Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

15,000,000 European Style Cash Settled Short Certificates

relating to the ordinary shares of Tencent Holdings Limited

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.40 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 19 June 2020 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer and of no other person, and the guarantee dated 19 June 2020 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 14 July 2020.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

13 July 2020

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates. Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 29 to 33 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

(m) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(n) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(o) investors should note that the Air Bag Mechanism (as defined below) reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(p) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday increase in the price of the Underlying Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 48 to 49 of this document for more information;

(q) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 35 to 37 of this document for more information;

(r) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(s) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(t) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(u) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(v) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(w) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

– Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and

– The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(x) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(y) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(z) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(aa) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer is subject to FATCA and, as a result, is required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide us with such certification, the Issuer and the Guarantor could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(bb) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(cc) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution's business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer's or the Guarantor's financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities ("**MREL**") pursuant to Article 12 of the SRM Regulation. MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called "EU Banking Package", the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the "**BRRD II**"); and

- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity ("**TLAC**") of credit institutions and investment firms (the "**SRM II Regulation**" and, together with the BRRD II, the "**EU Banking Package Reforms**").

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet ("**FSB TLAC Term Sheet**"), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL will include, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements will apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	15,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of Tencent Holdings Limited (the **"Underlying Stock"**)
ISIN:	LU1986500137
Company:	Tencent Holdings Limited (RIC: 0700.HK)
Underlying Price[3] and Source:	HK$541 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.40
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	4.60%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost[6]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	7 July 2020
Closing Date:	13 July 2020

[3] These figures are calculated as at, and based on information available to the Issuer on or about 13 July 2020. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 13 July 2020.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Expected Listing Date:	14 July 2020
Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 5 July 2023
Expiry Date:	12 July 2023 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	11 July 2023 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 40 to 54 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where: "**t**" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and

including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

An "**Underlying Stock Business Day**" is a day on which The Stock Exchange of Hong Kong Limited (the "**HKEX**") is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 40 to 54 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 19 to 23 below.

Initial Exchange Rate[3]: 0.1794

Final Exchange Rate:	The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.
Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 21 to 23 below and the "Description of Air Bag Mechanism" section on pages 46 to 47 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Hong Kong Dollar ("**HKD**")
Settlement Currency:	Singapore Dollar ("**SGD**")
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	HKEX
Business Day and Exchange	A "**Business Day**" is a day on which the SGX-ST is open for

Business Day:	dealings in Singapore during its normal trading hours and banks are open for business in Singapore. An "**Exchange Business Day**" is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

$\mathbf{LSL_t}$ means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$\mathrm{LSL_1} = 1000$

On each subsequent Observation Date(t):

$$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{t-1}} \times \left(1 + \mathrm{LR_{t-1,t}} - \mathrm{FC_{t-1,t}} - \mathrm{SB_{t-1,t}} - \mathrm{RC_{t-1,t}}\right), 0\right]$$

$\mathbf{LR_{t-1,t}}$ means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$\mathrm{LR_{t\text{-}1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t\text{-}1}} \times \mathrm{Rfactor_t}} - 1\right)$$

$\mathbf{FC_{t-1,t}}$ means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

$\mathbf{SB_{t-1,t}}$ means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{SB_{t-1,t}} = -\mathrm{Leverage} \times \frac{\mathrm{CB} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to 2%.

$\mathbf{RC_{t-1,t}}$ means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows :

$$\mathrm{RC_{t-1,t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left|\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right|\right) \times \mathrm{TC}$$

TC means the Transaction Costs applicable (including Stamp Duty) that are equal to :

0.10%

Leverage -5

$\mathbf{S_t}$ means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

$\mathbf{Rate_t}$ means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page.

$\mathbf{Rfactor_t}$ means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :

$$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$

where

Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.

ACT(t-1,t) ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

DayCount BasisRate 365

<u>Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")</u>

Extraordinary Strategy Adjustment for Performance Reasons If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage Inverse Strategy Closing Level on the Intraday Restrike Date ($\mathrm{LSL_{IRD}}$) should be computed as follows :

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$$

$\mathbf{ILSL_{IR(k)}}$ means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$\mathrm{ILSL_{IR(1)}} = \mathrm{Max}\left[\mathrm{LSL_{IRD\text{-}1}} \times \left(1 + \mathrm{ILR_{IR(0),IR(1)}} - \mathrm{FC_{IRD\text{-}1,IRD}} - \mathrm{SB_{IRD\text{-}1,IRD}} - \mathrm{IRC_{IR(0),IR(1)}}\right), 0\right]$$

(2) for k > 1 :

$$\mathrm{ILSL_{IR(k)}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(k-1)}} \times \left(1 + \mathrm{ILR_{IR(k-1),IR(k)}} - \mathrm{IRC_{IR(k-1),IR(k)}}\right), 0\right]$$

$\mathbf{ILR_{IR(k-1),IR(k)}}$ means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$ILR_{IR(k-1),IR(k)} = \text{Leverage} \times \left(\frac{IS_{IR(k)}}{IS_{IR(k-1)}} - 1\right)$$

$\mathbf{IRC_{IR(k-1),IR(k)}}$ means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$IRC_{IR(k-1),IR(k)} = \text{Leverage} \times (\text{Leverage}-1) \times \left(\left|\frac{IS_{IR(k)}}{IS_{IR(k-1)} \times Rfactor_t} - 1\right|\right) \times TC$$

$\mathbf{IS_{IR(k)}}$ means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$IS_{IR(0)} = S_{IRD-1} \times Rfactor_{IRD}$

(2) for k=1 to n

means in respect of IR(k), the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$IS_{IR(C)} = S_{IRD}$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k) For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;
For k=1 to n, means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

IR(C) means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.

Intraday Restrike Event means in respect of an Observation Date(t) :
(1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(0)}}$ as of such Calculation Time.
(2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS_{IR(k)}}$ as of such Calculation Time.

Calculation Time means any time between the TimeReferenceOpening and the

TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.

TimeReferenceOpening means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

TimeReferenceClosing means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).

Intraday Restrike Event Observation Period means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing.

Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.

Intraday Restrike Event Time means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF

THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 19 June 2020, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the Regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

"**Regulator**" means the European Central Bank and any successor or replacement thereto, or other authority having primary responsibility for the prudential oversight and supervision of the Issuer.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder’s address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a “**Business Day**” shall be a day on which the

SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	Tencent Holdings Limited
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	15,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 19 June 2020 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 14 July 2020.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is a qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) For Certificate Holders who trade the Certificates intraday: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) For Certificate Holders who hold the Certificates overnight: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[8] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

		t=0		**Product of the daily Leverage Inverse Strategy Performance**		**Product of the Daily Fees (Hedging Fee Factor)**
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	Daily Fees x Daily Fees

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

[7] "t" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.

[8] Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of Tencent Holdings Limited
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.4 SGD**
Notional Amount per Certificate:	**0.4 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**4.60%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n^{th} Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\text{HFF}(1) = \text{HFF}(0) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

$$\text{HFF}(1) = 100\% \times \left(1 - 0.40\% \times \frac{1}{360}\right) \times \left(1 - 4.60\% \times \frac{1}{360}\right)$$

$$\text{HFF}(1) = 100\% \times 99.9989\% \times 99.9872\% \approx 99.9861\%$$

Assuming 2^{nd} Underlying Stock Business Day falls 3 Calendar Days after 1^{st} Underlying Stock Business Day:

$$\text{HFF (2)} = \text{HFF (1)} \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 4.60\% \times \frac{3}{360}\right)$$

$$\text{HFF (2)} = 99.9861\% \times 99.9967\% \times 99.9617\% \approx 99.9445\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF (n)} = \text{HFF (n} - 1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT (t} - 1;\text{t)}}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7919% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9861%
5/7/2018	99.9722%
6/7/2018	99.9583%
9/7/2018	99.9167%
10/7/2018	99.9028%
11/7/2018	99.8889%
12/7/2018	99.8751%
13/7/2018	99.8612%
16/7/2018	99.8196%
17/7/2018	99.8057%
18/7/2018	99.7919%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.7919%

= 119.75%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.75% x 0.40 SGD

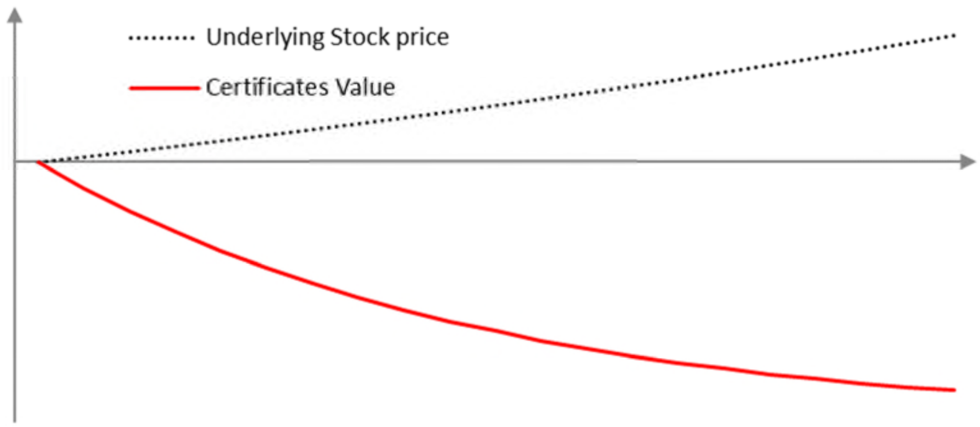
= 0.479 SGD

Illustration on how returns and losses can occur under different scenarios

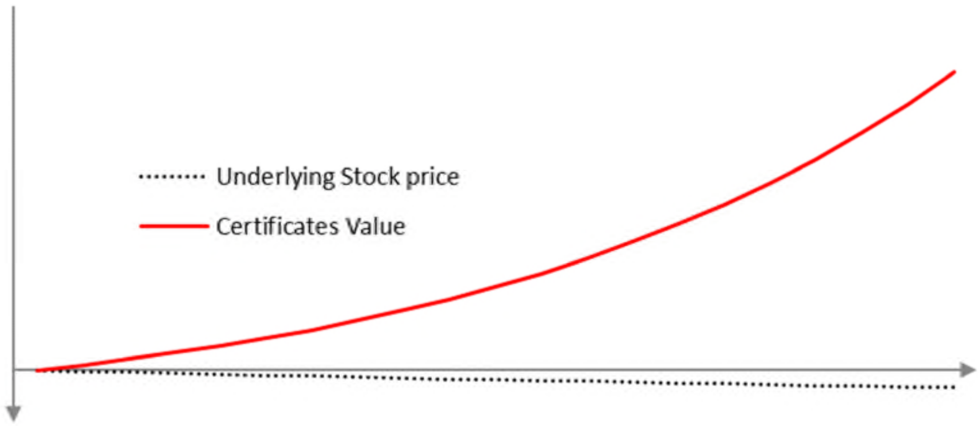
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. Illustrative examples

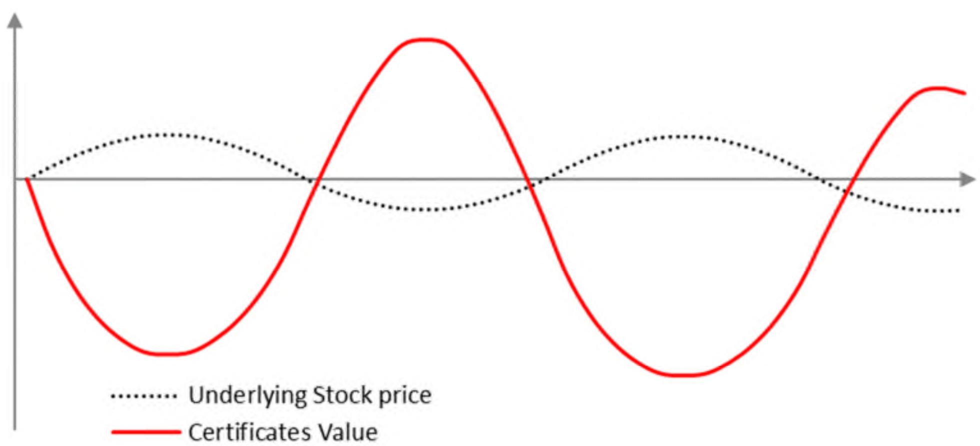
Scenario 1 – Upward Trend



Scenario 2 – Downward Trend



Scenario 3 – Volatile Market



2. Numerical Examples

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.4	0.36	0.32	0.29	0.26	0.24
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.4	0.44	0.48	0.53	0.59	0.64
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	0.4	0.36	0.40	0.36	0.39	0.35
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

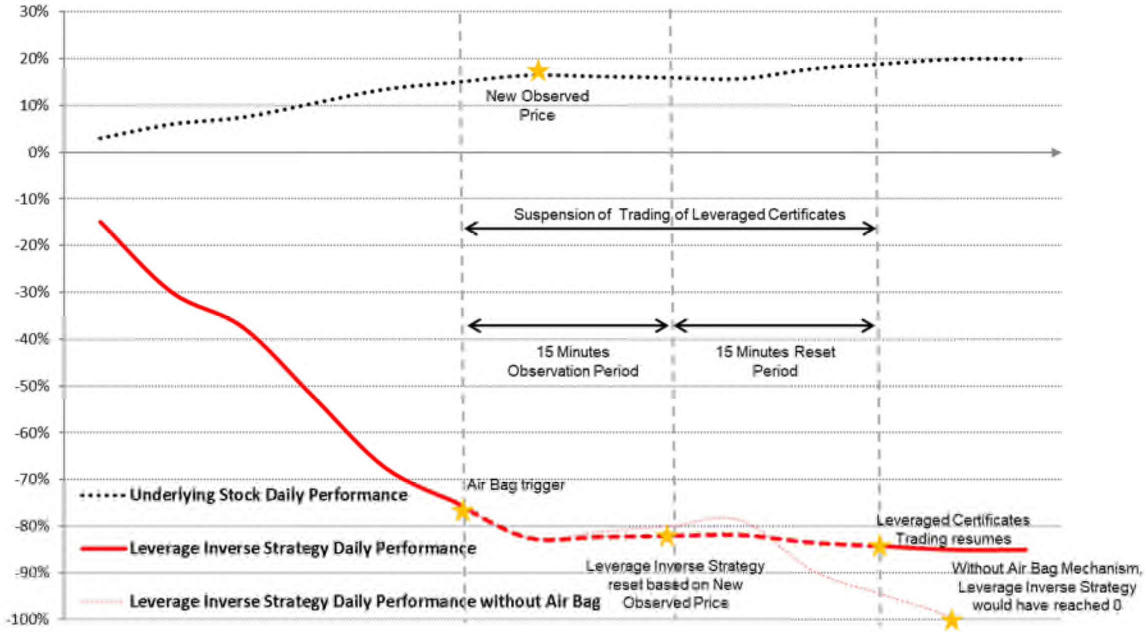
<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="5">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>45 minutes before Market Close</td><td rowspan="6">Next trading day at Market Open</td></tr>
<tr><td>30 to 45 minutes before Market Close</td></tr>
<tr><td>30 minutes before Market Close</td></tr>
<tr><td>15 to 30 minutes before Market Close</td></tr>
<tr><td>15 minutes before Market Close</td><td rowspan="2">From Air Bag Trigger to Market Close</td></tr>
<tr><td>Less than 15 minutes before Market Close</td></tr>
</table>

With **Market Close** defined as:

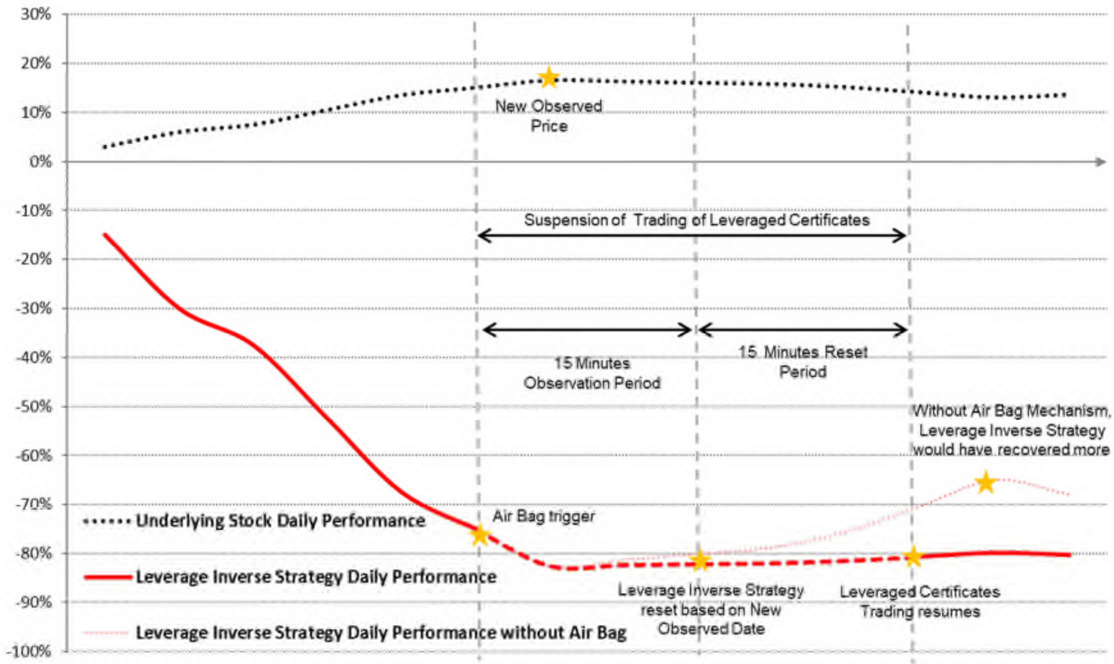
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading

Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



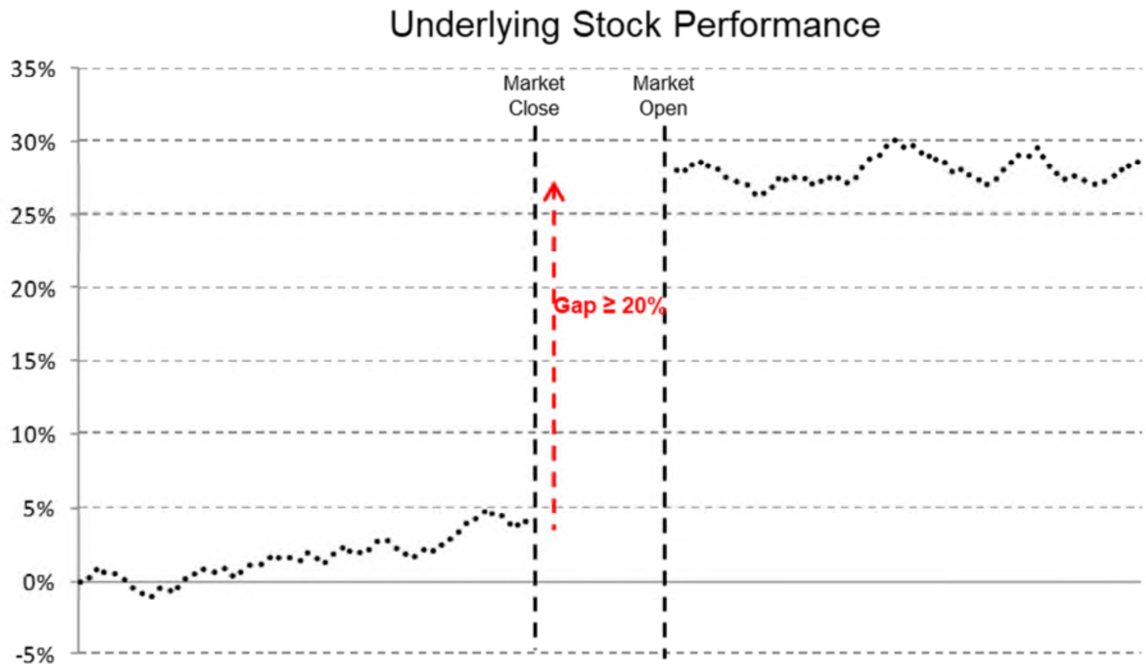
[9] The illustrative examples are not exhaustive.

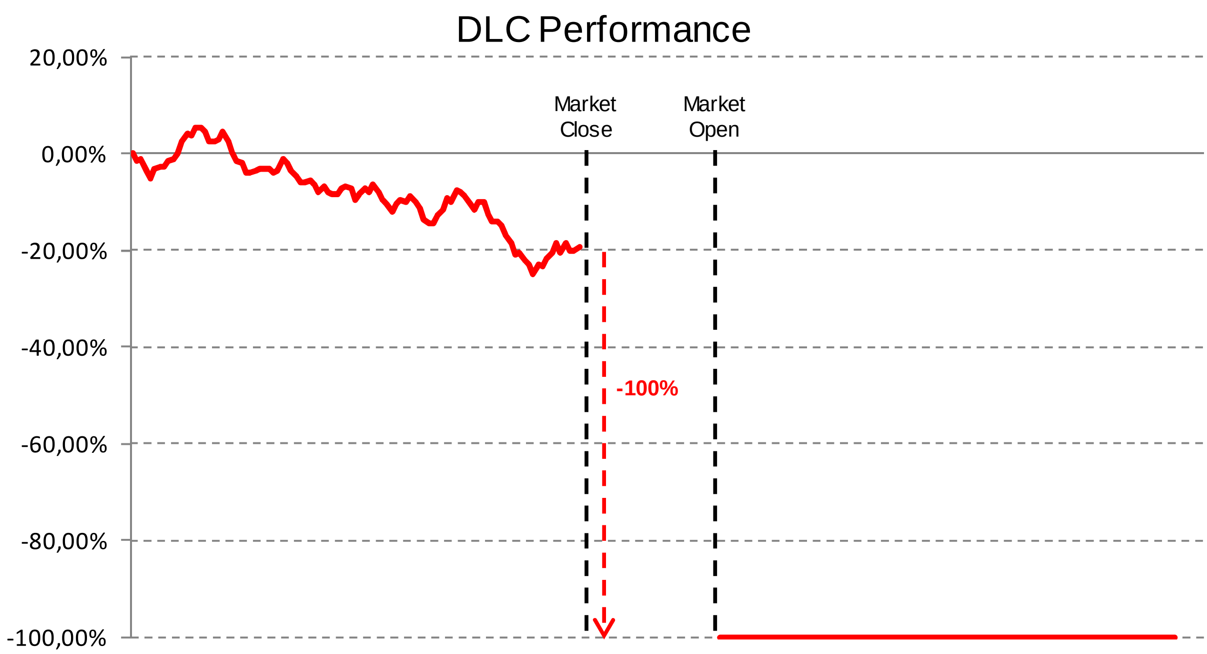
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Overnight rise of the Underlying Stock

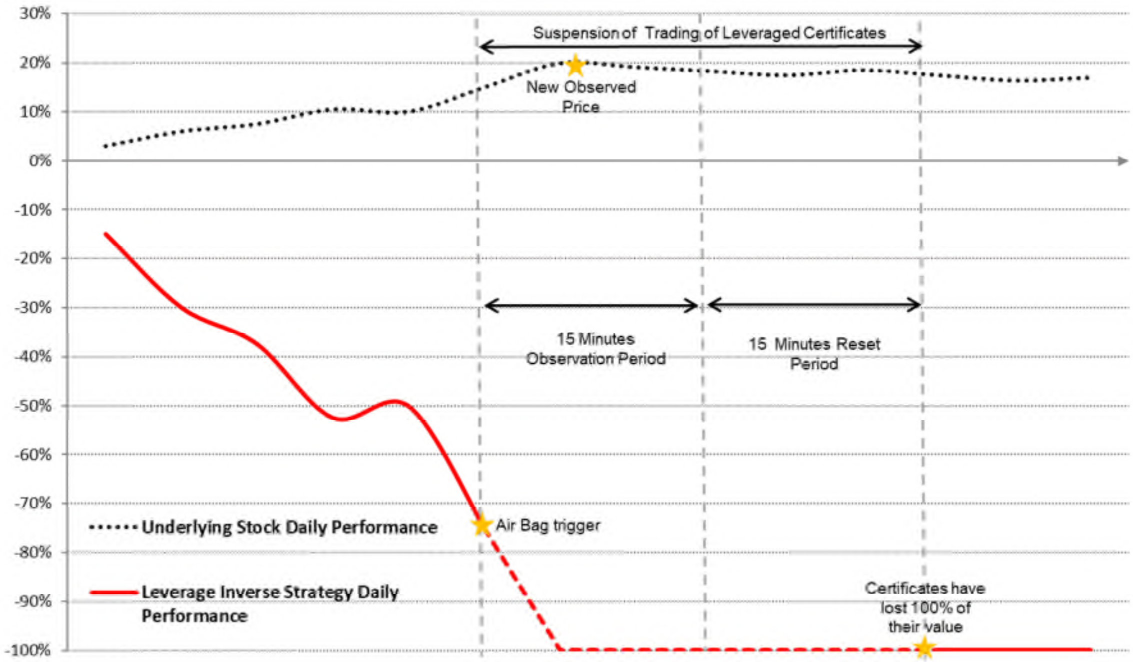
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S}_{t-1}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

DivExc_t is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. <u>Stock split</u>

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

S_{t-1} = $100

S_t = $51

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = -10\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.4	0.36	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $57.5, which is 15% above$50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

S_{t-1} = $100

S_t = $202

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.4	0.38	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$230, which is 15% above \$200, the Underlying Stock Reference Price.

3. <u>Rights Issues</u>

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of \$40.

S_{t-1} = \$100

S_t = \$84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = \$40 (i.e. subscription price of \$40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.4	0.3	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

S_{t-1} = \$100

S_t = \$85

$Div_t = \$0$

$DivExc_t = \$0$

R = \$0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$LR_{t-1,t} = \text{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = -10\%$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.4	0.36	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

S_{t-1} = \$100

S_t = \$84

$Div_t = \$0$

$DivExc_t = \$20$

R = \$0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1 + 0} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \text{Leverage } \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.4	0.3	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the "**HKExCL**") at http://www.hkex.com.hk and/or the Company's web-site at https://www.tencent.com/en-us/index.html.The Issuer has not independently verified any of such information.*

Tencent Holdings Limited (the "**Company**") was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 16 June 2004.

Tencent Holdings Limited is an investment holding company principally involved in the provision of value-added services (VAS) and online advertising services. The Company operates through three main segments. The VAS segment is mainly involved in provision of online/mobile games, community value-added services and applications across various Internet and mobile platforms. The Online Advertising segment is mainly engaged in display based and performance based advertisements. The Others segment is mainly involved in provision of payment related services, cloud services and other services.

The information set out in the Appendix to this document relates to the unaudited consolidated financial results of the Company and its subsidiaries for the three months ended 31 March 2020 and has been extracted and reproduced from an announcement by the Company dated 13 May 2020 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at http://www.hkex.com.hk.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	10 ticks or S$0.20 whichever is greater
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;

(iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;

(v) where the Certificates are suspended from trading for any reason;

(vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(x) if the stock market experiences exceptional price movement and volatility;

(xi) when it is a public holiday in Singapore and/or Hong Kong and/or the SGX-ST and/or the HKEX are not open for dealings; and

(xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2019 or the Guarantor since 31 March 2020, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

   (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

   (b) the latest financial reports (including the notes thereto) of the Issuer;

   (c) the latest financial reports (including the notes thereto) of the Guarantor;

   (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;

   (e) the Base Listing Document;

   (f) this document; and

   (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (CWUMPO) or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

European Economic Area and the United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree that, it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

 (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

 (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

 (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates.

In respect of the United Kingdom, each dealer has further represented and agreed, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of Financial Services and Markets Act, as amended (the "**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term "**U.S. person**" means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the "CEA") or any rules thereunder of the CFTC (the "**CFTC Rules**") , guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person).

APPENDIX

REPRODUCTION OF THE UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020 OF TENCENT HOLDINGS LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited consolidated financial results of the Company and its subsidiaries for the three months ended 31 March 2020 and has been extracted and reproduced from an announcement by the Company dated 13 May 2020 in relation to the same.

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)

ANNOUNCEMENT OF THE RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020

The Board is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2020. These interim results have been reviewed by the Auditor in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board, and by the Audit Committee.

FINANCIAL PERFORMANCE HIGHLIGHTS

	Unaudited Three months ended				
	31 March 2020	31 March 2019	Year-on-year change	31 December 2019	Quarter-on-quarter change
	(RMB in millions, unless specified)				
Revenues	**108,065**	85,465	26%	105,767	2%
Gross profit	**52,794**	39,820	33%	46,108	15%
Operating profit	**37,260**	36,742	1%	28,604	30%
Profit for the period	**29,403**	27,856	6%	22,372	31%
Profit attributable to equity holders of the Company	**28,896**	27,210	6%	21,582	34%
Non-IFRS profit attributable to equity holders of the Company	**27,079**	20,930	29%	25,484	6%
EPS (RMB per share)					
– basic	**3.049**	2.877	6%	2.278	34%
– diluted	**2.999**	2.844	5%	2.248	33%
Non-IFRS EPS (RMB per share)					
– basic	**2.858**	2.213	29%	2.690	6%
– diluted	**2.817**	2.187	29%	2.643	7%

OPERATING INFORMATION

	As at 31 March 2020	As at 31 March 2019	Year-on-year change	As at 31 December 2019	Quarter-on-quarter change
		(in millions, unless specified)			
Combined MAU of Weixin and WeChat	**1,202.5**	1,111.7	8.2%	1,164.8	3.2%
Smart device MAU of QQ	**693.5**	700.4	-1.0%	647.0	7.2%
Fee-based VAS registered subscriptions	**197.4**	165.5	19.3%	180.1	9.6%

BUSINESS REVIEW AND OUTLOOK

In the first quarter of 2020, we harnessed the power of technology to enable users to stay connected, informed and entertained, to help advertisers reach target audiences effectively, and to assist enterprises in achieving service continuity. During these challenging times, we allocated substantial time and resources, including charitable donations, in contribution to COVID-19 relief initiatives in China and globally. And, we delivered solid quarterly operating and financial metrics, demonstrating the resilience of our business model and the platform value of our Company. Looking forward, we expect in-game consumption activities to largely normalise as people return to work, and we see some headwinds for the online advertising industry. Here are some highlights of our key products and business lines:

Communication and Social

Weixin and QQ enabled our users to keep connected with their families and friends during the stay-at-home period, and their respective total daily messages and time spent increased at double-digit percentages on a year-on-year basis. Our communication platforms introduced new functionalities to fulfil evolving user needs in different verticals. For eLearning, teachers can now customise QQ group toolbar with relevant Mini Programs, such as online examination and homework collection tools, to better manage online classes. QQ School-plus-Home groups have become a primary eLearning platform serving tens of millions of teachers, students and parents every day. As users are structurally shifting their behavior from offline to online, Weixin deepened its penetration in daily services via Mini Programs, particularly for grocery shopping and municipal services. This contributed to the rapid growth of Mini Programs, DAU of which exceeded 400 million. Leveraging on our extensive reach to consumers and merchants, we assisted local governments and merchants in distributing eVouchers to expedite the recovery in consumption, especially for retailers and restaurants.

Online Games

Games serve important roles in keeping players entertained and connected, especially during the stay-at-home period. For mobile games, our studios released attractive content and our publishing teams ran compelling in-game events and activities, resulting in higher DAU. For example, our upgraded game engine for Honor of Kings enhanced audio and visual quality for in-game items and a new location-based teamplay system encouraged more user interactions. Peacekeeper Elite ran a successful collaboration with Rocket Girls 101 (an idol girl group managed by Tencent, which emerged from our popular variety show), driving user engagement to a new high and demonstrating cross-IP synergy within Tencent. For PC games, activity in China declined due to temporary closures of internet cafés and the soft performance of DnF. Internationally, PUBG Mobile celebrated its second anniversary and enhanced localisation capabilities to meet diverse user tastes in different regions. Brawl Stars' optimised player-matching algorithm enhanced its user experience. Riot Games released a Teamfight Tactics mobile app, contributing to higher user retention and extended playing time for the League of Legends franchise. It also launched a mobile card game, Legends of Runeterra, and started beta-testing Valorant in April this year. Looking forward, we expect game playing time and in-game consumption activity to largely normalise industry-wide as people return to work, but also believe that games have structurally expanded their long-term audiences and appeal.

Digital Content

Our fee-based VAS subscriptions increased 19% year-on-year to 197 million, reflecting robust growth in video and music subscriptions. This was driven by the popular self-commissioned video content, an expanding paid music library and more user time spent online during the stay-at-home period. Total video subscriptions rose 26% year-on-year to 112 million and music subscriptions grew 50% year-on-year to 43 million. Tencent Video DAU and traffic grew as users were attracted to our platform by the release of popular self-commissioned Chinese anime and drama series, such as The Land of Warriors Season 3 (《鬥羅大陸第三季》) and Sansheng Sanshi Pillow (《三生三世枕上書》). We strengthened our short-form video content, driving user traffic and consumption of short-form video across Weishi, news feed platforms and Mini Programs. With the appointment of a new management team at China Literature, we intend to deepen cooperation with our subsidiary company in adapting its literature IP into various media formats such as TV series, anime and games, leveraging our distribution capability to broaden its user reach, as well as exploring product innovation and new technologies to strengthen its content ecosystem.

Online Advertising

Our online advertising revenue grew year-on-year, reflecting increased consumer time spent on our key apps during the stay-at-home period and the attractive ROIs (return on investments) we delivered to advertisers. Revenue decreased sequentially as the first quarter is a low season for marketing activities. By industry, games, Internet services and online education advertising spending on our platforms increased as consumption of these services grew during the stay-at-home period; while FMCG, automobile and travel advertising spending declined.

Social and others advertising revenue increased year-on-year and quarter-on-quarter, driven by increases in advertisement impressions, particularly for Moments. Our mobile advertising network revenue expanded on more traffic and higher eCPMs as video advertisements represented over one-third of advertisement impressions. As for media advertising, sponsorship advertising revenue declined year-on-year and quarter-on-quarter due to budget cuts, delays in variety shows and suspension of NBA games. In-feed advertising revenue grew year-on-year and quarter-on-quarter across video and news properties, driven by the popularity of top-tier drama series and demand for reliable news and information during the stay-at-home period.

Looking forward, we see several likely industry-wide headwinds, including consumer time spent online normalising which will lead to lower advertisement impression growth, online services advertisers adjusting their customer acquisition budgets to reflect revised life time value assumptions, and multinational brands sharply reducing their global marketing budgets as they faced the pandemic in their home markets.

FinTech

Revenue of FinTech services decreased sequentially as payment activities, especially offline transactions, and cash withdrawals reduced during the Chinese New Year and stay-at-home period. Despite lower revenue, our FinTech services margins were stable as our higher-margin revenue streams such as wealth management and lending continued to grow, and as we controlled marketing and subsidy expenses. For the last week of April, our average daily commercial transactions value recovered to late 2019 levels. Our wealth management business expanded at a stable rate in the first quarter, achieving year-on-year and quarter-on-quarter growth in aggregated customer assets. WeiLiDai's loan book remained healthy, reflecting WeBank's prudent risk management.

Cloud and Other Business Services

Project deployment and new accounts acquisition for our cloud business were delayed due to the pandemic, causing a sequential decline in revenue. However, Tencent Meeting achieved breakout success and became a leading video conference app in China. We strengthened its security measures and introduced functions to facilitate discussion and conference management. In March 2020, we launched an international version, VooV Meeting. WeChat Work enhanced its industry solutions and deepened integration with Weixin, helping us to sign up more key accounts, especially in the retail, education and public sectors, and driving its DAU to grow significantly. We invested heavily in promoting these remote work products and in maintaining a robust cloud infrastructure, to ensure secure and reliable services for our users. Looking forward, we expect the cloud industry to remain challenging in the short term. However, we will continue increasing our investment in these areas and expect to see accelerated cloud services and enterprise software adoption from offline industries and public sectors over the longer term.

MANAGEMENT DISCUSSION AND ANALYSIS

First Quarter of 2020 Compared to First Quarter of 2019

The following table sets forth the comparative figures for the first quarter of 2020 and the first quarter of 2019:

	Unaudited Three months ended 31 March 2020	31 March 2019
	(RMB in millions)	
Revenues	**108,065**	85,465
Cost of revenues	**(55,271)**	(45,645)
Gross profit	**52,794**	39,820
Interest income	**1,636**	1,408
Other gains, net	**4,037**	11,089
Selling and marketing expenses	**(7,049)**	(4,244)
General and administrative expenses	**(14,158)**	(11,331)
Operating profit	**37,260**	36,742
Finance costs, net	**(1,684)**	(1,117)
Share of losses of associates and joint ventures	**(281)**	(2,957)
Profit before income tax	**35,295**	32,668
Income tax expense	**(5,892)**	(4,812)
Profit for the period	**29,403**	27,856
Attributable to:		
Equity holders of the Company	**28,896**	27,210
Non-controlling interests	**507**	646
	29,403	27,856
Non-IFRS profit attributable to equity holders of the Company	**27,079**	20,930

Revenues. Revenues increased by 26% to RMB108.1 billion for the first quarter of 2020 on a year-on-year basis. The following table sets forth our revenues by line of business for the first quarter of 2020 and the first quarter of 2019:

	Unaudited			
	Three months ended			
	31 March 2020		31 March 2019	
	Amount	**% of total revenues**	Amount	% of total revenues
	(RMB in millions, unless specified)			
VAS	**62,429**	**58%**	48,974	57%
FinTech and Business Services	**26,475**	**25%**	21,789	25%
Online Advertising	**17,713**	**16%**	13,377	16%
Others	**1,448**	**1%**	1,325	2%
Total revenues	**108,065**	**100%**	85,465	100%

— Revenues from VAS increased by 27% to RMB62,429 million for the first quarter of 2020 on a year-on-year basis. Online games revenues grew by 31% to RMB37,298 million. The increase primarily reflected revenue contributions from domestic smart phone games such as Peacekeeper Elite and Honour of Kings, as well as increased contributions from our overseas titles including PUBG Mobile and Clash of Clans, partly offset by lower revenues from PC client games such as DnF. Total smart phone games revenues (including smart phone games revenues attributable to our social networks business) were RMB34,756 million and PC client games revenues were RMB11,795 million for the first quarter of 2020. Social networks revenues increased by 23% to RMB25,131 million. The increase was primarily driven by greater contributions from in-game virtual item sales as well as digital content services including music streaming and video streaming subscriptions.

— Revenues from FinTech and Business Services increased by 22% to RMB26,475 million for the first quarter of 2020 on a year-on-year basis. The increase was primarily due to revenue growth from commercial payment and wealth management platform, as well as greater revenue contributions from cloud services capturing opportunities in verticals including video, education and retail sectors.

— Revenues from Online Advertising increased by 32% to RMB17,713 million for the first quarter of 2020 on a year-on-year basis. Social and others advertising revenues grew by 47% to RMB14,592 million. The increase mainly reflected higher advertising revenues derived from increased inventories and impressions from our mobile advertising network and Weixin Moments. Media advertising revenues decreased by 10% to RMB3,121 million. The decrease was primarily due to lower revenues from our video and news platforms as a result of weak macro-economic conditions and suspension of sports events.

Cost of revenues. Cost of revenues increased by 21% to RMB55,271 million for the first quarter of 2020 on a year-on-year basis. The increase was mainly driven by greater costs of FinTech services, channel costs as well as server and bandwidth costs. As a percentage of revenues, cost of revenues decreased to 51% for the first quarter of 2020 from 53% for the first quarter of 2019. The following table sets forth our cost of revenues by line of business for the first quarter of 2020 and the first quarter of 2019:

	Unaudited Three months ended			
	31 March 2020		31 March 2019	
	Amount	**% of segment revenues**	Amount	% of segment revenues
	(RMB in millions, unless specified)			
VAS	**25,577**	**41%**	20,781	42%
FinTech and Business Services	**19,093**	**72%**	15,581	72%
Online Advertising	**9,003**	**51%**	7,776	58%
Others	**1,598**	**110%**	1,507	114%
Total cost of revenues	**55,271**		45,645	

— Cost of revenues for VAS increased by 23% to RMB25,577 million for the first quarter of 2020 on a year-on-year basis. The increase was mainly due to greater content and channel costs for smart phone games as well as higher server and bandwidth costs, as our users consumed more entertainment services during the stay-at-home period.

— Cost of revenues for FinTech and Business Services increased by 23% to RMB19,093 million for the first quarter of 2020 on a year-on-year basis. The increase mainly reflected the greater scale of our commercial payment and cloud businesses.

— Cost of revenues for Online Advertising increased by 16% to RMB9,003 million for the first quarter of 2020 on a year-on-year basis. The increase was mainly driven by greater traffic acquisition costs, as well as server and bandwidth costs, partly offset by lower content costs for video advertising due to delays in airing of variety shows.

Other gains, net. We recorded net other gains of RMB4,037 million for the first quarter of 2020, which mainly comprised of non-IFRS adjustment items including net gains on disposals of certain investee companies, as well as net fair value gains on investee companies. Such gains were partially offset by RMB2,600 million donations we made primarily to combat the pandemic globally.

Selling and marketing expenses. Selling and marketing expenses increased by 66% to RMB7,049 million for the first quarter of 2020 on a year-on-year basis. The increase was mainly due to greater marketing spending for some of our newer services including Weishi, arising from its marketing campaigns during the Chinese New Year. As a percentage of revenues, selling and marketing expenses increased to 7% for the first quarter of 2020 from 5% for the first quarter of 2019.

General and administrative expenses. General and administrative expenses increased by 25% to RMB14,158 million for the first quarter of 2020 on a year-on-year basis. The increase mainly reflected greater R&D expenses and staff costs. As a percentage of revenues, general and administrative expenses were 13% for the first quarter of 2020, broadly stable year-on-year.

Finance costs, net. Net finance costs increased by 51% to RMB1,684 million for the first quarter of 2020 on a year-on-year basis. The increase was primarily driven by greater interest expenses as a result of higher amount of indebtedness.

Share of losses of associates and joint ventures. We recorded share of losses of associates and joint ventures of RMB281 million for the first quarter of 2020, compared to share of losses of RMB2,957 million for the first quarter of 2019. The change was mainly due to non-IFRS adjustment items of certain associates.

Income tax expense. Income tax expense was RMB5,892 million and RMB4,812 million for the first quarter of 2020 and 2019 respectively.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 6% to RMB28,896 million for the first quarter of 2020 on a year-on-year basis. Non-IFRS profit attributable to equity holders of the Company increased by 29% year-on-year to RMB27,079 million for the first quarter of 2020.

First Quarter of 2020 Compared to Fourth Quarter of 2019

The following table sets forth the comparative figures for the first quarter of 2020 and the fourth quarter of 2019:

	Unaudited Three months ended 31 March 2020	Unaudited Three months ended 31 December 2019
	(RMB in millions)	
Revenues	**108,065**	105,767
Cost of revenues	**(55,271)**	(59,659)
Gross profit	**52,794**	46,108
Interest income	**1,636**	1,580
Other gains, net	**4,037**	3,630
Selling and marketing expenses	**(7,049)**	(6,712)
General and administrative expenses	**(14,158)**	(16,002)
Operating profit	**37,260**	28,604
Finance costs, net	**(1,684)**	(2,767)
Share of losses of associates and joint ventures	**(281)**	(1,328)
Profit before income tax	**35,295**	24,509
Income tax expense	**(5,892)**	(2,137)
Profit for the period	**29,403**	22,372
Attributable to:		
Equity holders of the Company	**28,896**	21,582
Non-controlling interests	**507**	790
	29,403	22,372
Non-IFRS profit attributable to equity holders of the Company	**27,079**	25,484

Revenues. Revenues increased by 2% to RMB108.1 billion for the first quarter of 2020 on a quarter-on-quarter basis.

- Revenues from VAS increased by 19% to RMB62,429 million for the first quarter of 2020. Online games revenues grew by 23% to RMB37,298 million. The increase was primarily driven by revenue growth of smart phone games such as Honour of Kings and Peacekeeper Elite, as well as revenue contributions from our PC games including League of Legends. Social networks revenues increased by 14% to RMB25,131 million, due to more spending on in-game virtual items by users during the stay-at-home period as well as positive seasonality.

- Revenues from FinTech and Business Services decreased by 12% to RMB26,475 million for the first quarter of 2020. The decrease was mainly due to lower revenues from payment-related services and cloud services, resulting from fewer commercial payment transactions during the stay-at-home period and delays in cloud project deployment caused by the pandemic.

- Revenues from Online Advertising decreased by 12% to RMB17,713 million for the first quarter of 2020. Social and others advertising revenues decreased by 10% to RMB14,592 million, mainly reflecting advertisers seasonally reducing spending during the low season for eCommerce activities. Media advertising revenues decreased by 21% to RMB3,121 million. The decrease was mainly driven by lower advertising revenues from video and news platforms as a result of negative seasonality.

Cost of revenues. Cost of revenues decreased by 7% to RMB55,271 million for the first quarter of 2020 on a quarter-on-quarter basis. The decrease was primarily due to lower content costs and costs of FinTech services, partially offset by greater server and bandwidth costs. As a percentage of revenues, cost of revenues decreased to 51% for the first quarter of 2020 from 56% for the fourth quarter of 2019.

- Cost of revenues for VAS decreased by 2% to RMB25,577 million for the first quarter of 2020. The decrease primarily reflected lower content costs for live streaming services and video streaming subscriptions due to video production delays caused by the pandemic, partly offset by greater channel costs due to increased smart phone game revenues.

- Cost of revenues for FinTech and Business Services decreased by 11% to RMB19,093 million for the first quarter of 2020. The decrease was primarily driven by lower costs of payment-related services during the stay-at-home period, and lower costs of cloud services due to the pandemic.

- Cost of revenues for Online Advertising decreased by 3% to RMB9,003 million for the first quarter of 2020. The decrease was mainly due to lower content costs, partly offset by greater server and bandwidth costs.

Selling and marketing expenses. Selling and marketing expenses increased by 5% to RMB7,049 million for the first quarter of 2020 on a quarter-on-quarter basis. The increase mainly reflected greater marketing spending for content services including Weishi.

General and administrative expenses. General and administrative expenses decreased by 12% to RMB14,158 million for the first quarter of 2020 on a quarter-on-quarter basis. The decrease primarily reflected lower R&D expenses due to reduced outsourcing activities for R&D projects as a consequence of the pandemic, as well as reduced travel and entertainment activities during the stay-at-home period.

Share of losses of associates and joint ventures. We recorded share of losses of associates and joint ventures of RMB281 million for the first quarter of 2020, compared to share of losses of RMB1,328 million for the previous quarter. The change was mainly due to non-IFRS adjustment items of certain associates.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 34% to RMB28,896 million for the first quarter of 2020 on a quarter-on-quarter basis. Non-IFRS profit attributable to equity holders of the Company increased by 6% to RMB27,079 million.

Other Financial Information

	Unaudited		
	Three months ended		
	31 March 2020	31 December 2019	31 March 2019
	(RMB in millions, unless specified)		
EBITDA (a)	**42,228**	35,675	33,566
Adjusted EBITDA (a)	**45,190**	38,572	35,598
Adjusted EBITDA margin (b)	**42%**	36%	42%
Interest and related expenses	**2,006**	2,348	1,499
Net debt (c)	**(5,716)**	(15,552)	(9,595)
Capital expenditures (d)	**6,151**	16,869	4,506

Note:

(a) EBITDA is calculated as operating profit minus interest income and other gains/losses, net and adding back depreciation of property, plant and equipment, investment properties as well as right-of-use assets, and amortisation of intangible assets. Adjusted EBITDA is calculated as EBITDA plus equity-settled share-based compensation expenses.

(b) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.

(c) Net debt represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, minus borrowings and notes payable.

(d) Capital expenditures consist of additions (excluding business combinations) to property, plant and equipment, construction in progress, investment properties, land use rights and intangible assets (excluding video and music content, game licences and other content).

The following table reconciles our operating profit to our EBITDA and Adjusted EBITDA for the periods presented:

	Unaudited		
	Three months ended		
	31 March 2020	31 December 2019	31 March 2019
	(RMB in millions, unless specified)		
Operating profit	**37,260**	28,604	36,742
Adjustments:			
Interest income	**(1,636)**	(1,580)	(1,408)
Other (gains)/losses, net	**(4,037)**	(3,630)	(11,089)
Depreciation of property, plant and equipment and investment properties	**3,889**	3,549	2,804
Depreciation of right-of-use assets	**874**	893	602
Amortisation of intangible assets	**5,878**	7,839	5,915
EBITDA	**42,228**	35,675	33,566
Equity-settled share-based compensation	**2,962**	2,897	2,032
Adjusted EBITDA	**45,190**	38,572	35,598

Non-IFRS Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain additional non-IFRS financial measures (in terms of operating profit, operating margin, profit for the period, net margin, profit attributable to equity holders of the Company, basic EPS and diluted EPS) have been presented in this announcement. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The Company's management believes that the non-IFRS financial measures provide investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain non-cash items and certain impact of M&A transactions. In addition, non-IFRS adjustments include relevant non-IFRS adjustments for the Group's major associates based on available published financials of the relevant major associates, or estimates made by the Company's management based on available information, certain expectations, assumptions and premises.

The following tables set forth the reconciliations of the Group's non-IFRS financial measures for the first quarter of 2020 and 2019, the fourth quarter of 2019 to the nearest measures prepared in accordance with IFRS:

	Unaudited three months ended 31 March 2020						
		Adjustments					
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	Income tax effects (e)	Non-IFRS
	(RMB in millions, unless specified)						
Operating profit	37,260	3,435	(5,272)	639	(487)	–	35,575
Profit for the period	29,403	4,198	(6,992)	1,572	(18)	(179)	27,984
Profit attributable to equity holders	28,896	3,957	(6,976)	1,338	(18)	(118)	27,079
EPS (RMB per share)							
– basic	3.049						2.858
– diluted	2.999						2.817
Operating margin	34%						33%
Net margin	27%						26%

	Unaudited three months ended 31 December 2019						
		Adjustments					
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	Income tax effects (e)	Non-IFRS
	(RMB in millions, unless specified)						
Operating profit	28,604	3,269	(2,340)	701	72	–	30,306
Profit for the period	22,372	3,965	(1,412)	1,667	140	(93)	26,639
Profit attributable to equity holders	21,582	3,756	(1,403)	1,406	133	10	25,484
EPS (RMB per share)							
– basic	2.278						2.690
– diluted	2.248						2.643
Operating margin	27%						29%
Net margin	21%						25%

	Unaudited three months ended 31 March 2019						
		Adjustments					
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	Income tax effects (e)	Non-IFRS
	(RMB in millions, unless specified)						
Operating profit	36,742	2,033	(10,546)	114	127	–	28,470
Profit for the period	27,856	2,868	(10,374)	1,084	589	(350)	21,673
Profit attributable to equity holders	27,210	2,782	(10,351)	1,033	589	(333)	20,930
EPS (RMB per share)							
– basic	2.877						2.213
– diluted	2.844						2.187
Operating margin	43%						33%
Net margin	33%						25%

Note:

(a) Including put options granted to employees of investee companies on their shares and shares to be issued under investee companies' share-based incentive plans which can be acquired by the Group, and other incentives

(b) Including net (gains)/losses on deemed disposals/disposals of investee companies, fair value changes arising from investee companies, and other expenses in relation to equity transactions of investee companies

(c) Amortisation of intangible assets resulting from acquisitions

(d) Impairment provisions/(reversals) for associates, joint ventures and intangible assets arising from acquisitions

(e) Income tax effects of non-IFRS adjustments

Liquidity and Financial Resources

Our cash positions as at 31 March 2020 and 31 December 2019 were as follows:

	Unaudited 31 March 2020	Audited 31 December 2019
	(RMB in millions)	
Cash and cash equivalents	**135,270**	132,991
Term deposits and others	**85,314**	72,270
	220,584	205,261
Borrowings	**(140,566)**	(126,952)
Notes payable	**(85,734)**	(93,861)
Net debt	**(5,716)**	(15,552)
Fair value of our stakes in listed investee companies (excluding subsidiaries)	**410,299**	419,818

As at 31 March 2020, the Group had net debt of RMB5,716 million, compared to net debt of RMB15,552 million as at 31 December 2019. The sequential improvement in our net debt position mainly reflected strong free cash flow generation, partly offset by payments for M&A initiatives.

For the first quarter of 2020, the Group had free cash flow[1] of RMB39,210 million. This was a result of net cash flow generated from operating activities of RMB54,661 million, offset by payments for capital expenditure of RMB9,442 million, payments for media content of RMB5,185 million, and payments for lease liabilities of RMB824 million.

(1) Starting from 2020, free cash flow was adjusted by subtracting payments for media content and lease liabilities, in addition to subtracting payments for capital expenditure from the operating cash flow.

CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Note	**Unaudited Three months ended 31 March 2020 RMB'Million**	2019 RMB'Million
Revenues			
Value-added Services		**62,429**	48,974
FinTech and Business Services		**26,475**	21,789
Online Advertising		**17,713**	13,377
Others		**1,448**	1,325
		108,065	85,465
Cost of revenues	4	**(55,271)**	(45,645)
Gross profit		**52,794**	39,820
Interest income		**1,636**	1,408
Other gains, net	3	**4,037**	11,089
Selling and marketing expenses	4	**(7,049)**	(4,244)
General and administrative expenses	4	**(14,158)**	(11,331)
Operating profit		**37,260**	36,742
Finance costs, net		**(1,684)**	(1,117)
Share of losses of associates and joint ventures		**(281)**	(2,957)
Profit before income tax		**35,295**	32,668
Income tax expense	5	**(5,892)**	(4,812)
Profit for the period		**29,403**	27,856
Attributable to:			
Equity holders of the Company		**28,896**	27,210
Non-controlling interests		**507**	646
		29,403	27,856
Earnings per share for profit attributable to equity holders of the Company (in RMB per share)			
– basic	6(a)	**3.049**	2.877
– diluted	6(b)	**2.999**	2.844

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Unaudited Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
Profit for the period	**29,403**	27,856
Other comprehensive income, net of tax:		
Items that may be subsequently reclassified to profit or loss		
Share of other comprehensive loss of associates and joint ventures	**(30)**	(26)
Currency translation differences	**1,315**	(1,999)
Other fair value losses	**(1,357)**	(648)
Items that will not be subsequently reclassified to profit or loss		
Net (losses)/gains from changes in fair value of financial assets at fair value through other comprehensive income	**(7,850)**	14,265
Other fair value losses	**(54)**	(1)
	(7,976)	11,591
Total comprehensive income for the period	**21,427**	39,447
Attributable to:		
Equity holders of the Company	**21,020**	38,491
Non-controlling interests	**407**	956
	21,427	39,447

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	**Unaudited 31 March 2020 RMB'Million**	Audited 31 December 2019 RMB'Million
ASSETS			
Non-current assets			
Property, plant and equipment		**48,557**	46,824
Land use rights		**15,685**	15,609
Right-of-use assets		**10,677**	10,847
Construction in progress		**4,371**	3,935
Investment properties		**641**	855
Intangible assets		**127,718**	128,860
Investments in associates	8	**224,505**	213,614
Investments in joint ventures		**7,485**	8,280
Financial assets at fair value through profit or loss	9	**149,929**	128,822
Financial assets at fair value through other comprehensive income	10	**80,176**	81,721
Prepayments, deposits and other assets		**22,265**	23,442
Deferred income tax assets		**20,928**	18,209
Term deposits		**21,210**	19,000
		734,147	700,018
Current assets			
Inventories		**601**	718
Accounts receivable	11	**42,869**	35,839
Prepayments, deposits and other assets		**34,856**	27,840
Other financial assets		**489**	375
Financial assets at fair value through profit or loss	9	**6,571**	7,114
Term deposits		**57,968**	46,911
Restricted cash		**2,174**	2,180
Cash and cash equivalents		**135,270**	132,991
		280,798	253,968
Total assets		**1,014,945**	953,986

	Note	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**–**	–
Share premium		**38,687**	35,271
Shares held for share award schemes		**(3,873)**	(4,002)
Other reserves		**9,129**	16,786
Retained earnings		**413,881**	384,651
		457,824	432,706
Non-controlling interests		**55,719**	56,118
Total equity		**513,543**	488,824
LIABILITIES			
Non-current liabilities			
Borrowings	14	**124,125**	104,257
Notes payable	15	**84,640**	83,327
Long-term payables		**3,958**	3,577
Other financial liabilities		**6,538**	5,242
Deferred income tax liabilities		**13,512**	12,841
Lease liabilities		**8,274**	8,428
Deferred revenue		**6,961**	7,334
		248,008	225,006
Current liabilities			
Accounts payable	13	**88,176**	80,690
Other payables and accruals		**40,619**	45,174
Borrowings	14	**16,441**	22,695
Notes payable	15	**1,094**	10,534
Current income tax liabilities		**12,911**	9,733
Other tax liabilities		**1,048**	1,245
Other financial liabilities		**6,006**	5,857
Lease liabilities		**3,383**	3,279
Deferred revenue		**83,716**	60,949
		253,394	240,156
Total liabilities		**501,402**	465,162
Total equity and liabilities		**1,014,945**	953,986

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Unaudited							
	Attributable to equity holders of the Company							
	Share capital RMB'Million	Share premium RMB'Million	Shares held for share award schemes RMB'Million	Other reserves RMB'Million	Retained earnings RMB'Million	Total RMB'Million	Non-controlling interests RMB'Million	Total equity RMB'Million
Balance at 1 January 2020	–	35,271	(4,002)	16,786	384,651	432,706	56,118	488,824
Comprehensive income								
Profit for the period	–	–	–	–	28,896	28,896	507	29,403
Other comprehensive income, net of tax:								
– share of other comprehensive loss of associates and joint ventures	–	–	–	(31)	–	(31)	1	(30)
– net losses from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	(7,423)	–	(7,423)	(427)	(7,850)
– currency translation differences	–	–	–	965	–	965	350	1,315
– other fair value losses, net	–	–	–	(1,387)	–	(1,387)	(24)	(1,411)
Total comprehensive income for the period	–	–	–	(7,876)	28,896	21,020	407	21,427
Transfer of gains on disposal of financial assets at fair value through other comprehensive income to retained earnings	–	–	–	(268)	268	–	–	–
Share of other changes in net assets of associates and joint ventures	–	–	–	749	–	749	(5)	744
Transfer of share of other changes in net assets of associates to profit or loss upon deemed disposal of associates	–	–	–	(3)	–	(3)	–	(3)
Transactions with equity holders								
Employee share option schemes:								
– value of employee services	–	494	–	17	–	511	18	529
– proceeds from shares issued	–	127	–	–	–	127	–	127
Employee share award schemes:								
– value of employee services	–	2,293	–	84	–	2,377	69	2,446
– shares withheld for share award schemes	–	–	(64)	–	–	(64)	–	(64)
– vesting of awarded shares	–	(75)	75	–	–	–	–	–
Tax benefit from share-based payments	–	–	–	30	–	30	–	30
Profit appropriations to statutory reserves	–	–	–	(66)	66	–	–	–
Dividends	–	–	–	–	–	–	(296)	(296)
Acquisition of additional equity interests in non-wholly owned subsidiaries	–	–	–	(32)	–	(32)	(118)	(150)
Dilution of interests in subsidiaries	–	–	–	(76)	–	(76)	62	(14)
Transfer of equity interests of subsidiaries to non-controlling interests	–	577	118	(216)	–	479	(536)	(57)
Total transactions with equity holders at their capacity as equity holders for the period	–	3,416	129	(259)	66	3,352	(801)	2,551
Balance at 31 March 2020	–	38,687	(3,873)	9,129	413,881	457,824	55,719	513,543

	Unaudited							
	Attributable to equity holders of the Company							
	Share capital RMB'Million	Share premium RMB'Million	Shares held for share award schemes RMB'Million	Other reserves RMB'Million	Retained earnings RMB'Million	Total RMB'Million	Non-controlling interests RMB'Million	Total equity RMB'Million
Balance at 1 January 2019	–	27,294	(4,173)	729	299,660	323,510	32,697	356,207
Comprehensive income								
Profit for the period	–	–	–	–	27,210	27,210	646	27,856
Other comprehensive income, net of tax:								
– share of other comprehensive loss of associates and joint ventures	–	–	–	(26)	–	(26)	–	(26)
– net gains from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	13,903	–	13,903	362	14,265
– currency translation differences	–	–	–	(1,947)	–	(1,947)	(52)	(1,999)
– other fair value losses, net	–	–	–	(649)	–	(649)	–	(649)
Total comprehensive income for the period	–	–	–	11,281	27,210	38,491	956	39,447
Share of other changes in net assets of associates	–	–	–	695	–	695	–	695
Transactions with equity holders								
Capital injection	–	–	–	–	–	–	170	170
Employee share option schemes:								
– value of employee services	–	567	–	10	–	577	10	587
– proceeds from shares issued	–	22	–	–	–	22	–	22
Employee share award schemes:								
– value of employee services	–	1,263	–	122	–	1,385	80	1,465
– shares withheld for share award schemes	–	–	(176)	–	–	(176)	–	(176)
– vesting of awarded shares	–	(253)	253	–	–	–	–	–
Tax benefit from share-based payments	–	–	–	2	–	2	–	2
Profit appropriations to statutory reserves	–	–	–	14	(14)	–	–	–
Dividends	–	–	–	–	3	3	(23)	(20)
Non-controlling interests arising from business combination	–	–	–	–	–	–	(4)	(4)
Acquisition of additional equity interests in non-wholly owned subsidiaries	–	12	–	(50)	–	(38)	(20)	(58)
Dilution of interests in subsidiaries	–	–	–	(49)	–	(49)	31	(18)
Transfer of equity interests of subsidiaries to non-controlling interests	–	488	–	(948)	–	(460)	444	(16)
Total transactions with equity holders at their capacity as equity holders for the period	–	2,099	77	(899)	(11)	1,266	688	1,954
Balance at 31 March 2019	–	29,393	(4,096)	11,806	326,859	363,962	34,341	398,303

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Unaudited Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
Net cash flows generated from operating activities	**54,661**	28,799
Net cash flows used in investing activities	**(52,253)**	(21,376)
Net cash flows (used in)/generated from financing activities	**(761)**	5,580
Net increase in cash and cash equivalents	**1,647**	13,003
Cash and cash equivalents at beginning of the period	**132,991**	97,814
Exchange gains/(losses) on cash and cash equivalents	**632**	(1,125)
Cash and cash equivalents at end of the period	**135,270**	109,692
Analysis of balances of cash and cash equivalents:		
Bank balances and cash	**65,625**	45,066
Term deposits and highly liquid investments with initial terms within three months	**69,645**	64,626
	135,270	109,692

Note:

1 General information, basis of preparation and presentation

The Company was incorporated in the Cayman Islands with limited liability. The shares of the Company have been listed on the Main Board of the Stock Exchange since 16 June 2004.

The Company is an investment holding company. The Group is principally engaged in the provision of VAS, FinTech and Business Services and Online Advertising services.

The condensed consolidated interim financial information comprises the consolidated statement of financial position as at 31 March 2020, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for three months then ended, and a summary of significant accounting policies and other explanatory notes (the "Interim Financial Information"). The Interim Financial Information is presented in RMB, unless otherwise stated.

The Interim Financial Information has not been audited but has been reviewed by the external auditor of the Company.

The Interim Financial Information has been prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2019, which have been prepared in accordance with IFRS, as set out in the 2019 annual report of the Company dated 18 March 2020 (the "2019 Financial Statements").

Except as described below, the accounting policies and method of computation used in the preparation of the Interim Financial Information are generally consistent with those used in the 2019 Financial Statements in all material aspects, which have been prepared in accordance with IFRS under the historical cost convention, as modified by the revaluation of FVPL, FVOCI, certain other financial liabilities and derivative financial instruments, which are carried at fair values.

Taxes on income for the interim period are accrued using the estimated tax rates that would be applicable to expected total annual assessable profit.

The following standards and amendments have been adopted by the Group for the first time for the financial year beginning on 1 January 2020:

Amendments to IAS 1 and IAS 8	Definition of material
Amendments to IFRS 3	Definition of a business
Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of these new and amended standards does not have significant impact on the consolidated financial statements of the Group.

2 Segment information

The Group has the following reportable segments for the three months ended 31 March 2020 and 2019:

– VAS;

– FinTech and Business Services;

– Online Advertising; and

– Others.

The "Others" business segment consists of the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.

There were no material inter-segment sales during the three months ended 31 March 2020 and 2019. The revenues from external customers reported to the chief operating decision-makers are measured in a manner consistent with that applied in the consolidated income statement.

The segment information provided to the chief operating decision-makers for the reportable segments for the three months ended 31 March 2020 and 2019 is as follows:

	Unaudited Three months ended 31 March 2020				
	VAS **RMB' Million**	**FinTech and Business Services** **RMB' Million**	**Online Advertising** **RMB' Million**	**Others** **RMB' Million**	**Total** **RMB' Million**
Segment revenues	**62,429**	**26,475**	**17,713**	**1,448**	**108,065**
Gross profit/(loss)	**36,852**	**7,382**	**8,710**	**(150)**	**52,794**
Cost of revenues					
Depreciation	**1,055**	**2,015**	**748**	**26**	**3,844**
Amortisation	**3,478**	**–**	**1,450**	**486**	**5,414**

	Unaudited				
	Three months ended 31 March 2019				
	VAS	FinTech and Business Services	Online Advertising	Others	Total
	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million
Segment revenues	48,974	21,789	13,377	1,325	85,465
Gross profit/(loss)	28,193	6,208	5,601	(182)	39,820
Cost of revenues					
Depreciation	731	1,398	484	25	2,638
Amortisation	3,107	–	2,237	341	5,685

3 Other gains, net

	Unaudited	
	Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
Net gains on disposals and deemed disposals of investee companies (a)	**3,647**	3,667
Net fair value gains on FVPL (b)	**1,317**	5,183
Impairment reversal/(provision) for investee companies (c)	**487**	(127)
Subsidies and tax rebates	**2,115**	883
Net fair value gains on other financial instruments	**308**	1,696
Donations (d)	**(2,600)**	(700)
Dividends income	**408**	242
Others (e)	**(1,645)**	245
	4,037	11,089

Note:

(a) The disposal and deemed disposal gains of approximately RMB3,647 million recognised during the three months ended 31 March 2020 mainly comprised aggregate net gains of approximately RMB2,577 million on deemed disposals and net gains of approximately RMB1,070 million on disposals.

(b) Net fair value gains on FVPL during the three months ended 31 March 2020 comprised net gains of approximately RMB1,317 million as a result of increases in valuations of certain FVPL.

(c) The impairment reversal/(provision) for investee companies mainly comprised the following:

	Unaudited Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
Investments in associates	**1,345**	(127)
Investments in joint ventures	**(858)**	–
	487	(127)

(d) The donations mainly included emergency funds to offer the support to pandemic-related programs and medical research.

(e) Others mainly comprised provision on accounts receivable and other receivables.

4 Expenses by nature

	Unaudited Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
Transaction costs (a)	**21,733**	18,463
Employee benefits expenses (b)	**15,143**	11,616
Content costs (excluding amortisation of intangible assets)	**12,262**	11,257
Amortisation of intangible assets (c)	**5,878**	5,915
Promotion and advertising expenses	**5,549**	3,321
Bandwidth and server custody fees (excluding depreciation of right-of-use assets)	**5,121**	4,078
Depreciation of property, plant and equipment, investment properties and right-of-use assets	**4,763**	3,406
Travelling and entertainment expenses	**159**	334

Note:

(a) Transaction costs primarily consist of bank handling fees, channel and distribution costs.

(b) During the three months ended 31 March 2020, the Group incurred expenses for the purpose of R&D of approximately RMB8,005 million (three months ended 31 March 2019: approximately RMB6,489 million), which mainly comprised employee benefits expenses of approximately RMB6,800 million (three months ended 31 March 2019: approximately RMB5,429 million).

During the three months ended 31 March 2020, employee benefits expenses included the share-based compensation expenses of approximately RMB3,435 million (three months ended 31 March 2019: approximately RMB2,033 million).

No significant development expenses had been capitalised for the three months ended 31 March 2020 and 2019.

(c) Amortisation charges of intangible assets is mainly in respect of media content including game licenses, video and music contents, and literature copyrights. During the three months ended 31 March 2020, amortisation of media content was approximately RMB5,408 million (three months ended 31 March 2019: approximately RMB5,677 million).

During the three months ended 31 March 2020, amortisation of intangible assets included the amortisation of intangible assets resulting from business combinations of approximately RMB639 million (three months ended 31 March 2019: approximately RMB114 million).

5 Income tax expense

Income tax expense is recognised based on management's best knowledge of the income tax rates expected for the financial year.

(a) Cayman Islands and British Virgin Islands corporate income tax

The Group was not subject to any taxation in the Cayman Islands and the British Virgin Islands for the three months ended 31 March 2020 and 2019.

(b) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profit for the three months ended 31 March 2020 and 2019.

(c) PRC CIT

PRC CIT has been provided for at applicable tax rates under the relevant regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profit of entities within the Group established in the Mainland China for the three months ended 31 March 2020 and 2019. The general PRC CIT rate is 25% for the three months ended 31 March 2020 and 2019.

Certain subsidiaries of the Group in the Mainland China were approved as High and New Technology Enterprises, and accordingly, they were subject to a preferential corporate income tax rate of 15% for the three months ended 31 March 2020 and 2019. Moreover, according to announcement and circular issued by relevant government authorities, certain subsidiaries that qualified as national key software enterprises were subject to a preferential corporate income tax rate of 10%.

In addition, according to relevant tax circulars issued by the Mainland China tax authorities, certain subsidiaries of the Company are entitled to other tax concessions, mainly including the preferential policy of "2-year exemption and 3-year half rate concession" and the preferential tax rate of 15% applicable for some subsidiaries located in certain areas of the Mainland China upon fulfillment of certain requirements of the respective local governments.

(d) Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions, including the United States, Europe, East Asia and South America, has been calculated on the estimated assessable profit for the three months ended 31 March 2020 and 2019 at the respective rates prevailing in the relevant jurisdictions, ranging from 12.5% to 35%.

(e) Withholding tax

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Mainland China to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong, under the double taxation arrangement between the Mainland China and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

Dividends distributed from certain jurisdictions that the Group's entities operate in are also subject to withholding tax at respective applicable tax rates.

The income tax expense of the Group for the three months ended 31 March 2020 and 2019 are analysed as follows:

	Unaudited	
	Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
Current income tax	**7,330**	4,442
Deferred income tax	**(1,438)**	370
	5,892	4,812

6 Earnings per share

(a) Basic

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited	
	Three months ended 31 March	
	2020	2019
Profit attributable to equity holders of the Company (RMB'Million)	**28,896**	27,210
Weighted average number of ordinary shares in issue (million shares)	**9,476**	9,457
Basic EPS (RMB per share)	**3.049**	2.877

(b) Diluted

The share options and awarded shares granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and awarded shares granted by the Company (collectively forming the denominator for computing the diluted EPS).

In addition, the profit attributable to equity holders (numerator) has been adjusted by the effect of the share options and restricted shares granted by the Company's non-wholly owned subsidiaries and associates, excluding those which have anti-dilutive effect to the Group's diluted EPS.

	Unaudited Three months ended 31 March	
	2020	2019
Profit attributable to equity holders of the Company (RMB'Million)	**28,896**	27,210
Dilution effect arising from share-based awards issued by non-wholly owned subsidiaries and associates (RMB'Million)	**(90)**	–
Profit attributable to equity holders of the Company for the calculation of diluted EPS (RMB'Million)	**28,806**	27,210
Weighted average number of ordinary shares in issue (million shares)	**9,476**	9,457
Adjustments for share options and awarded shares (million shares)	**128**	111
Weighted average number of ordinary shares for the calculation of diluted EPS (million shares)	**9,604**	9,568
Diluted EPS (RMB per share)	**2.999**	2.844

7 Dividends

A final dividend in respect of the year ended 31 December 2019 of HKD1.20 per share (2018: HKD1.00 per share) was proposed pursuant to a resolution passed by the Board on 18 March 2020 and subject to the approval of the shareholders at the 2020 AGM. This proposed dividend is not reflected as dividend payable in the Interim Financial Information.

The Board did not declare any interim dividend for the three months ended 31 March 2020 and 2019.

8 Investments in associates

	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
Investments in associates		
– Listed entities (Note)	**143,121**	141,350
– Unlisted entities	**81,384**	72,264
	224,505	213,614

Note:

As at 31 March 2020, the fair value of the investments in associates which were listed entities was RMB327,959 million (31 December 2019: RMB334,688 million).

Movement of investments in associates is analysed as follows:

	Unaudited Three months ended 31 March	
	2020 RMB'Million	2019 RMB'Million
At beginning of period	**213,614**	219,215
Additions (a)	**12,125**	5,700
Transfers (b)	**(2,710)**	3,303
Deemed disposal gains	**–**	3,609
Share of profit/(loss) of associates	**22**	(2,771)
Share of other comprehensive loss of associates	**(25)**	(26)
Share of other changes in net assets of associates	**736**	695
Dividends	**(4)**	(33)
Disposals	**(1,320)**	(68)
Impairment reversal/(provision), net (c)	**1,345**	(127)
Currency translation differences	**722**	(1,115)
At end of period	**224,505**	228,382

Note:

(a) During the three months ended 31 March 2020, the Group's additions to investments in associates mainly comprised the following:

  (i) a consortium (the "Consortium") formed together with TME, a non-wholly owned subsidiary of the Company, and certain global financial investors to acquire 10% equity interests in Universal Music Group from its parent company, Vivendi S.A.. According to the subscription agreements, the Group has significant influence on the Consortium. The Group's investment in the Consortium amounts to approximately EUR1,182 million (equivalent to approximately RMB9,093 million). As a result, the investment in the Consortium has been accounted for as an associate by the Group; and

  (ii) new associates and additional investments in existing associates with an aggregate amount of approximately RMB3,032 million during the three months ended 31 March 2020. These associates are principally engaged in software, digital medical and other Internet-related business.

(b) During the three months ended 31 March 2020, transfers comprised an aggregate amount of approximately RMB2,710 million, which mainly included investment in an associate of an aggregate amount of approximately RMB2,349 million transferred to FVOCI as a result of retirement of a board representative, and investments in associates of approximately RMB361 million transferred to FVPL as a result of changes in nature of these investments.

(c) During the three months ended 31 March 2020, the Group made an aggregate net impairment reversal of approximately RMB1,345 million (three months ended 31 March 2019: aggregate impairment provision of approximately RMB127 million) against the carrying amounts of certain investments in associates, which includes impairment loss of approximately RMB1,139 million recognised and approximately RMB2,484 million reversed. The impairment reversal/ provision mainly resulted from revisions of financial/business outlook of the associates and changes in the market environment of the underlying business.

9 Financial assets at fair value through profit or loss

FVPL include the following:

	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
Included in non-current assets:		
Investments in listed entities	**10,553**	10,408
Investments in unlisted entities	**132,523**	111,761
Treasury investments and others	**6,853**	6,653
	149,929	128,822
Included in current assets:		
Investment in a listed entity	**14**	15
Treasury investments and others	**6,557**	7,099
	6,571	7,114
	156,500	135,936

Movement of FVPL is analysed as follows:

	Unaudited Three months ended 31 March 2020 RMB'Million	Unaudited Three months ended 31 March 2019 RMB'Million
At beginning of period	**135,936**	97,877
Additions and transfers (a)	**19,360**	5,946
Changes in fair value (Note 3(b))	**1,317**	5,183
Disposals and others	**(2,671)**	(3,316)
Currency translation differences	**2,558**	(1,918)
At end of period	**156,500**	103,772

Note:

(a) During the three months ended 31 March 2020, the Group's additions and transfers to FVPL mainly comprised the following:

(i) an additional investment in an online video-sharing services platform of approximately USD1,499 million (equivalent to approximately RMB10,343 million). As at 31 March 2020, the Group's equity interests in this investee company are approximately 19% on an outstanding basis;

(ii) new investments and additional investments with an aggregate amount of approximately RMB8,656 million in listed and unlisted entities. These companies are principally engaged in eCommerce, online education, Internet platform, technology and other Internet-related businesses; and

(iii) an investee company of approximately RMB361 million transferred from investment in an associate (Note 8(b)).

10 Financial assets at fair value through other comprehensive income

FVOCI include the following:

	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
Equity investments in listed entities	**71,773**	74,707
Equity investments in unlisted entities	**8,403**	7,014
	80,176	81,721

Movement of FVOCI is analysed as follows:

	Unaudited Three months ended 31 March	
	2020	2019
	RMB'Million	RMB'Million
At beginning of period	**81,721**	43,519
Additions and transfers (a)	**6,215**	1,132
Changes in fair value	**(7,511)**	14,354
Disposals	**(1,539)**	–
Currency translation differences	**1,290**	(798)
At end of period	**80,176**	58,207

Note:

(a) It comprised transfers of approximately RMB2,349 million (Note 8(b)), step down gains due to an investee company transferred from investment in an associate of approximately RMB2,592 million and new and additional investments of approximately RMB1,274 million.

11 Accounts receivable

Accounts receivable and their ageing analysis, based on recognition date, are as follows:

	Unaudited	Audited
	31 March	31 December
	2020	2019
	RMB'Million	RMB'Million
0 ~ 30 days	**16,462**	15,582
31 ~ 60 days	**12,145**	10,222
61 ~ 90 days	**5,928**	5,035
Over 90 days	**8,334**	5,000
	42,869	35,839

Receivable balances as at 31 March 2020 and 31 December 2019 mainly represented amounts due from online advertising customers and agencies, FinTech and cloud customers, and third party platform providers.

Some online advertising customers and agencies are usually granted with a credit period within 90 days immediately following the month-end in which the relevant obligation under the relevant contracted advertising orders is delivered. Third party platform providers usually settle the amounts due by them within 60 days. Other customers, mainly including FinTech and cloud customers, are usually granted with a credit period within 90 days.

12 Share-based payments

(a) Share option schemes

The Company has adopted five share option schemes, namely, the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II, the Post-IPO Option Scheme III and the Post-IPO Option Scheme IV.

The Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III expired on 31 December 2011, 23 March 2014, 16 May 2017 and 13 May 2019, respectively. Upon the expiry of these schemes, no further options would be granted under these schemes, but the options granted prior to such expiry continued to be valid and exercisable in accordance with provisions of the schemes. As at 31 March 2020, there were no outstanding options exercisable of the Pre-IPO Option Scheme, the Post-IPO Option Scheme I and the Post-IPO Option Scheme III.

In respect of the Post-IPO Option Scheme IV which continues to be in force, the Board may, at its discretion, grant options to any qualifying participants to subscribe for shares in the Company, subject to the terms and conditions stipulated therein. The exercise price must be in compliance with the requirement under the Listing Rules. In addition, the option vesting period is determined by the Board provided that it is not later than the last day of a 7-year period for the Post-IPO Option Scheme IV after the date of grant of option.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Post-IPO Option Scheme II		Post-IPO Option Scheme IV		Total
	Average exercise price	No. of options	Average exercise price	No. of options	No. of options
At 1 January 2020	**HKD185.86**	**50,358,800**	**HKD375.36**	**61,738,193**	**112,096,993**
Granted	–	–	**HKD360.01**	**7,514,304**	**7,514,304**
Exercised	**HKD197.35**	**(230,019)**	**HKD294.12**	**(331,936)**	**(561,955)**
Lapsed/forfeited	–	–	**HKD344.14**	**(169,442)**	**(169,442)**
At 31 March 2020	**HKD185.81**	**50,128,781**	**HKD374.15**	**68,751,119**	**118,879,900**
Exercisable as at 31 March 2020	**HKD179.67**	**43,000,228**	**HKD366.22**	**10,717,055**	**53,717,283**
At 1 January 2019	HKD185.25	51,499,010	HKD374.52	36,277,234	87,776,244
Exercised	HKD164.33	(63,087)	HKD272.36	(55,513)	(118,600)
Lapsed/forfeited	–	–	HKD342.83	(82,218)	(82,218)
At 31 March 2019	HKD185.28	51,435,923	HKD374.75	36,139,503	87,575,426
Exercisable as at 31 March 2019	HKD172.08	34,234,411	HKD279.92	1,756,195	35,990,606

During the three months ended 31 March 2020, 4,399,815 options were granted to one director of the Company (three months ended 31 March 2019: Nil).

(b) Share award schemes

The Company has adopted the Share Award Schemes as of 31 March 2020, which are administered by an independent trustee appointed by the Group. The vesting period of the awarded shares is determined by the Board.

Movements in the number of awarded shares for the three months ended 31 March 2020 and 2019 are as follows:

	Number of awarded shares Three months ended 31 March	
	2020	2019
At beginning of period	**76,615,755**	50,247,895
Granted	**10,658,234**	2,937,998
Lapsed/forfeited	**(826,918)**	(702,568)
Vested and transferred	**(3,689,645)**	(3,713,496)
At end of period	**82,757,426**	48,769,829
Vested but not transferred as at the end of period	**77,227**	992,996

During the three months ended 31 March 2020, 59,500 awarded shares were granted to five independent non-executive directors of the Company (three months ended 31 March 2019: Nil).

13 Accounts payable

Accounts payable and their ageing analysis, based on invoice date, are as follows:

	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
0 ~ 30 days	**80,036**	67,054
31 ~ 60 days	**1,278**	2,975
61 ~ 90 days	**1,036**	1,442
Over 90 days	**5,826**	9,219
	88,176	80,690

14 Borrowings

	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
Included in non-current liabilities:		
Non-current portion of long-term USD bank borrowings, unsecured (a)	**112,759**	88,354
Non-current portion of long-term EUR bank borrowings, unsecured (a)	**1,172**	1,172
Non-current portion of long-term RMB bank borrowings, unsecured (a)	**10,194**	10,196
Non-current portion of long-term HKD bank borrowings, unsecured (a)	**–**	4,535
	124,125	104,257
Included in current liabilities:		
USD bank borrowings, unsecured (b)	**4,889**	6,627
HKD bank borrowings, unsecured (b)	**5,618**	9,298
RMB bank borrowings, unsecured (b)	**3,976**	902
RMB bank borrowings, secured (b)	**190**	201
Current portion of long-term USD bank borrowings, unsecured (a)	**142**	140
Current portion of long-term RMB bank borrowings, unsecured (a)	**714**	4,633
Current portion of long-term HKD bank borrowings, unsecured (a)	**912**	894
	16,441	22,695
	140,566	126,952

Note:

(a) The aggregate principal amounts of long-term bank borrowings and applicable interest rates were as follows:

	Unaudited 31 March 2020		Audited 31 December 2019	
	Amount (Million)	**Interest rate (per annum)**	Amount (Million)	Interest rate (per annum)
USD bank borrowings	**USD15,935**	**LIBOR + 0.70% ~1.27%**	USD12,685	LIBOR + 0.70% ~1.27%
EUR bank borrowings	**EUR 150**	**0.52%**	EUR150	0.52%
HKD bank borrowings	**HKD1,000**	**HIBOR +0.70%**	HKD6,070	HIBOR +0.70% ~0.80%
RMB bank borrowings	**RMB10,908**	**4.18% ~ 5.70%**	RMB14,829	4.18% ~ 5.70%

(b) The aggregate principal amounts of short-term bank borrowings and applicable interest rates were as follows:

	Unaudited 31 March 2020		Audited 31 December 2019	
	Amount (Million)	**Interest rate (per annum)**	Amount (Million)	Interest rate (per annum)
USD bank borrowings	**USD690**	**LIBOR + 0.5% or 2.02%~2.04%**	USD950	LIBOR + 0.5%
HKD bank borrowings	**HKD6,160**	**HIBOR + 0.50%**	HKD10,395	HIBOR + 0.45% ~0.50%
RMB bank borrowings	**RMB4,166**	**3.55% ~ 5.22%**	RMB1,103	3.60% ~ 5.22%

15 Notes payable

	Unaudited 31 March 2020 RMB'Million	Audited 31 December 2019 RMB'Million
Included in non-current liabilities:		
Non-current portion of long-term USD notes payable	**84,640**	83,327
Included in current liabilities:		
Current portion of long-term USD notes payable	**–**	7,672
Current portion of long-term HKD notes payable	**1,094**	2,862
	1,094	10,534
	85,734	93,861

Note:

The aggregate principal amounts of USD notes payable and HKD notes payable were USD12,000 million (31 December 2019: USD13,100 million) and HKD1,200 million (31 December 2019: HKD3,200 million), respectively. Applicable interest rates were at 2.90% ~ 4.70% and 3-month USD LIBOR + 0.605%~0.910% (31 December 2019: 2.875% ~ 4.70% and 3-month USD LIBOR + 0.605% ~ 0.910%) per annum.

During the three months ended 31 March 2020, the notes payable with an aggregate principal amount of USD1,100 million issued in February 2015 and an aggregate principal amount of HKD2,000 million issued in May 2014 reached their maturity and were repaid in full by the Group.

All of these notes payable issued by the Group were unsecured.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the three months ended 31 March 2020.

Employee and Remuneration Policies

As at 31 March 2020, the Group had 64,238 employees (31 March 2019: 54,623). The number of employees employed by the Group varies from time to time depending on needs and employees are remunerated based on industry practice.

The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds and in-house training programmes, discretionary bonuses, share awards and share options may be awarded to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Group for the three months ended 31 March 2020 was RMB15,143 million (for the three months ended 31 March 2019: RMB11,616 million).

Audit Committee

The Audit Committee, together with the Auditor, has reviewed the Group's unaudited Interim Financial Information for the three months ended 31 March 2020. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

Compliance with the Corporate Governance Code

Save as disclosed in the corporate governance report in the 2019 annual report of the Company, none of the directors of the Company is aware of any information which would reasonably indicate that the Company has not complied with the code provisions as set out in the CG Code during the period from 1 January 2020 to 31 March 2020.

As to the deviation from code provisions A.2.1 and A.4.2 of the CG Code, the Board will continue to review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt gratitude to our conscientious and professional staff and management team for their hard work. I would also like to extend our thanks and appreciation to our shareholders and stakeholders who continue to provide us with great support and confidence. We believe that our continued commitment to building an ecosystem in the Consumer Internet and Industrial Internet sectors that brings the needs of our users to the forefront will produce long-term value for our shareholders.

By Order of the Board
Ma Huateng
Chairman

Hong Kong, 13 May 2020

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, Yang Siu Shun and Ke Yang.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. 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 the future. Underlying these forward-looking statements are a lot of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.

DEFINITION

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

Term	Definition
"2020 AGM"	the annual general meeting of the Company to be held on 13 May 2020 or any adjournment thereof
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the auditor of the Company
"Board"	the board of directors of the Company
"CG Code"	the corporate governance code as set out in Appendix 14 to the Listing Rules
"China Literature"	China Literature Limited, a non-wholly owned subsidiary of the Company, which is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
"Company"	Tencent Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange
"DAU"	daily active user accounts
"DnF"	Dungeon and Fighter
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"eCPM"	effective cost per mille

"EPS"	earnings per share
"EUR"	the lawful currency of European Union
"FinTech"	financial technology
"FMCG"	fast moving consumer goods
"FVOCI"	financial assets at fair value through other comprehensive income
"FVPL"	financial assets at fair value through profit or loss
"Group"	the Company and its subsidiaries
"HIBOR"	Hong Kong InterBank Offered Rate
"HKD"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region, the PRC
"IAS"	International Accounting Standards
"IFRS"	International Financial Reporting Standards
"IP"	intellectual property
"IPO"	initial public offering
"LIBOR"	London InterBank Offered Rate
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"M&A"	mergers and acquisitions
"MAU"	monthly active user accounts
"NBA"	National Basketball Association
"PC"	personal computer
"Post-IPO Option Scheme I"	the Post-IPO Share Option Scheme adopted by the Company on 24 March 2004
"Post-IPO Option Scheme II"	the Post-IPO Share Option Scheme adopted by the Company on 16 May 2007
"Post-IPO Option Scheme III"	the Post-IPO Share Option Scheme adopted by the Company on 13 May 2009
"Post-IPO Option Scheme IV"	the Post-IPO Share Option Scheme adopted by the Company on 17 May 2017
"PRC" or "China"	the People's Republic of China
"PRC CIT"	PRC corporate income tax as defined in the "Corporate Income Tax Law of the People's Republic of China"
"Pre-IPO Option Scheme"	the Pre-IPO Share Option Scheme adopted by the Company on 27 July 2001
"PUBG"	PlayerUnknown's Battlegrounds
"R&D"	research and development
"Riot Games"	Riot Games, Inc., a company established in the US

"RMB"	the lawful currency of the PRC
"Share Award Schemes"	the share award scheme adopted by the Company on 13 December 2007, the share award scheme adopted by the Company on 13 November 2013, and the share award scheme adopted by the Company on 25 November 2019, as amended from time to time
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TME"	Tencent Music Entertainment Group, a limited liability company incorporated under the laws of the Cayman Islands and the shares of which are listed on the New York Stock Exchange
"United States" or "US"	the United States of America
"USD"	the lawful currency of the United States
"VAS"	value-added services

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