

Immediate Release

TENCENT ANNOUNCES STRATEGIC UPGRADE
Reorganization to Better Serve Consumers and Industries

Hong Kong, 1 October, 2018 – Tencent Holdings Limited (“Tencent” or the “Company”, 00700.HK), a leading provider of Internet value-added services in China, today announced a strategic organizational upgrade which, building on our “Connection” foundation, positions Tencent to drive the convergence of social, content, and technology trends; and to better serve enterprises, enhancing the connectivity between the “Consumer Internet” and the “Industrial Internet”.

Pony Ma, Chairman and CEO of Tencent said, “The proactive reform marks a new beginning for the Company’s next 20 years. It is a very important strategic upgrade as we step into the second stage of the Internet, the Industrial Internet era. In the first stage, we connected users to high quality services. In the second stage, we aspire to enable our partners in different industries to better connect with consumers via an expanding, open and connected ecosystem. As an Internet-based company focused on innovation, communications, and content, Tencent views technology as our core infrastructure. With the emergence of AI and 5G, we will use technology as our innovation engine, and to explore new connections between social networks and content. We need to not only focus on our existing businesses, but even more so seek to position ourselves for the long-term future. Together with this strategic upgrade, we will reinforce our investment in cutting-edge technologies.”

2018 marks the 20th anniversary of Tencent, and the third company-wide reorganization. Several existing business groups including Corporate & Development Group (CDG), Interactive Entertainment Group (IEG), Technology Engineering Group (TEG) and Weixin Group (WXG) will continue. Three business groups - Social Network Group (SNG), Mobile Internet Group (MIG) and Online Media Group (OMG) - will be reorganized into two newly-formed business groups and one business line. Details are as below:

- To stay at the forefront of converging trend of social and content services, we will establish a new business group - Platform & Content Group (PCG) - to develop and operate our high traffic social and utility platforms including QQ, Qzone, YingYongBao (Tencent’s app store), and Tencent Browser, and also to manage and foster the ecosystem around our content activities including Tencent News, Tencent Video, WeiShi, KuaiBao, Penguin eSports, Tencent Anime, Tencent Pictures and Penguin Pictures.
- To better serve industries transitioning to online, we will set up a new business group - Cloud & Smart Industries Group (CSIG) - integrating our cloud business and enterprise-facing services. CSIG will develop our cloud, smart industries and related activities. Leveraging core services such as Tencent Cloud, Smart Retail, Security, Tencent Map and Youtu, CSIG will promote cloud computing solutions, AI and other technologies to various industries, including retail, industrial,

education, healthcare, transportation and municipal services, enabling them to pursue digital transformation.

- We will consolidate our advertising operations into a new business line – Advertising and Marketing Services (AMS). The advertising sales department under OMG and the social and performance advertising department under CDG will be merged to form AMS, within CDG, and our integrated resources in social, video, news and information and other rich media will bring greater value to advertisers.
- We will establish the Tencent Technology Committee to enhance open-source collaboration, innovation, and more efficient use of technologies across the company. We will continue to invest in cutting-edge technologies, stepping up our investments in AI, robotics and quantum research laboratories.

Martin Lau, President of Tencent, said, “We need to stay clear-headed, keep alert and look ahead in order to lead the Company into the next era. “Connection” is our strategic goal; using internet services to improve the quality of life for people is our mission. These are the driving forces behind Tencent’s relentless quest for progress. In the first stage of the internet era, Tencent has accumulated deep experience and competitive advantages which position us to embrace the second stage. But we must take the attitude of resetting our scorecard to zero, staying humble and proactively seeking out emerging opportunities brought by new and old industries transitioning to online. We need to proactively upgrade our skills and services, to fulfill our vision of acting as a powerful connector and ecosystem partner.”

Following the strategy upgrade, Tencent will manage its businesses via six business groups, including Corporate Development Group (CDG), Interactive Entertainment Group (IEG), Weixin Group (WXG), Platform and Content Group (PCG), Cloud and Smart Industries Group (CSIG), and Technology Engineering Group (TEG), together with the administrative S lines.

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About Tencent

Tencent uses technology to enrich the lives of Internet users. Our social products Weixin and QQ link our users to a rich digital content catalogue including games, video, music and books. Our proprietary targeting technology helps advertisers reach out to hundreds of millions of consumers in China. Our infrastructure services including payment, security, cloud and artificial intelligence create differentiated offerings and support our partners’ business growth. Tencent invests heavily in people and innovation, enabling us to evolve with the Internet.

Tencent was founded in Shenzhen, China, in 1998. Shares of Tencent (00700.HK) are traded on the Main Board of the Stock Exchange of Hong Kong.

For investor and media enquiries, please contact:

Catherine Chan Tel: (86) 755 86013388 ext. 88369/ (852) 3148 5100 Email: cchan@tencent.com

Jane Yip Tel: (86) 755 86013388 ext. 68961/ (852) 3148 5100 Email: janeyip@tencent.com
Stella Lui Tel: (86) 755 86013388 ext. 68870/ (852) 3148 5100 Email: stellalui@tencent.com
Kenni Lau Tel: (86) 755 86013388 ext. 68958/ (852) 3148 5100 Email: kennislau@tencent.com
PH Cheung Tel: (86) 755 86013388 ext. 68919/ (852) 3148 5100 Email: phcheung@tencent.com
Lancy Ma Tel: (86) 755 86013388 ext. 30258/ (852) 3148 5100 Email: lancyma@tencent.com

Forward-Looking Statements

This press release contains forward-looking statements relating to the business outlook, forecast business plans and growth strategies of the Company. These forward-looking statements are based on information currently available to the Company and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in future. Underlying the forward-looking statements is a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in our other public disclosure documents on our corporate website.