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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)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
CHINA LITERATURE LIMITED
ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

**PUBLICATION OF THE PROSPECTUS ISSUED BY
CHINA LITERATURE
AND
EXPECTED SIZE OF THE GLOBAL OFFERING AND
OFFER PRICE RANGE**

The Board is pleased to announce that in connection with the Proposed Spin-off and the Global Offering, China Literature published the Prospectus on 26 October 2017. The Prospectus is available for viewing and downloading from the websites of China Literature at www.yuewen.com and the Stock Exchange at www.hkexnews.hk from 26 October 2017.

Printed copies of the Prospectus may be obtained, free of charge, at designated locations specified in (a) the formal notice issued by China Literature on 26 October 2017 and (b) the Prospectus, during normal business hours from 9:00 a.m. on Thursday, 26 October 2017 until 12:00 noon on Tuesday, 31 October 2017.

As disclosed in the Prospectus, the total number of the China Literature Shares to be offered pursuant to the Global Offering will be 151,371,800 (assuming the Over-allotment Option is not exercised), representing approximately 16.7% of the total number of the China Literature Shares in issue immediately following the completion of the Global Offering, and 174,077,400 (assuming the Over-allotment Option is exercised in full), representing approximately 19.2% of the total number of the China Literature Shares in issue immediately following the completion of the Global Offering. The offer price for the China Literature Shares in the Global Offering is expected to be not less than HK\$48.00 per China Literature Share and not more than HK\$55.00 per China Literature Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

INTRODUCTION

References are made to the announcements of the Company dated 30 June 2017, 6 October 2017 and 16 October 2017 (the “Announcements”) in relation to the Proposed Spin-off. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same respective meanings given to them in the Announcements.

PUBLICATION OF THE PROSPECTUS

In connection with the Proposed Spin-off and the Global Offering, China Literature published the Prospectus on 26 October 2017. The Prospectus contains, among other things, (a) details of the number of the China Literature Shares to be offered in the Global Offering, the offer price range, other details of the Global Offering and (b) certain business and financial information in relation to the China Literature Group.

The Prospectus is available for viewing and downloading from the websites of China Literature at www.yuwen.com and the Stock Exchange at www.hkexnews.hk from 26 October 2017. Printed copies of the Prospectus may be obtained, free of charge, at designated locations specified in (a) the formal notice issued by China Literature on 26 October 2017 and (b) the Prospectus, during normal business hours from 9:00 a.m. on Thursday, 26 October 2017 until 12:00 noon on Tuesday, 31 October 2017.

PREFERENTIAL OFFERING

Qualifying Shareholders will be provided with the Assured Entitlement to an aggregate of 7,568,600 Reserved Shares in the Preferential Offering (representing approximately 5.0% of the China Literature Shares initially available under the Global Offering (before any exercise of the Over-allotment Option)) and the basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 1,256 Shares held by Qualifying Shareholders on Friday, 20 October 2017, being the Record Date. The Reserved Shares will be offered out of the China Literature Shares initially being offered for subscription and purchase under the International Offering and will not be subject to reallocation.

A blue application form, together with a printed copy of the Prospectus, has been despatched to each Qualifying Shareholder at the address of such Qualifying Shareholder as shown on the register of members of the Company on the Record Date. The procedures for applying for the Reserved Shares pursuant to the Preferential Offering are set out in the Prospectus.

EXPECTED SIZE OF THE GLOBAL OFFERING AND OFFER PRICE RANGE

As disclosed in the Prospectus, the total number of the China Literature Shares to be offered pursuant to the Global Offering will be 151,371,800 (assuming the Over-allotment Option is not exercised), representing approximately 16.7% of the total number of the China Literature Shares in issue immediately following the completion of the Global Offering, and 174,077,400 (assuming the Over-allotment Option is exercised in full), representing approximately 19.2% of the total number of the China Literature Shares in issue immediately following the completion of the Global Offering.

The offer price for the China Literature Shares in the Global Offering is expected to be not less than HK\$48.00 per China Literature Share and not more than HK\$55.00 per China Literature Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

On the basis of the number of the China Literature Shares to be offered pursuant to the Global Offering and the expected offer price range as stated above, if the Global Offering proceeds:

- (a) the market capitalisation of China Literature will be between approximately HK\$43,508.03 million and approximately HK\$49,852.95 million; and

- (b) the Company, through its wholly owned subsidiaries, will indirectly control in aggregate approximately 52.66% of the total issued share capital of China Literature immediately upon completion of the Global Offering.

GENERAL

In connection with the Global Offering, the price of the China Literature Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

The Global Offering (including the Preferential Offering) is subject to, among other things, (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the China Literature Shares; (ii) the final offer price for the China Literature Shares in the Global Offering having been duly agreed among China Literature, the Selling Shareholders and the joint global coordinators of the Global Offering (for themselves and on behalf of the Underwriters) on or about Tuesday, 31 October 2017 and, in any event, no later than Tuesday, 7 November 2017; and (iii) the obligations of the Underwriters under the Hong Kong Underwriting Agreement and the International Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms of the respective agreements.

Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering (including the Preferential Offering) will proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

This announcement is not intended to, and does not, constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any China Literature Shares in connection with the Global Offering or otherwise. Any such offer or solicitation is made solely through the Prospectus or other offering documents that may be issued in compliance with applicable laws and any decision to subscribe for or purchase the China Literature Shares in connection with the Global Offering or otherwise should be made solely on the basis of the information contained in the Prospectus and such other offering documents. No action has been or will be taken in any jurisdiction (other than in Hong Kong) that would permit a public offering of the China Literature Shares to be offered in the Global Offering in any jurisdiction where action for that purpose is required.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off and the Global Offering as and when appropriate.

DEFINITION

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

Term	Definition
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering
“Hong Kong Underwriting Agreement”	the underwriting agreement in relation to the Hong Kong Public Offering entered into by, among others, China Literature and the Hong Kong Underwriters on 25 October 2017
“International Underwriters”	the underwriters of the International Offering
“International Underwriting Agreement”	the underwriting agreement in relation to the International Offering which is expected to be entered into by, among others, China Literature, the Over-allotment Option Grantors and the International Underwriters
“Over-allotment Option”	the option expected to be granted by the Over-allotment Option Grantors to the International Underwriters to require the Over-allotment Option Grantors to sell up to 22,705,600 additional China Literature Shares to, among other things, cover over-allocations in the International Offering (if any)
“Over-allotment Option Grantors” or “Selling Shareholders”	Laoshe Investment Limited and Trustbridge Partners V, L.P., each being one of the shareholders of China Literature

“SFC”

the Securities and Futures Commission

“Underwriters”

the Hong Kong Underwriters and the International Underwriters

By Order of the Board

Ma Huateng

Chairman

26 October 2017

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

Executive Directors:

Ma Huateng and Lau Chi Ping Martin;

Non-Executive Directors:

Jacobus Petrus (Koos) Bekker and Charles St Leger Searle; and

Independent Non-Executive Directors:

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