MWEB Holdings is the disposal by New Kingdom of its indirect 50.0% interest in DF Marketplace (see “V. General” below for the net assets/(liabilities), total assets and net losses of DF Marketplace) along with a cash payment of US\$2.00. The consideration for the disposal of DF Marketplace is THB260,413,480, which is the nominal value of the shares of DF Marketplace and shall be fully discharged by (i) setting off against the full amount of the loan of THB260,413,480 owed by MWEB Holdings to M-WEB Thailand, (ii) the acquisition of MWEB Holdings (see “V. General” below for the net assets/(liabilities), total assets and net losses of MWEB Holdings) and (iii) the assumption of shareholder loan of THB809,442,192 (details of which are set out in the MWEB Holdings Sale and Purchase Agreement). The considerations have been arrived at after arm’s length negotiations between the Group on the one part and the MIH Group on the other part by reference to the financial performance of MWEB Holdings and DF Marketplace, respectively.

B. CHANGE IN THE GROUP'S INTERESTS IN COMPANIES FOR THAILAND OPERATIONS

Set out below are the shareholding structures showing the Group's interests in companies immediately before and after completion of the Thailand Restructuring:

(i) Immediately prior to the Thailand Restructuring



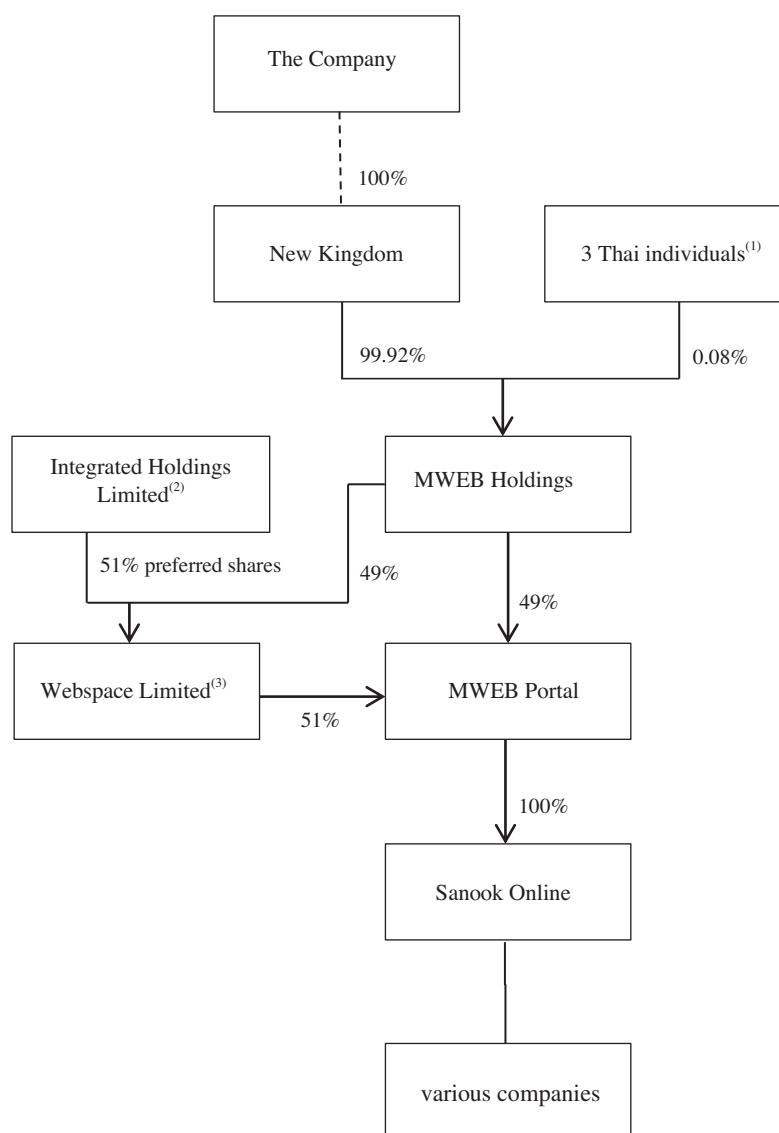
Note (1): The three Thai individuals are independent third parties.

Note (2): Integrated Holdings Limited, an independent third party, is a limited liability company incorporated in Thailand.

Note (3): Weospace Limited is a limited liability company incorporated in Thailand. Integrated Holdings Limited holds 51% preferred shares (which carries one vote for every 10 preferred shares) of Weospace Limited. MWEB Holdings holds 49% ordinary shares (which carries one vote for every ordinary share) of Weospace Limited.

(ii) Immediately upon completion of the Thailand Restructuring

Social Network Business



Note (1): The three Thai individuals are independent third parties.

Note (2): Integrated Holdings Limited, an independent third party, is a limited liability company incorporated in Thailand.

Note (3): Weospace Limited is a limited liability company incorporated in Thailand. Integrated Holdings Limited holds 51% preferred shares (which carries one vote for every 10 preferred shares) of Weospace Limited. MWEB Holdings holds 49% ordinary shares (which carries one vote for every ordinary share) of Weospace Limited.

Note: Upon completion of the Thailand Restructuring, the Group will not have any interest in the eCommerce Business. Therefore, the shareholding structure chart for the eCommerce Business is not provided.

The companies involved in the conduct of the Thailand business will undergo internal reorganization and assignment and assumption of loans, which includes, among others, (a) DF Marketplace repaying shareholder loan to Sanook Online, and Sanook Online subscribing for shares in DF Marketplace, (b) Sanook Online transferring 99.9998% of the issued equity share capital of DF Marketplace to MWEB Holdings for book value as settlement of the loan owed by Sanook Online to MWEB Holdings, and (c) MWEB Holdings will repay certain loans owed to the MIH Group (including M-WEB Thailand) by transferring shares in DF Marketplace to M-WEB Thailand and DF Marketplace Holding. The restructuring steps to be undergone by the companies for the conduct of the Thailand business (including the transfer of shares of DF Marketplace to MWEB Holdings and then onto the MIH Group) do not constitute connected transactions under Chapter 14A of the Listing Rules.

C. MAJOR TERMS OF THE AGREEMENTS

(i) MWEB Holdings Sale and Purchase Agreement

Date : 10 October 2013

Parties : M-WEB Thailand (Vendor)
New Kingdom (Purchaser)

Subject Matter : M-WEB Thailand has agreed to (a) transfer to New Kingdom 2,496 shares of MWEB Holdings, representing 49.92% of its issued share capital, and (b) procure the transfer and assignment of the shareholder loan of THB 809,442,192, being the amount owed by MWEB Holdings, MWEB Portal and Sanook Online to the MIH Group as of 31 August 2013 (plus accrued interest upon completion) which arises out of the loans granted by the MIH Group to MWEB Holdings, MWEB Portal and Sanook Online.

MWEB Holdings is principally engaged in the web portal, mobile services, and online advertisement in Thailand. MWEB Holdings owns (a) all sanook.com domains (that is, Sanook web and mobile portals); (b) S! mobile services including Sanook mobile's value added services business, Sanook-branded mobile application (S! app) and non-branded mobile applications; (c) Topspace (Thailand) Limited, a subsidiary of Sanook Online and an online media sales and advertising agency; and (d) Trendzap, which is a restaurant review website (Trendzap.com) and mobile application (Trendzap).

Consideration : The consideration for the sale of shares and assignment of shareholder loan takes into account the disposal by New Kingdom of its indirect 50.0% interest in DF Marketplace (as stated in C.(ii) below) along with a cash payment of US\$2.00.

The MIH Group did not acquire MWEB Holdings from third parties and therefore there is no original purchase cost of its interests in MWEB Holdings.

Conditions precedent : Completion of the MWEB Holdings Sale and Purchase Agreement is conditional upon the fulfillment of, among other things, the following conditions precedent:

(a) execution of the share purchase agreement for the transfer of all issued shares of DF Marketplace to M-WEB Thailand and DF Marketplace Holding and the completion of the restructuring steps described therein,

(b) execution of a waiver by each of the existing shareholders waiving the exercise of their right of first refusal under the articles of association of MWEB Holdings to acquire the sale shares, and

(c) the assignment of certain shareholder loans to New Kingdom, which were earlier owed to the MIH Group by Sanook Online, MWEB Portal and MWEB Holdings.

Completion : Completion shall take place on the third business day following the fulfillment or waiver of the last of the conditions precedent.

Following completion of the sale and purchase, the ordinary shares of MWEB Holdings shall be 99.92% held by New Kingdom, and 0.08% by certain minority shareholders.

M-WEB Thailand is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. Accordingly, the entering into of the MWEB Holdings Sale and Purchase Agreement constitutes a connected transaction of the Company.

(ii) DF Marketplace Sale and Purchase Agreement

- Date : 10 October 2013
- Parties : MWEB Holdings (Vendor)
M-WEB Thailand and DF Marketplace Holding
(Purchasers)
DF Marketplace
- Subject Matter : MWEB Holdings has agreed to (a) transfer to M-WEB Thailand 13,020,673 shares of DF Marketplace, and (b) transfer to DF Marketplace Holding 13,020,675 shares of DF Marketplace ((a) and (b) collectively representing 99.9998% of the issued equity share capital).
- DF Marketplace is the operating company of the eCommerce Business in Thailand.
- Consideration : The consideration payable by the purchasers is THB 260,413,480, which is the nominal value of the shares of DF Marketplace. The consideration shall be discharged by set off against the loans owed by MWEB Holdings to M-WEB Thailand, and in consideration of the transfer by M-WEB Thailand of its entire share capital in MWEB Holdings to New Kingdom along with the assignment of shareholder loan of THB809,442,192 to New Kingdom.
- The consideration was arrived at after arm's length negotiation between MWEB Holdings, M-WEB Thailand and DF Marketplace Holding, and after taking into account the transfer by M-WEB Thailand of its entire share capital in MWEB Holdings to New Kingdom along with the assignment of shareholder loan of THB 809,442,192 to New Kingdom.
- Conditions precedent : Completion of the DF Marketplace Sale and Purchase Agreement is conditional upon the fulfillment of, among other things, the following conditions precedent:
- (a) execution of the share purchase agreement for the transfer of all issued shares of MWEB Holdings to New Kingdom,

- (b) execution of a waiver by each of the existing shareholders waiving the exercise of their right of first refusal under the articles of association of DF Marketplace to acquire the sale shares, and
- (c) the completion of certain restructuring steps which include repayment by DF Marketplace of shareholder loan owed to Sanook Online, the subscription by Sanook Online to new shares in DF Marketplace, and the transfer of 26,041,348 shares held by Sanook Online in DF Marketplace to MWEB Holdings as settlement for outstanding loans.

Completion : Completion shall take place on the third business day following the fulfillment or waiver of the last of the conditions precedent.

The Group does not expect any gain or loss for the transfer of shares of DF Marketplace.

There is no sale proceeds for the transfer of shares of DF Marketplace.

(iii) Thailand Termination Agreement

Date : To be dated as of completion under the MWEB Holdings Sale and Purchase Agreement

Parties : New Kingdom
M-WEB Thailand
MWEB Holdings

Subject Matter : The parties wish to terminate the existing shareholders' agreement dated 27 August 2010 pursuant to which New Kingdom, M-WEB Thailand and MWEB Holdings agreed to certain matters relating to the transfer of shares in, and the operations of MWEB Holdings.

Consideration : Nil. This is because the termination is to give effect to the Thailand Restructuring.

Effective Date : The existing shareholders' agreement shall be terminated immediately upon the completion of the MWEB Holdings Sale and Purchase Agreement.

III. EXERCISE OF THE LEVEL UP OPTION

Reference is made to the announcement of the Company dated 19 January 2012 in relation to the purchase of 49% shares of Level Up from MIH LatAm and the grant of the Level Up Option to Aceville.

Pursuant to the Option Letter Agreement, MIH LatAm has granted to Aceville the Level Up Option to acquire such additional number of shares of Level Up that, together with the 49% shares purchased by Aceville pursuant to the Level Up Sale and Purchase Agreement, will represent 67% of the issued share capital of Level Up as at the date of the exercise of the Level Up Option. The purchase price shall be an amount equal to the sum of (i) US\$9,900,000 and (ii) an amount equal to the interest that would accrue on US\$9,900,000 over the period from the closing date of the Level Up Sale and Purchase Agreement to the date of the exercise of the Level Up Option at a simple interest rate per annum equal to the three-month LIBOR applicable on the closing date of the Level Up Sale and Purchase Agreement plus 1%, on the basis of a 365-day year and the actual number of days elapsed.

The Board wishes to announce that on 10 October 2013, Aceville exercised the Level Up Option to acquire from MIH LatAm an additional 18% shares of Level Up in accordance with the terms of the Option Letter Agreement. The total consideration for such shares is US\$10,073,523.94. The consideration will be paid in cash and shall be satisfied by the internal resources of the Group.

Following completion of the Level Up Option exercise process, Aceville and MIH LatAm will hold 67% and 33% shares of Level Up, respectively.

MIH LatAm is a connected person under Chapter 14A of the Listing Rules by virtue of it being a subsidiary of Naspers. As such, the exercise of the Level Up Option constitutes a connected transaction of the Company.

Aceville and MIH LatAm have provided shareholder loan in proportion to their respective shareholding interest prior the exercise of the Level Up Option, that is, in the proportion of 49% and 51%. Upon completion of the exercise of the Level Up Option, the shareholder loan provided by Aceville to Level Up will not be proportionate to its shareholding interest in Level Up (that is, Aceville will hold 67% interest while granting 49% of the shareholder loan). After the completion of the exercise of the Level Up Option, future shareholder loan will be contributed by Aceville and MIH LatAm in accordance with their respective shareholding pursuant to the terms of the Level Up Shareholders' Agreement, unless the parties otherwise agree in writing. Level Up is a connected person under Chapter 14A of the Listing Rules by virtue of it being an associate of Naspers, and thus the provision of shareholder loan will constitute a continuing connected transaction of the Company.

As each of the applicable ratios, aggregating the transaction amounts in connection with the Restructuring, is lower than the 5% threshold as stipulated in Rule 14A.32 of the Listing Rules and a number of the applicable percentage ratios are higher than the 0.1% threshold as stipulated in Rule 14A.31 of the Listing Rules, the exercise of the Level Up Option and the grant of the shareholder loan to Level Up is subject to the reporting and announcement requirements while exempt from the independent shareholders' approval requirements under the Listing Rules.

IV. REASONS FOR THE RESTRUCTURING AND THE EXERCISE OF THE LEVEL UP OPTION

The Company is looking to streamline the business operations in India and Thailand with a view to focus on mobile networking and online gaming in such regions. The India Restructuring will enable the Company to acquire a substantial interest in, and control of, the Social Network Business. Given the growth potential in the mobile networking business, the Restructuring will help consolidate the Group's investment in the mobile networking business.

Level Up is one of the leading game publishers and operators in Brazil and the Philippines, with over ten years of operating experience and a deep understanding of the local industry and its customers. The Company believes that exercise of the Level Up Option is aligned with the Company's long term strategy to consolidate the Group's investment in, and the development of, the online game sector in emerging markets.

The Board (including the independent non-executive directors) believes that the terms of (i) the 10c India Sale and Purchase Agreement, (ii) the Deed of Assignment of Trademarks, (iii) the Tencent Social Shareholders' Agreement, (iv) the MIH India eCommerce Shareholders' Agreement, (v) the MIH India Global Sale and Purchase Agreement, (vi) the MIH India eCommerce Assignment and Delegation of Loan Agreement, (vii) the India Termination Agreement, (viii) the Amended and Restated Shared Services Agreement, (ix) the Domain Name and Copyright Licence Agreement, (x) the MWEB Holdings Sale and Purchase Agreement, (xi) the DF Marketplace Sale and Purchase Agreement and (xii) the Thailand Termination Agreement are on normal commercial terms and fair and reasonable and the transactions contemplated under the aforesaid agreements are in the interests of the shareholders of the Company as a whole. The Board (including the independent non-executive directors) also believes that the term under the Option Letter Agreement for the exercise of the Level Up Option is fair and reasonable, and the exercise of the Level Up Option is in the interest of the shareholders of the Company as a whole.

None of the directors of the Company, other than Mr. Jacobus Petrus Bekker and Mr. Charles St Leger Searle (being directors of companies in the MIH Group) who have abstained from voting on the relevant Board resolutions, has any material interest in the Transactions.

V. GENERAL

The Group is principally engaged in the provision of internet value-added service, mobile and telecommunications value added services, online advertising services and e-Commerce transactions services to users in the People’s Republic of China.

Intervision Services Co, MIH India Holdings, MIH India Global, MIH India eCommerce, MIH India Mauritius, Ibibo Mauritius, Ibibo Web, M-WEB Thailand, DF Marketplace Holding and MIH LatAm are part of the MIH Group. The MIH Group’s investments include, among others, interests in Ibibo Web, DF Marketplace and Level Up. The principal activity of Ibibo Web is the provision of online services to users in India. Ibibo Web is currently engaged in running various e-commerce platforms in India through “Goibibo”, “Tradus” and “PayU”. The principal business of Level Up is investment holding and, through its operating subsidiaries and affiliates in Brazil and the Philippines and through its joint venture in the United States of America, it engages in online game publishing and game magazine publication.

India Restructuring

10c India is the operating company for the Social Network Business in India. Based on the unaudited financial statements as at 31 March 2013, the unaudited net assets and total assets of 10c India are set out below:

	Unaudited net assets as at 31 March 2013		Unaudited total assets as at 31 March 2013	
	<i>(HK\$’ million, (INR’ million) approximately)</i>		<i>(HK\$’ million, (INR’ million) approximately)</i>	
10c India	85.84	10.66	142.45	17.70

The net profits/(losses) of 10c India (both before and after taxation and extraordinary items) as per the unaudited financial statements for the two financial years ended 31 March 2013 are set out below:

	Unaudited net profits/(losses) before taxation and extraordinary items for the year ended 31 March 2012	Unaudited net profits/(losses) after taxation and extraordinary items for the year ended 31 March 2012	Unaudited net profits/(losses) before taxation and extraordinary items for the year ended 31 March 2013	Unaudited net profits/(losses) after taxation and extraordinary items for the year ended 31 March 2013
10c India	Nil	Nil	INR(104.41) million (approximately HK\$(12.97) million)	INR(104.41) million (approximately HK\$(12.97) million)

Prior to the completion of the transaction contemplated under the Business Transfer Agreement, the Social Network Business in India was conducted by Ibibo Web. The net profits/(losses) attributable to the Social Network Business conducted by Ibibo Web (both before and after taxation and extraordinary items) as per the unaudited financial statements of Ibibo Web (attributable to the Social Network Business) for the financial year ended 31 March 2012 and for the period from 1 April 2012 to 30 November 2012, aggregating with the unaudited financial statements of 10c India for the period from 1 December 2012 to 31 March 2013 are set out below:

	Unaudited net profits/(losses) before taxation and extraordinary items for the year ended 31 March 2012	Unaudited net profits/(losses) after taxation and extraordinary items for the year ended 31 March 2012	Unaudited net profits/(losses) before taxation and extraordinary items for the year ended 31 March 2013	Unaudited net profits/(losses) after taxation and extraordinary items for the year ended 31 March 2013
Social Network Business of Ibibo Web	INR(0.23) million (approximately HK\$(0.03) million)	INR(0.23) million (approximately HK\$(0.03) million)	INR(188.22) million (approximately HK\$(23.38) million)	INR(188.22) million (approximately HK\$(23.38) million)

Thailand Restructuring

Pursuant to the Thailand Restructuring, the Group has agreed to (i) acquire 49.92% shares of MWEB Holdings, which is the holding company for the Social Network Business in Thailand, and (ii) dispose of 99.9998% of the issued equity share capital of DF Marketplace, which is the operating company for the eCommerce Business in Thailand, to M-WEB Thailand and DF Marketplace Holding. Based on the unaudited financial statements as at 31 March 2013, the unaudited net assets/(liabilities) and total assets of MWEB Holdings and DF Marketplace are set out below:

	Unaudited net assets/(liabilities) as at 31 March 2013		Unaudited total assets as at 31 March 2013	
	<i>(HK\$' million, (THB' million) approximately)</i>		<i>(HK\$' million, (THB' million) approximately)</i>	
MWEB Holdings	(1,768.62)	(444.38)	419.19	105.32
DF Marketplace	(233.18)	(58.59)	75.90	19.07

The net profits/(losses) of MWEB Holdings and DF Marketplace (both before and after taxation and extraordinary items) as per their respective unaudited financial statements for the two financial years ended 31 March 2013 are set out below:

	Unaudited net profits/(losses) before taxation and extraordinary items for the year ended 31 March 2012	Unaudited net profits/(losses) after taxation and extraordinary items for the year ended 31 March 2012	Unaudited net profits/(losses) before taxation and extraordinary items for the year ended 31 March 2013	Unaudited net profits/(losses) after taxation and extraordinary items for the year ended 31 March 2013
MWEB Holdings	THB(111.69) million (approximately HK\$(28.06) million)	THB(111.89) million (approximately HK\$(28.11) million)	THB(328.35) million (approximately HK\$(82.50) million)	THB(331.49) million (approximately HK\$(83.29) million)
DF Marketplace	THB(52.36) million (approximately HK\$(13.16) million)	THB(52.36) million (approximately HK\$(13.16) million)	THB(286.41) million (approximately HK\$(71.96) million)	THB(286.41) million (approximately HK\$(71.96) million)

Exercise of the Level Up Option

MIH LatAm purchased 100% of the issued share capital of Level Up for a consideration of US\$51.43 million in November 2010 from Level Up's then shareholders at that time.

Based on the audited financial statements as at 31 December 2012, the audited net assets and total assets of Level Up are set out below:

	Audited net assets as at 31 December 2012 <i>(US\$' million)</i>	Audited total assets as at 31 December 2012 <i>(US\$' million)</i>
Level Up	15.11	38.16

The net profits/(losses) of Level Up (both before and after taxation and extraordinary items) as per the audited financial statements prepared in accordance with Singapore Financial Reporting Standards for the two financial years ended 31 December 2012 are set out below:

	Audited net profits before taxation and extraordinary items for the year ended 31 December 2011	Audited net profits after taxation and extraordinary items for the year ended 31 December 2011	Audited net profits before taxation and extraordinary items for the year ended 31 December 2012	Audited net profits/(losses) after taxation and extraordinary items for the year ended 31 December 2012
Level Up	US\$9.51 million	US\$0.38 million	US\$0.02 million	US\$(1.16) million

VI. CONNECTED TRANSACTIONS

Intervision Services Co, MIH India Holdings, MIH India Global, MIH India eCommerce, MIH India Mauritius, Ibibo Mauritius, Ibibo Web, M-WEB Thailand, DF Marketplace Holding and MIH LatAm are indirect subsidiaries of Naspers. Naspers indirectly controls MIH TC Holdings Limited, the controlling shareholder of the Company, through its wholly-owned intermediary companies; and hence Intervision Services Co, MIH India Holdings, MIH India Global, MIH India eCommerce, MIH

India Mauritius, Ibibo Mauritius, Ibibo Web, M-WEB Thailand, DF Marketplace Holding and MIH LatAm are connected persons of the Company within the meaning of the Listing Rules. The entering into of the (i) 10c India Sale and Purchase Agreement, (ii) Deed of Assignment of Trademarks, (iii) Tencent Social Shareholders' Agreement, (iv) MIH India eCommerce Shareholders' Agreement, (v) MIH India Global Sale and Purchase Agreement, (vi) MIH India eCommerce Assignment and Delegation of Loan Agreement, (vii) India Termination Agreement, (viii) Amended and Restated Shared Services Agreement, (ix) Domain Name and Copyright Licence Agreement, (x) MWEB Holdings Sale and Purchase Agreement and (xi) Thailand Termination Agreement as part of the Restructuring therefore constitute connected transactions of the Company under the Listing Rules, in particular, the performance of the Amended and Restated Shared Services Agreement and Domain Name and Copyright Licence Agreement constitute continuing connected transactions of the Company. The exercise of the Level Up Option and the grant of shareholder loan to Level Up also constitute a connected transaction and a continuing connected transaction of the Company, respectively, under the Listing Rules.

The entering into of the DF Marketplace Sale and Purchase Agreement is also part of the Thailand Restructuring such that the eCommerce Business in Thailand is transferred to the MIH Group.

As each of the applicable percentage ratios, on an aggregate basis, is lower than the 5% threshold as stipulated in Rule 14A.32 of the Listing Rules and some of the applicable percentage ratios, on an aggregate basis, are higher than the 0.1% threshold as stipulated in Rule 14A.31 of the Listing Rules, the Transactions are subject to the reporting and announcement requirements while exempt from the independent shareholders' approval requirements under the Listing Rules.

In relation to the Amended and Restated Shared Services Agreement and Domain Name and Copyright Licence Agreement, as each of the applicable percentage ratios, on an aggregate basis, is lower than the 0.1% threshold as stipulated in Rule 14A.33 of the Listing Rules, the transactions contemplated thereunder are exempt from reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

VII. DEFINITION

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

Term	Definition
“10c India”	10c India Internet Private Limited, formerly known as PayU India Internet Private Limited, a company incorporated in the Republic of India
“10c India Sale and Purchase Agreement”	the sale and purchase agreement dated 10 October 2013 by and among MIH India Mauritius, MIH India Global, Tencent Social, TCH Purple and 10c India, pursuant to which Tencent Social and TCH Purple have agreed to purchase an aggregate of 100% shares of 10c India
“Aceville”	Aceville Pte. Ltd., a limited liability company incorporated in Singapore and a wholly-owned subsidiary of the Company
“affiliate”	with respect to a person or entity means any other person or entity that directly or indirectly through one or more intermediaries, controls or in controlled by, or is under common control with, such person or entity
“Amended and Restated Shared Services Agreement”	the amended and restated shared services agreement to be entered into between Ibibo Web and 10c India, pursuant to which Ibibo Web has agreed to provide certain services to 10c India
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Business Transfer Agreement”	the business transfer agreement dated 24 December 2012 between Ibibo Web and 10c India, pursuant to which Ibibo Web transferred the Social Network Business in India to 10c India at a consideration of INR66,803,481, which was determined by reference to a valuation report issued by an independent valuation firm in the Republic of India

“Call Option”	the right granted by a shareholder as grantor to the other shareholder under the Tencent Social Shareholders’ Agreement and MIH India eCommerce Shareholders’ Agreement, such that the other shareholder shall have, in certain situations, the right to require the grantor and its affiliates to sell all the shares held by them
“Capitalization Date”	the second anniversary of 1 April 2012 and every second year thereafter
“Company”	Tencent Holdings Limited, a limited liability company organized and existing under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“control”	the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through ownership of voting securities, by contract or otherwise, and includes (i) ownership directly or indirectly of 50% or more of the shares in issue or other equity interests of such person, (ii) possession directly or indirectly of 50% or more of the voting power of such person or (iii) the power directly or indirectly to appoint a majority of the members of the board of directors or similar governing body of such person
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deed of Assignment of Trademarks”	the deed of assignment of trademarks dated 10 October 2013 between Ibibo Mauritius and 10c India, pursuant to which Ibibo Mauritius has agreed to assign certain trademarks to 10c India
“DF Marketplace”	DF Marketplace Limited, formerly known as Sanook Shopping Limited, a company incorporated in Thailand
“DF Marketplace Holding”	DF Marketplace Holding Limited, a company incorporated in Thailand

“DF Marketplace Sale and Purchase Agreement”	the sale and purchase agreement dated 10 October 2013 between MWEB Holdings as the seller, and M-WEB Thailand and DF Marketplace Holding as the purchasers, for the acquisition of the entire equity share capital in DF Marketplace
“Domain Name and Copyright Licence Agreement”	the domain name and copyright licence agreement to be entered into between Ibibo Web and 10c India, pursuant to which Ibibo Web has agreed to grant 10c India an exclusive licence to use the domain names and certain logos owned by Ibibo Web
“eCommerce Business”	the business of online shopping, online travel and other internet commerce business
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region
“Ibibo Mauritius”	Ibibo Mauritius Limited, a company incorporated in the Republic of Mauritius
“Ibibo Web”	Ibibo Web Private Limited, a company incorporated in the Republic of India
“India Restructuring”	the restructuring of the existing business in India such that the Group will own 80.1% and 19.9% interest in the Social Network Business and eCommerce Business, respectively, and the MIH Group will hold 19.9% and 80.1% interest in the Social Network Business and eCommerce Business, respectively
“India Termination Agreement”	the termination agreement to be entered into by and among MIH India Holdings, the Company, TCH Purple and MIH India Global pursuant to which the parties thereto have agreed to terminate certain existing agreements
“INR”	Indian Rupee, the lawful currency of the Republic of India
“Intervision Services Co”	Intervision (Services) Holdings B.V., a limited liability company incorporated in the Netherlands

“Level Up”	Level Up! International Holdings Pte. Ltd., a private company limited by shares incorporated in Singapore
“Level Up Option”	the option granted by MIH LatAm to Aceville pursuant to the Option Letter Agreement
“Level Up Sale and Purchase Agreement”	the sale and purchase agreement dated 19 January 2012 between MIH LatAm and Aceville, pursuant to which Aceville has agreed to purchase 49% shares of Level Up
“Level Up Shareholders’ Agreement”	the shareholders’ agreement dated 17 July 2012 by and among MIH LatAm, Aceville and Level Up
“LIBOR”	the London Interbank Offered Rate
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“MIH Group”	Naspers and its subsidiaries
“MIH India eCommerce”	MIH India eCommerce Pte. Ltd., a limited liability company incorporated in Singapore
“MIH India eCommerce Assignment and Delegation of Loan Agreement”	the assignment and delegation of loan agreement dated 10 October 2013 by and among TCH Purple, MIH India Global and MIH India eCommerce, pursuant to which MIH India Global will assign to MIH India eCommerce shareholder loans owed by MIH India Global to TCH Purple
“MIH India eCommerce Shareholders’ Agreement”	the shareholders’ agreement dated 10 October 2013 by and among MIH India eCommerce, TCH Purple and Intervision Services Co
“MIH India Global”	MIH India Global Internet Limited, a company incorporated in the Republic of Mauritius
“MIH India Global Sale and Purchase Agreement”	the sale and purchase agreement dated 10 October 2013 by and among TCH Purple, MIH India Holdings and MIH India Global, pursuant to which MIH India Holdings has agreed to purchase 19.9% shares of MIH India Global
“MIH India Holdings”	MIH India Holdings Limited, a company incorporated in the Republic of Mauritius

“MIH India Mauritius”	MIH India (Mauritius) Limited, a company incorporated in the Republic of Mauritius
“MIH LatAm”	MIH LatAm Holdings B.V., a limited liability company incorporated in the Netherlands
“MIH Top-Up Right”	the right granted to Intervision Services Co under the Tencent Social Shareholders’ Agreement, such that Intervision Services Co shall have the right to subscribe for new shares of Tencent Social on each Capitalization Date
“Minority Shareholder”	a shareholder together with its affiliates holding less than 5% shares of a company
“MWEB Holdings”	MWEB Holdings (Thailand) Limited, a limited liability company incorporated in Thailand
“MWEB Holdings Sale and Purchase Agreement”	the sale and purchase agreement dated 10 October 2013 between M-WEB Thailand and New Kingdom, pursuant to which New Kingdom has agreed to purchase 49.92% shares of MWEB Holdings
“MWEB Portal”	MWEB Portal (Thailand) Limited, a limited liability company incorporated in Thailand
“M-WEB Thailand”	M-WEB Thailand Holding B.V., a limited liability company incorporated in the Netherlands
“Naspers”	Naspers Limited, a limited liability company incorporated in the Republic of South Africa, the shares of which are listed on the Johannesburg Stock Exchange and the London Stock Exchange
“New Kingdom”	New Kingdom Limited, a limited liability company incorporated in the Hong Kong Special Administrative Region, and a wholly-owned subsidiary of the Company
“Option Letter Agreement”	the option letter agreement dated 19 January 2012 between MIH LatAm and Aceville

“Put Option”	the right granted by a shareholder as grantor to the other shareholder under the Tencent Social Shareholders’ Agreement and MIH India eCommerce Shareholders’ Agreement, such that the other shareholder shall have, in certain situations, the right to require the grantor to purchase all the shares held by the other shareholder
“Restructuring”	the India Restructuring and Thailand Restructuring
“Sanook Online”	Sanook Online Limited, a limited liability company incorporated in Thailand
“Social Network Business”	the business of social networking, mobile networking and online gaming
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“TCH Purple”	TCH Purple Limited, a limited liability company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company
“TCH Top-Up Right”	the right granted to TCH Purple under the MIH India eCommerce Shareholders’ Agreement, such that TCH Purple shall have the right to subscribe for new shares of MIH India eCommerce on each Capitalization Date
“Tencent Social”	Tencent Social Pte. Ltd., a limited liability company incorporated in Singapore
“Tencent Social Shareholders’ Agreement”	the shareholders’ agreement dated 10 October 2013 entered into by and among Tencent Social, TCH Purple and Intervision Services Co
“Thailand Restructuring”	the restructuring of the existing business in Thailand, such that the Group will own 99.92% interest in the Social Network Business in Thailand
“Thailand Termination Agreement”	the termination agreement to be entered into by and among New Kingdom, M-WEB Thailand and MWEB Holdings, pursuant to which the parties have agreed to terminate an existing agreement
“THB”	Thai baht, the lawful currency of Thailand

“Transactions”	the transactions contemplated under the Restructuring and the exercise of the Level Up Option under the Option Letter Agreement
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

By Order of the Board
Ma Huateng
Chairman

10 October 2013

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Ma Huateng, Lau Chi Ping Martin and Zhang Zhidong;

Non-Executive Directors:

Jacobus Petrus Bekker and Charles St Leger Searle; and

Independent Non-Executive Directors:

Li Dong Sheng, Iain Ferguson Bruce and Ian Charles Stone.

Unless stated otherwise, amounts denominated in INR and THB in this announcement have been converted into HK\$ at the rates of HK\$1= INR8.05 and HK\$1= THB3.98 for illustrative purpose.