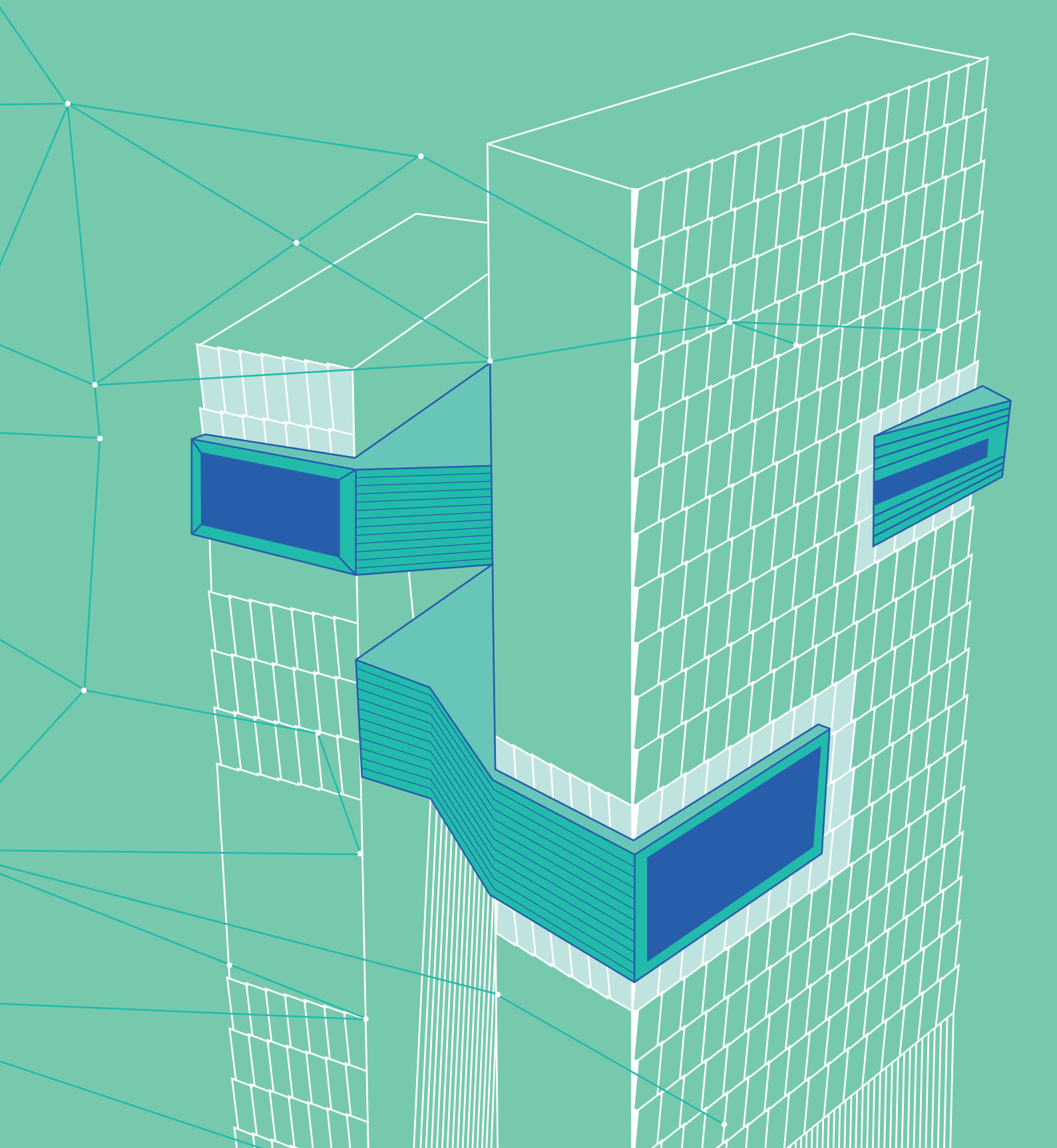
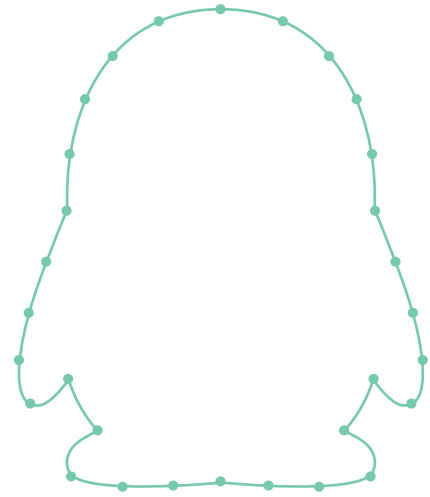
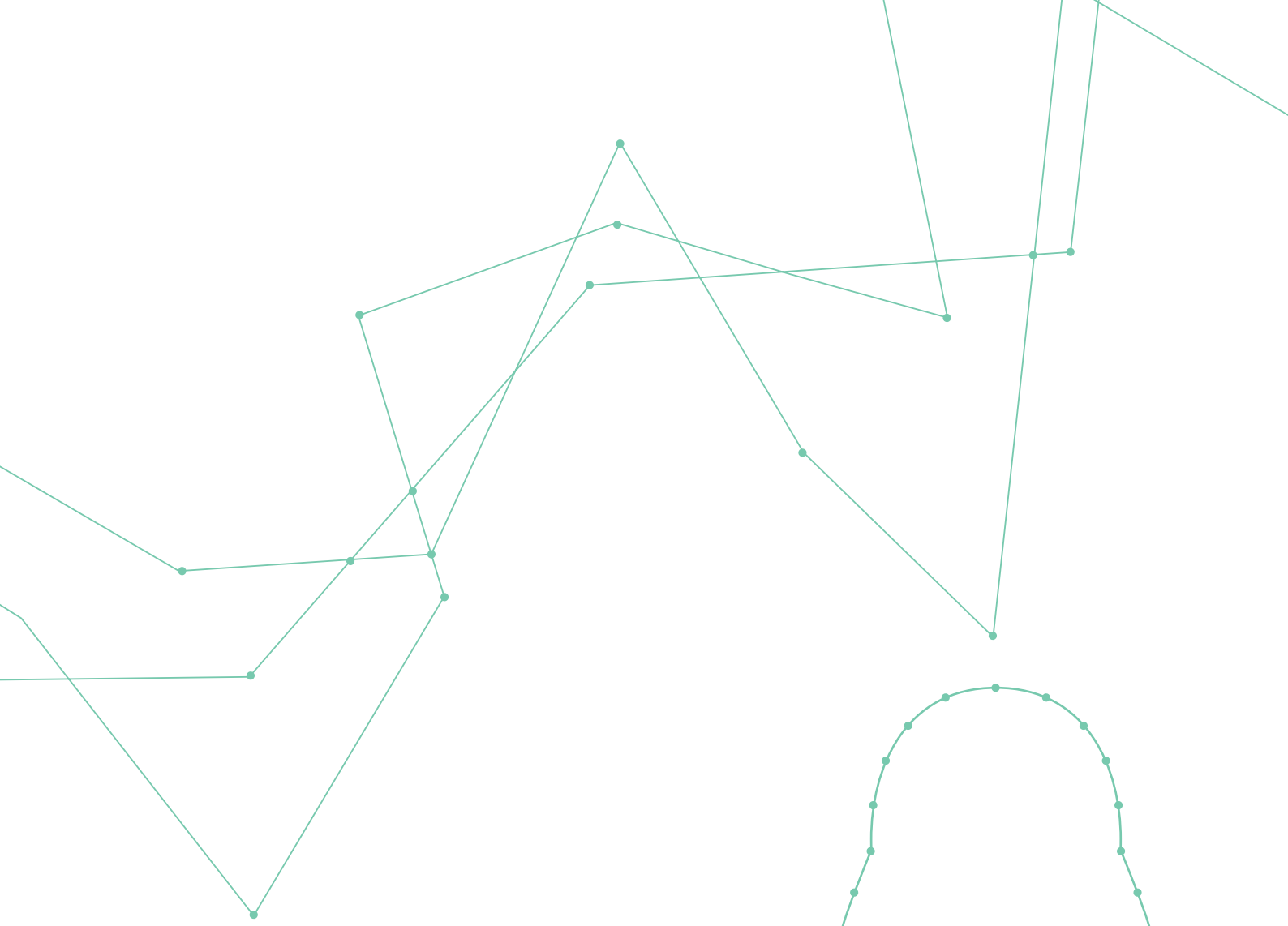


Tencent 腾讯

Condensed Corporate
Social Responsibility Report 2017
Smart Connection Better Life





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About This Report

Tencent Holdings Limited (“Tencent”) is pleased to publish its Condensed Corporate Social Responsibility (CSR) Report 2017, entitled *Smart Connection, Better Life*. This report, supplementing the Environment, Social and Governance (ESG) Report Tencent publishes as a Hong Kong-listed company, is an ongoing initiative to engage the international investment community and stakeholders as Tencent deepens its CSR efforts.

CSR is a strategic focus for Tencent. The company believes that a successful enterprise should weave social responsibility into the fibre of its business. As a leading provider of Internet value added services in China, Tencent’s innovative products and thriving ecosystem connect hundreds of millions of users, entrepreneurs, developers and business partners, who are key players in the economy. The company is well aware of the substantial responsibility it takes – not just for its community, the environment and its employees, but also for the well-being of a huge population.

This report outlines Tencent’s CSR strategy and approach and its achievements on CSR in 2017, as well as explains how it develops products and industry solutions that enhance the efficiency of businesses and the quality of people’s lives. It also introduces Tencent’s initiatives, and those of the Tencent Charity Foundation, that address community engagement, environmental protection and employee development. Tencent has recently refreshed its strategy and set a clear focus on “Technology + Culture”. This report will therefore emphasise Tencent’s innovative approach towards enriching traditional culture, and towards equipping the young generation with the right attitudes towards technology in the Internet era.

As a listed company in Hong Kong, Tencent complies with the statutory requirements on ESG reporting. This condensed report covers Tencent’s CSR initiatives in 2017 with post-reporting updates, and supplements the ESG report Tencent publishes as a listed company. It was developed with reference to the guidelines of the United Nations Global Compact (UNGC), the Global Reporting Initiative (GRI) and the Chinese Academy of Social Sciences at the time of writing.

Tencent is committed to engaging a wide group of stakeholders in driving the implementation of its CSR initiatives. In doing so, it aims to build a responsible Internet-based technology and cultural enterprise in a sustainable ecosystem that brings benefits to users, entrepreneurs, developers and partners, and creates value for its shareholders.



Messages From The Management Team



MA, HUATENG (PONY MA)

Co-Founder, Executive Director, Chairman
and Chief Executive Officer of Tencent

Co-Founder and Honorary President of
Tencent Charity Foundation

马化腾



ENHANCING QUALITY OF LIFE THROUGH DIGITAL INNOVATION

Since Tencent's founding 19 years ago, China has witnessed the rapid development of the Internet industry. Having been built from the ground up, the industry's extensive technological transformations and its impact on our economy are indeed remarkable. Today, we are standing at a historical crossroad, ready to welcome full-blown digitalisation across sectors.

This year, we have seen comprehensive digitalisation sweeping across China's economic and social landscapes at an unprecedented pace in terms of both breadth and depth. Digitalisation has reached beyond business to touch practically all aspects of an individual's life, from basic life necessities to government affairs. The digital technology previously associated with the Internet is being deeply integrated with a wide range of verticals.

Digital platforms have been evolving from "multi-user" to "omni-user" models, attracting an increased number of public, private, and NGO players to become users of digital platforms. The expanded scope of users has brought challenges to Internet companies in terms of their business models, corporate structures, and awareness of corporate responsibilities. We at Tencent recognise the importance of persistently fulfilling our social responsibilities and pursuing sustainable development of business.

In the digital age, our stakeholders, including employees, users, shareholders, business partners, charity organisations, and the communities in which we operate, co-exist in an increasingly interactive and interconnected "digital ecosystem".

There are no bystanders in the digital age. Every action impacts the ecosystem. As a platform in this digital ecology, Tencent will proactively shoulder more responsibilities in order to minimise the adverse impact on the ecosystem. We are deeply rooted in the digital ecology and are committed

to protecting the sustainability and health of the entire digital environment. We offer forward-thinking solutions and aim to act as a role model in the areas of technology development, applications, partnerships, as well as cyber security and privacy protection. We will work hard to promote the common good and create win-win situations with our stakeholders.

Weixin (also known as WeChat in international markets) has become the first mobile application in China to reach more than one billion monthly active users. Our strategy is to develop digital products and services that serve users' needs and are easy to use, especially for underprivileged demographics such as the elderly, the young, and those who live in remote and impoverished areas. We want everyone everywhere to enjoy the benefits of digitalisation. Leveraging our digital platform, Tencent offers solutions that address the "Last Mile" challenge, improving the accessibility of public services. We hope to facilitate the digitalisation of a wide range of industries, reducing their costs and improving operational efficiency through digital innovation. We also hope that our expertise and tools can help a greater number of entrepreneurs and start-ups grow into "unicorns". To incite enthusiasm for technological innovation among younger generations, Tencent is launching initiatives to strengthen the communication and cooperation between Guangdong, Hong Kong and Macau to help turn the Greater Bay Area into an enabling ground for innovation. We also aim to build digital technology that enables charity organisations to enhance transparency and build public trust, empowering users to make every good deed more impactful.

Looking forward, Tencent is committed to continuously enhancing lives through innovative digital technology. This mission is what inspired us at our founding and what has kept us motivated ever since. We are excited to adopt "Technology + Culture" as our new corporate development focus and look forward to working on integrating rich cultural content into our technology. Through digital technology, we are committed to shaping a better future for our company and the world at large.

LAU, CHIPING (Martin Lau)

President and Executive Director of Tencent

Co-Founder and Advisory Board Member of
Tencent Charity Foundation

刘炽平



INTEGRATING SOCIAL RESPONSIBILITY INTO EVERY PRODUCT WE DEVELOP

It has been a year of rapid growth for Tencent and the Internet industry as a whole. With such growth, our social responsibilities have increasingly and rightfully become the focus of public attention, in line with our growing number of users, product offerings, and market capitalisation. Tencent has responded by embarking on a new phase of development, which will bring together cultural elements and technological capabilities. We have also aligned our social responsibilities with our business objectives. Our future will be driven by the new direction on “Technology + Culture”.

As one of the most popular mobile applications in China, Weixin is leading the development of a robust digital ecosystem in China. In 2017, it created 20.3 million jobs, twice as many as just four years ago. It also facilitated the consumption of some RMB209.7 billion worth of information, achieving an average annual growth rate of more than 30% since 2014. Weixin Mini Programs, which are embedded within the Weixin ecosystem that power various functionalities, have been integrated across industries ranging from e-commerce and retail to public services. Such widespread adoption occurred within just the first year of operations as the Mini Programs have become a central element of Tencent’s smart retail solutions and an essential way to connect more people to our network.

QQ, another major product of Tencent, carries the important social responsibility of empowering Internet natives to realise their personal potential and involve them in contributing to social development. Equipped with social functionalities and empowered by advanced artificial intelligence (AI) technology, QQ KanDian has become a popular channel for a vast number of young users to obtain information. Its massive user base also makes it an effective tool for charitable activities such as searching for missing children or rare blood types. “Tech for Good Causes” highlights Tencent’s mission to fulfil its social responsibility through its products.

To safeguard the information and privacy of our hundreds of millions of users, we have established seven major security laboratories. In order to combat telecommunication network-related fraud, we have formed a guardian alliance driven by big data, which has become a collaborative security ecosystem known as the Tencent security model.

A new version of Mobile QQ News for children was launched in March 2017, offering safe, factual, and quality news content to persons aged 12 or below. Given our objective to offer valuable and original content through innovative collaborations with journalists and writers, Tencent is exploring how to deliver the right media content to the right

users to maximise the value of the information consumed on QQ.

On the charity front, Tencent initiated 9.9 Charity Day, China’s first annual Internet charity event. The event invites a few hundred organisations and enterprises to take part in charitable activities across the country. Between 2015 and 2017, the number of event participants rose from 2.1 million to 12.7 million and donations from users increased from RMB100 million to RMB800 million. In 2017, 9.9 Charity Day raised a total amount of more than RMB1.3 billion and supported 6,466 charity projects, setting a new Internet donation record in China. Using our technological capabilities, we are committed to enabling the most transparent charity events in China, creating an open environment for partners to participate in and an innovative platform to put philanthropy into practice and share information.

An increasing number of enterprises and public service organisations are using Tencent’s products. We will continue to maintain an open platform capable of digitally transforming and elevating a large number of industries. We want to “Make AI Everywhere”, a vision requiring an alignment between the development of frontier AI technology and a firm commitment to social responsibility. To exemplify our work toward this vision, we launched Tencent MiYing, a joint collaboration between our AI Lab, Tencent YouTu Lab, and architectural platform teams, which applies image recognition, big data processing, deep learning, and other advanced technology to healthcare. Tencent MiYing is the first AI-based healthcare product to assist doctors in early stage screening, diagnosis, and the treatment of diseases. It offers high-quality and user-friendly medical services to patients across China. As of 2017, Tencent MiYing had been rolled out across 12 large-scale and high-ranking hospitals, helping doctors study over one million medical images every month and increasing the accuracy and efficiency of screening for early stage oesophageal cancer and other diseases.

As a leading Internet company that is bringing together culture and digital technology, Tencent is exploring digital solutions for the conservation of cultural landmarks such as The Forbidden City, Dunhuang and the Great Wall. Gaming-wise, while recognising the social value of digital games and their ability to inspire people, Tencent is likewise aware of the potential problems they can have on younger generations. To address this concern, we launched the Game Guardian Platform, which develops functional games that balance education and entertainment, to protect minors from over-indulgence.

To conclude, we hope to combine our technological capabilities with rich cultural elements as a sustainable way to fulfil our social responsibilities. “Technology + Culture” is our strategy for improving peoples’ quality of life and we look forward to welcoming more organisations and individuals to join us.

CHEN, YIDAN (CHARLES CHEN)

Co-Founder of Tencent

Co-Founder of
Tencent Charity Foundation

陈一丹



USING TECHNOLOGY FOR GOOD CAUSES AND INTELLIGENT CONNECTION

Over the past two years, Tencent has experienced rapid growth and further strengthened our technological capabilities. These developments have helped us to empower businesses and individuals toward their goals and bring about positive societal changes.

As part of Tencent's "Connecting Everything" mission, Weixin is playing a pivotal role. Weixin's monthly active users now exceed one billion. Our other flagship product, QQ, has been quickly gaining popularity among a new generation of netizens. These platforms enhance connectivity and create better lives for our users.

Weixin Mini Programs were officially launched on 9 January 2017 and have fast become a tool that is deeply integrated in people's daily lives, taking us one step closer to "Connecting Everything".

Tencent was established with a mission to empower industries. Using our unique advantages in cloud computing, big data, artificial intelligence (AI) and other technologies, we have stayed true to this mission and continuously developed new technologies for application across China's industrial landscape. We have also committed ourselves to driving social progress through consistent product innovation. We will continue to create new opportunities and expand the possibilities of social development.

With great power comes great responsibility. In the past, Tencent has used scientific and technological strength to drive industry progress and enhance social efficiency. With our "Internet +" strategy and the ability to use the Internet to promote philanthropy, we have proactively shouldered our corporate social responsibility (CSR). Today, we see technology developing in a new direction, forming a more powerful ecosystem. As technology continues to integrate deeper into society, it will become ever more important for users to understand how to use and leverage it properly.

Ten years ago, we established the Tencent Charity Foundation. It was the first of its kind among Chinese Internet companies. Another Tencent "first" was the launch of our CSR Awards in 2017. The Tencent CSR Awards are comprised of two categories, namely, the "Tencent Innovative Charity Awards" and "Tencent Responsibility Awards". These awards demonstrate our commitment to embedding CSR in our operations and using technology for good causes.

Throughout society and within our firm, we support individual participation in charities and strive to make charitable activities a part of our business operations. This report introduces and explains our initiatives in this area. Apart from the well-known Tencent charity platform and 9.9 Charity Day, we are using digital technology to conserve cultural heritage, improve peoples' livelihoods by promoting the digitalisation of public administration, and develop anti-fraud guardian projects to protect families from falling victim to scams. Charitable elements can be found throughout Tencent's industry chain.

That technology can and should be used for good causes is a core belief at Tencent and is the motivation behind every new product we develop.

That said, technological developments have not come without their share of social issues. For example, while data technology offers a better user experience, it has also created a threat of invasions of privacy. We are also weary of the addictive potential of technological gadgets and digital games. Some of these problems can be solved by new technological solutions, while others need improved technological architecture during the product design stage.

We believe that practice is the best approach to effective problem solving. A variety of solutions are being conceived and tested across Tencent's business groups. Apart from completing an anti-addiction system, our gaming team encourages parents to spend more time with their children through offline campaigns such as "One Hour a Week Unplugged Parenting". We encourage constructive and sustainable behavioural changes through nurturing positive attitudes and systematic collaboration.

Tencent launched its "WeCountry" programme nine years ago. Through the success of this programme, we realised that charity and our social responsibility goals are long-term commitments. We believe the programme demonstrates our dedication and perseverance to improve our community through practical actions.

Technological disruptions are revolutionising how we work, live, and learn by changing the way we pay, receive medical services, travel, and consume. The development of emerging technologies, such as AI and bio-technology, are instrumental to "Connecting Everything". This is a time that requires innovators of technology to develop both future-ready products and ones that can be used here and now as a driver for good.

The word "intelligence" inspires us not only to develop smart technology, but also to be wise and empathetic. Let us use such intelligence to create positive changes and better lives through technology.



Tencent's CSR Strategy And Approach

Since our establishment in 1998, we have worked to integrate CSR objectives into our corporate operations, making CSR a core part of our development strategy. We have also connected our stakeholders to facilitate regular interaction and cooperation to address social issues. These initiatives are helping to build a Tencent-based CSR ecosystem and enable the digitalisation of China.



CORPORATE GOVERNANCE

We are a leading provider of Internet value added services in China. In accordance with the Company Law of the People's Republic of China, the Listing Rules of Hong Kong Exchanges and Clearing Limited, and other regulations, our governance structure is as follows:

- We have a single board of directors, with independent non-executive directors accounting for over one-third of the board membership. We also have five committees of the board, namely, the audit committee, corporate governance committee, investment committee, nomination committee, and remuneration committee.
- We have an internal control system through which our management and board of directors ensure compliance with regulatory requirements. Such compliance ultimately amounts to financial and asset protection, including data and information.
- We are committed to upholding integrity in all our transactions with other parties. Trust and respect are emphasised in our Code of Conduct, which applies to all employees and forms part of their service contracts.

CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

THE FOUR DIMENSIONS OF TENCENT'S CSR STRATEGY

Tencent's vision is to become the most respected Internet company. CSR is an integral part of our corporate strategy and has four dimensions. To ensure the effective implementation of CSR programmes across our platforms, we established a designated CSR Department in 2010 and appointed CSR liaison officers in every department and region.






TENCENT'S CSR AWARDS




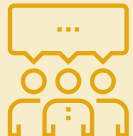
We established the "Tencent CSR Awards" in April 2017 to ensure that CSR is fully integrated into our business operations. Tencent offers two types of "Tencent CSR Awards": the "Tencent Innovative Charity Awards", which encourage business units to use our products to address social issues and to connect netizens with charity causes; and the "Tencent Responsibility Awards", which encourage different company departments to contribute to environmental, consumer, and societal causes, while also generating profits and creating value for shareholders. In the year following the launch of the awards, 30 social responsibility projects were selected based on their innovative approach to solving social issues and improving the quality of lives of those served.

STAKEHOLDER MAPPING

We value the support of all our stakeholders. To highlight this, we have created a stakeholder map and described our responsibilities to each of them:

Tencent's Stakeholders and Related Responsibilities			
Stakeholders	Primary responsibilities	Additional responsibilities	Communication and implementation
 <p>Users</p>	<p>Provide stable and reliable Internet products and services</p>	<ul style="list-style-type: none"> • Respond promptly to users' needs and continuously enhance service quality • Create new lifestyle possibilities for users with innovative products 	<ul style="list-style-type: none"> • Develop the company's "Connecting Everything" strategy based on users' needs, with the aim to enhance user experience • Pioneer new products, technology, and architecture to provide secure and convenient services for users' mobile lifestyles
 <p>Shareholders</p>	<p>Create a sound operating model and generate investment returns for shareholders</p>	<ul style="list-style-type: none"> • Disclose financial and operational information in a timely and accurate manner, in compliance with all relevant rules and regulations • Communicate with investors through various channels, including face-to-face meetings 	<ul style="list-style-type: none"> • Establish a board of directors and produce financial reports on a quarterly basis • Convene regular shareholder meetings and extraordinary general meetings • Set up an Investor Relations Department to communicate with shareholders and investors
 <p>Employees</p>	<p>Develop a comprehensive employee benefits system</p>	<ul style="list-style-type: none"> • Care for employees; provide them with training and career development opportunities • Foster a diverse corporate culture 	<ul style="list-style-type: none"> • Set up a Human Resources Department to oversee employment policies and employee benefits • Form an Occupational Health and Safety (OHS) Committee to promote work safety and establish hygiene standards • Build and manage the Tencent Academy to provide ongoing training opportunities for employees

Tencent's Stakeholders and Related Responsibilities

Stakeholders	Primary responsibilities	Additional responsibilities	Communication and implementation
 Government	<p>Pay all relevant taxes in accordance with the law</p>	<ul style="list-style-type: none"> • Help implement national policies • Assist in solving societal and basic life necessity issues 	<ul style="list-style-type: none"> • Establish a Government Affairs Department to oversee, plan, and implement government-related projects • Maintain regular communication with government departments
 Business partners	<p>Conduct business responsibly and prevent bribery and corruption</p>	<ul style="list-style-type: none"> • Regularly communicate with business partners • Help our partners grow 	<ul style="list-style-type: none"> • Hold regular meetings with suppliers and partners to explore growth opportunities and remove any barriers to successful collaboration • Help business partners grow • Prevent behaviour that could compromise the interests of our partners by setting up an independent anti-bribery and corruption task force
 Charity organisations	<p>Provide necessary financial support</p>	<ul style="list-style-type: none"> • Help increase the reach and impact of charity activities • Help charity organisations grow 	<ul style="list-style-type: none"> • Build an online donation platform and connect small charity projects with public charity funds • Provide the necessary funding and fund-raising platform to support the development of charity organisations
 Communities in which we operate	<p>Use Internet-based tools to support community development</p>	<ul style="list-style-type: none"> • Allocate donations for specific causes • Implement charity projects in underserved areas 	<ul style="list-style-type: none"> • Make direct donations in support of community development projects through the Tencent Charity Foundation, providing both the necessary funding and resources • Leverage our Internet capabilities to advance community development



Creating Social Value with Innovative Products

At Tencent, we are committed to “creating products that bring real value to users”. From QQ, our first product, to the tens of thousands of products operating on our platform today, we have consistently sought to build connections between people and link them to meaningful services. We want to empower everyone to enjoy more convenient, intelligent, and sustainable lives.



WEIXIN IS A TOOL THAT CHANGES OUR LIFESTYLES

Weixin (also known as WeChat in the international markets) is a tool designed to enhance efficiency. It helps users accomplish tasks effectively and enables organisations, enterprises, and individuals to innovate upon and within it. Such innovation may be the development of a new functionality of a product or service to enhance its performance. This capability is a driving force for social progress.

WEIXIN MINI PROGRAMS: A DECENTRALISED SYSTEM FOR “CONNECTING EVERYTHING”

Weixin Mini Programs were officially launched on 9 January 2017 and have since become an integral part of many industries, including e-commerce, retail, life services, and public administration. They are also increasingly being used by people in different aspects of their daily lives. Mini Programs are intended as the initial point of contact between Tencent and our users, and are important to realise our goal of “Connecting Everything”. Weixin is dedicated to becoming a truly open platform. This means that each Weixin user is free to choose the resources that they find most relevant and useful to their circumstances. Building upon the existing solid resource base, Weixin Mini Programs were launched to expand the Weixin platform and increase the portfolio of its functionalities. This process will allow users to access third-party services based entirely on their own preferences.

“

“As all information needs a medium to reach people, Weixin Mini Programs were launched as a medium and tool for organising such information. The Mini Programs are our language, our way of communication, in a world where everything is connected.”

– Zhang Xiaolong, Senior Vice President and President of Weixin Business Group, Tencent

”

We launched the Weixin Rumour Refusal Mini Program in 2017 to prevent the spread of false information. With this Mini Program, users can check the authenticity of the information they consume. They will also receive alerts if they have read or forwarded information already identified as untrue.

FACTS AND FIGURES

Weixin Mini Programs

170 million active daily users

More than 2,300

third-party business platforms

WEIXIN PAY: A SMART LIVING SOLUTION

Over the past two years, Weixin Pay has collaborated with more than 400 banks to provide payment services. Millions of stores across more than 30 sectors including retail, catering, healthcare, tourism, and transportation, have adopted Weixin Pay as a smart living solution for their customers. By expanding its scope of application, Weixin Pay is bringing its users the benefits of “Internet +”.

THE ECONOMIC AND SOCIAL IMPACT OF WEIXIN

The China Academy of Information and Communications Technology has issued a report highlighting Weixin's social and economic impact.

THE ECONOMIC AND SOCIAL IMPACT OF WEIXIN

WEIXIN FACTS AND FIGURES



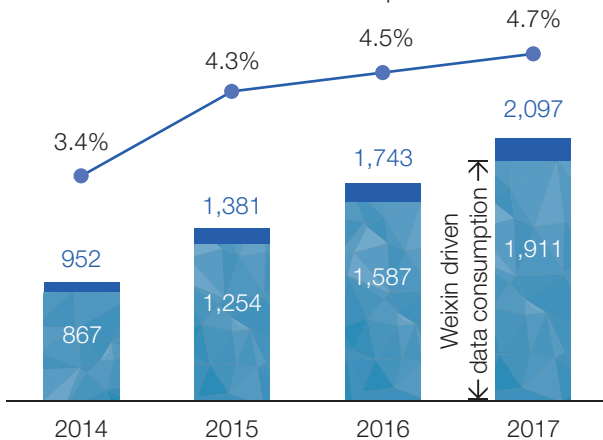
97.6%

of users agree that Weixin is a positive force in society.

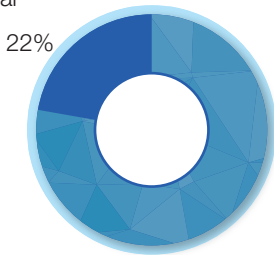
Over **ONE billion** active monthly user accounts.

WEIXIN'S ECONOMIC IMPACT

% of China's information consumption



Year-on-year growth

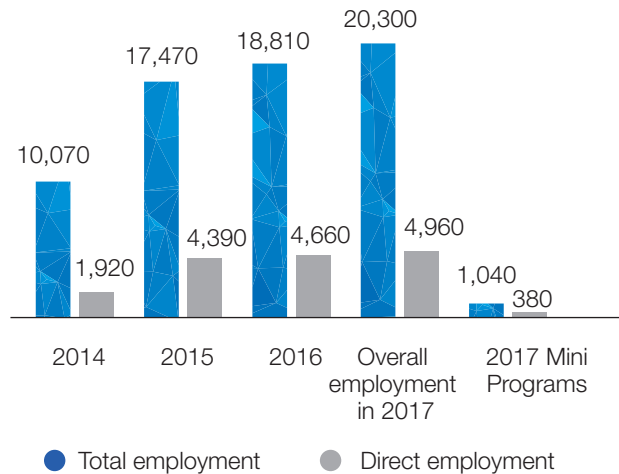


Facilitated traditional consumption (RMB333.9 billion)

WEIXIN CREATES 20.3 MILLION JOBS

Weixin Mini Programs and Weixin's corporate accounts generated strong growth in employment.

Unit: '000 jobs



WEIXIN IS CONTRIBUTING TO INDUSTRY TRANSFORMATIONS

Weixin Pay	Facilitating a smart lifestyle
Weixin Mini Programs	Increasing access to Weixin applications
WeChat Work	Providing enterprises with a customised Weixin experience
Official Accounts	Enabling individuals to share personal content, businesses to conduct interactive marketing, and governments to deliver policy-related information

INTEGRATING KEY INDUSTRIES AND PROMOTING INDUSTRY TRANSFORMATIONS:

Transportation	Efficient, green, smart
Healthcare	Optimise healthcare experience and provide a better social security system
Education	Use information and communications technology to lower education barriers
Finance	Provide diverse and quality services supported by big data analytics
E-commerce	Offer customised service
Retail	Provide solutions that enable connections, facilitate marketing, and optimise operations
Manufacturing	Provide basic parts and connection capabilities

WEIXIN'S SOCIAL IMPACT

WEIXIN ALLOWS MORE PEOPLE TO ENJOY THE BENEFITS OF DIGITALISATION



33.3%

of users over 60 years old spend more than **80%** of their data using Weixin.

WEIXIN ENHANCES A SMART LIFESTYLE



On average, Weixin is used across more than

35%

of daily activities.



64.4%

of users agree that Weixin Mini Programs have made their lives more convenient.

PUBLIC SERVICES



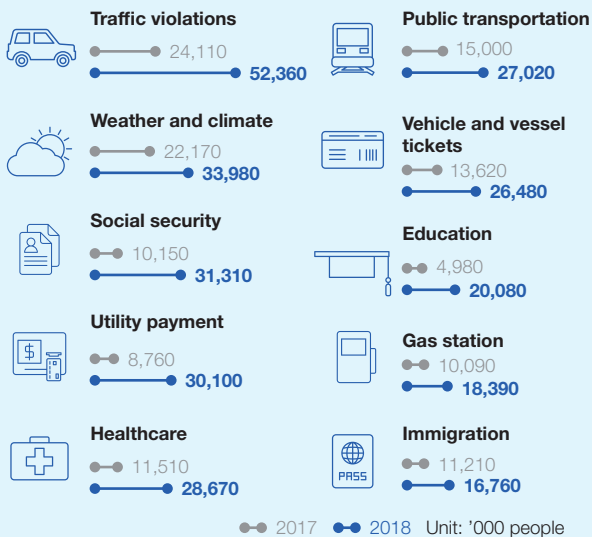
“Internet + public services”

Weixin City serves more than

400 million users.

Weixin's Official Accounts and face recognition-based identification verification have played an important role in the digitalisation of public services.

EXPANSION OF WEIXIN CITY'S SERVICE COVERAGE



POVERTY ALLEVIATION



5,559

villages have joined Weixin's WeCountry programme

Programme coverage:

1.6 million villagers

Interactions:

150 million+

CYBER SECURITY

More than

800 third-party organisations have joined Weixin's information verification alliance.

The alliance has intercepted more than

500 million pieces of false information.

Approximately

180,000 Official Accounts have been found in violation of Weixin's information rules and penalised accordingly.

Weixin's user agreement

+

Infringement complaint system

+

Brand protection platform

+

Original content recognition

Weixin protects original content with an effective smart infringement system.

WEIXIN PROMOTES CHARITY WORK



40.3%

of users have donated to charity via Weixin.

Weixin has demonstrated that billions of simple interactions can form a powerful interface capable of nurturing a dynamic ecosystem of applications. This process has resulted in endless opportunities and possibilities for social progress. Weixin has proven an essential tool for “Connecting Everything” and improving people's quality of life.

QQ, A POPULAR PLATFORM AMONG YOUNGER GENERATIONS

Our statistics show that more than 60% of QQ's monthly active users were born in the 1990s. With such high popularity among younger generations, QQ is dedicated to helping hundreds of millions of young Internet natives understand and capture the opportunities arising in the Internet age, realise their potential, and contribute to society.

Responding to the needs of its younger users, QQ has evolved from a communication medium into an ecosystem platform with communication, social networking, and information functions. Its focus is on providing its users with live-streaming, community interaction, short videos, and access to anime culture. Given this evolution, QQ has become an enabling community for young Internet entrepreneurs to grow.

In November 2017, QQ launched the Million New Youth Programme, investing RMB6 billion to support one million young content creators and entrepreneurs whose focus is on serving young people. The programme aims to foster social networking opportunities for young generations.

QQ AS A CHARITY PLATFORM

With hundreds of millions of users on its platform, QQ is also an effective tool for charity work. On 21 June 2017, Tencent's initiative to help locate missing persons with facial recognition technology won the "Use of Social Data & Insight" Golden Lion Award at the Cannes Lions International Festival of Creativity. The initiative uses Tencent YouTu Lab's facial recognition technology to match facial features at a rate of 50 million images per second. QQ has also helped the Public Security Bureau identify missing children. Over the past three years, 286 cases of missing children have reached us and QQ has been integral in resolving 176 of them.

On 25 May 2017, QQ collaborated with the Chinese Rare Blood Alliance, an NGO focused on sourcing for rare blood types, in search of the Rh-negative blood type online. The collaboration was able to achieve its goal and help those in need. For example, three donors were identified online and

agreed to travel to Tianjin to donate blood, saving the life of a patient there. Another example involved a newly born baby receiving a transfusion from two voluntary donors.

The use of QQ as an online charity tool has reduced searching time by 30% and increased the rate of successful matches by 80%, compared with conventional methods. QQ provides a social service solution that is more than a product. It is committed to fulfilling its social responsibilities and contributing to the common welfare through its charity work.

MOBILE QQ NEWS CHILDREN VERSION: PROVIDING CUSTOMISED AND SAFE CONTENT FOR CHILDREN

Children are a vulnerable demographic when it comes to online content. To ensure that their experience using QQ is constructive, we produced Mobile QQ News Children Version, which only offers them age-appropriate news and other kinds of content.

On 23 March 2017, we launched the first edition of the application. It includes an attractive design and provides content about campus information, parent-child activities, science, arts and creativity, and traditional culture.

Mobile QQ Children Version is the first push-based product customised for children in China. As of the end of 2017, the application had distributed through push notification more than 550 pages and 2,200 articles.

TENCENT VIDEO: USING CONTENT TO PROMOTE POSITIVE VALUES

Tencent is committed to offering users high-quality content that promotes positive societal values. We launched a series of content campaigns focused on positive role models, topics such as poverty alleviation, and the consumption of wholesome videos for children.

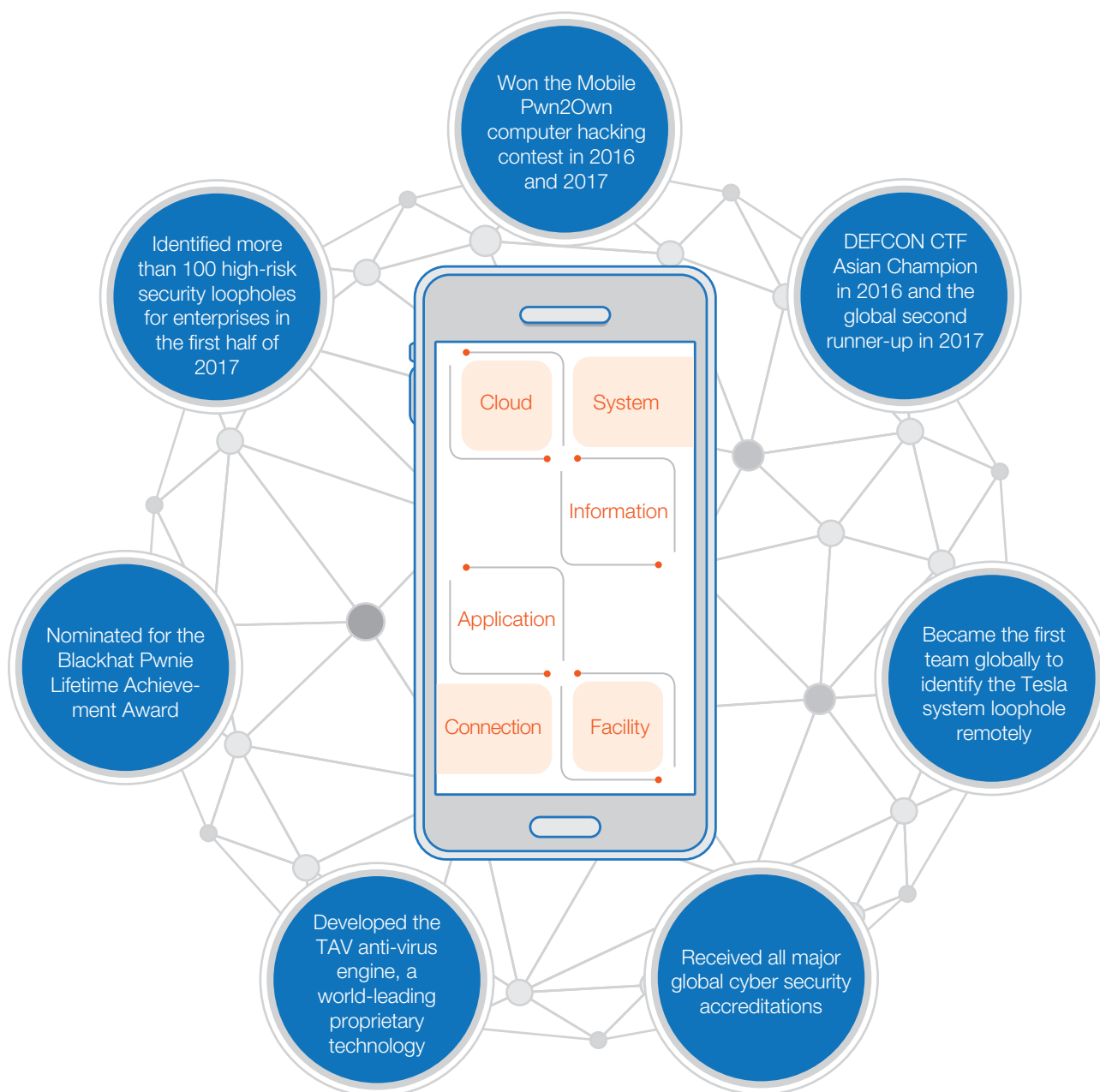
We are also dedicated to selecting and fostering professional production talent. In 2015, we launched a programme to identify and nurture promising young directors and support them in the creation and production of premium content.

TENCENT SECURITY

Tencent has been exploring smart solutions to safeguard network security. Our approach involves prioritising cyber security and putting in place sound risk detection and neutralisation mechanisms. We have deployed our AI systems to detect attacks and perform automatic system recoveries. We collaborate with many security ecosystem partners to increase the effectiveness of our network security solutions.

TENCENT UNITED SECURITY LABORATORY

Our Tencent United Security Laboratory has been working to develop security technology and build security defense systems since its establishment over a year ago. It provides security protection across six main areas, including connection, system, application, information, facility and device, and cloud.



GUARDIAN PROGRAMME

We launched our Guardian Programme as a collaboration with governments, enterprises, and users in the fight against network fraud. The programme has developed security apps for users and solutions for corporates that enhance cyber security.

TENCENT SECURITY ACADEMY

Our Tencent Security Academy was established as a world-class institution for the development of cyber security talent. It uses lectures, contests, research projects, and the actual building of security networks to teach and nurture the potential of our participants.

TENCENT AND INDUSTRY DEVELOPMENT

Powered by “Internet+”, we are encouraging industry innovation and integration and promoting the development of China's economy and society. Our team is exploring new “Internet+” strategies, including how to further integrate AI, big data, cloud computing, location-based services (LBS), payment, and security to benefit industries such as public administration, healthcare, and manufacturing.

TENCENT MEDIA+: ENHANCING THE QUALITY OF CONTENT

Our objective is to encourage content creators to be innovative in their content development and delivery. To achieve this goal, we continue to improve our services in the following areas:

Content production: We have been innovating and scaling various tools for content creators and helping them protect their copyrights.

Industry network: To support content creators' work, we established a content creation financing alliance, offering financing sources to help grow their business. This service is enlarging the pool of active content creators on our platform.

New media training: Over the past few years, we have been providing training for content creators. In 2017, we invited 100 well-known scholars and over 1,200 lecturers to provide 350 media industry-related training sessions to advance the development of the content industry.

Currently, self-media platforms are undergoing rapid development. Our goal is to provide a healthy environment where self-media creators can leverage our platform resources to produce high-quality original work.

TENCENT HEALTHCARE

TENCENT MIYING: ENHANCING DIAGNOSIS EFFICIENCY AND ACCURACY WITH AI TECHNOLOGY

The early stage screening, diagnosis, and treatment of diseases is crucial for prolonging patients' life expectancy. For example, the five-year survival rate for patients whose oesophageal cancer is diagnosed at a later stage is 30%, but it can rise to about 90% if diagnosed at an early stage. Unfortunately, many patients are unable to obtain early stage treatment due to time-consuming screening processes and a lack of access to advanced medical services.

In August 2017, we launched Tencent MiYing, the first AI-based healthcare product that integrates image recognition, big data processing, deep learning, and other advanced technologies to assist doctors in screening for, diagnosing, and treating early stage diseases. It has increased the number of patients able to receive high-quality and patient-friendly medical services. The accuracy of diagnosing for early stage oesophageal cancer is 90%, while the accuracy rates for lung sarcoidosis and diabetic retinopathy are 95% and 97%, respectively.

Equipped with Natural Language Processing capabilities, Tencent MiYing analyses published medical papers and clinical cases to create an algorithm capable of predicting the occurrence of such cancers, helping doctors control risks and manage patients. It is also able to recognise and forecast over 500 common diseases, with an accuracy rate of 95%. As of the end of 2017, Tencent MiYing had been applied in over 100 large-scale and high-ranking hospitals in China, serving nearly 400,000 patients and helping to screen 37,000 cases of high-risk infection.

Tencent MiYing has proven an effective tool for lessening doctors' workloads and offering high-quality and inclusive healthcare services to more people.

PENGUIN MEDICAL ENCYCLOPEDIA: ENABLING PEOPLE TO ACCESS MEDICAL KNOWLEDGE

The Internet is an important channel for the public to acquire healthcare knowledge. Research shows that 39% of patients will first conduct an online search for information about their illness, before consulting a doctor. To provide reliable and trustworthy medical information online, we have collaborated with several well-known hospitals and leading clinical experts to launch the first Internet-based medical science product – the Penguin Medical Encyclopedia. It turns complex medical terminology into easily understood concepts, helping patients obtain accurate medical information and better communicate with doctors.

TENCENT PUBLIC ADMINISTRATION: ONE-STOP ACCESS TO PUBLIC SERVICES

We are helping to streamline public administration services through face recognition, LBS, and mobile payment technologies. Moreover, our public administration service platform saves time for people who need public services, as there is no longer a need for them to travel to physical premises to access services. By the end of 2017, we were cooperating with 12 provinces and cities in China, including Shenzhen, Hubei, and Fujian. Such cooperations provide one-stop public administration services and cover

various functions, including authenticating online pension applications, issuing electronic social security cards, and providing smart customer services.

TENCENT TRANSPORTATION: ENHANCING THE EFFICIENCY OF THE TRANSPORTATION SYSTEM

In 2017, we began to work on a convenient mobile payment tool for transportation. We have since successfully launched our Tencent Transit QR Codes payment service in Guangzhou, Hefei, Qingdao, and other cities. Users can pay their transportation fare in 0.2 seconds by holding the Tencent Transit QR Codes, part of the Weixin Mini Programs ecosystem, close to a ticketing machine. This service has brought increased convenience to travellers and commuters.

We have also cooperated with the State Railway Administration to provide a better travelling experience for passengers. In 2017, Weixin Pay was integrated with the State Railway Administration's system, enabling passengers to reserve railway tickets and meals online. In December 2017, they launched a notification service, delivering information about ticket purchases and refunds through the Weixin platform.

Weixin is also able to analyse traffic conditions and monitor congestion using LBS and big data from traffic departments.



Connecting With The Community

With the rapid development of mobile Internet, our lives have been improved in many ways, though not without some challenges. At Tencent, we are working to apply our strengths to solve various social issues and safeguard people's rights. We hope that everyone can experience the benefits of the technology we have been developing.



INTERNET+ VILLAGE

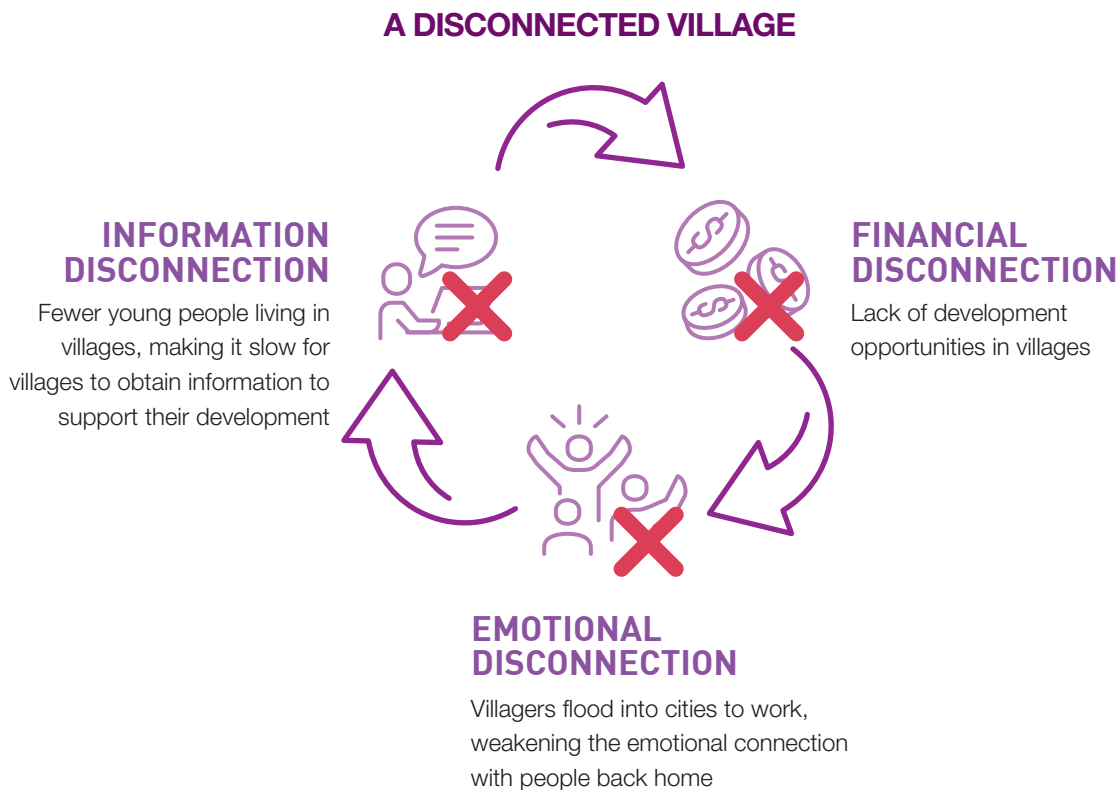
China has a large rural population. The development of China's rural areas and raising standards of living for its rural populations is crucial to the country's future. In view of this, between 2009 and 2015, Tencent Charity Foundation invested more than RMB50 million to explore how the core competencies of Internet companies might help rural villages develop. The Foundation found that financial subsidies alone could only provide limited help to tackle the root problems these villages faced. The central issue for these rural areas proved to be "disconnection", be it emotional, informational, or financial.

As a response, WeCountry Scheme was launched in late 2014. It is a scheme designed to use the power of the Internet to help rural areas connect with the rest of the country, and to drive the development of rural villages.

Our first WeCountry platform was launched in Guizhou in 2015. The objectives were to build strong and meaningful information connections, create wealth for the villagers, and promote Guizhou's natural scenery, tea and ethnic music to the outside world via the Internet.

By 2016, only one year after the launch, WeCountry had been expanded to 100 villages, with nearly 10,000 villagers participating.

In 2017, digital technology was brought to more rural villages, and the number of users grew significantly. Heze, a city in Shandong province, brought WeCountry to 90% of the rural villages in the area by forming a strategic partnership with Tencent called Intelligent Village.



WeCountry leverages the power of the Internet+ Village model to connect people, thus strengthening relations between rural villages and local governments, boosting administrative efficiency, and helping to alleviate poverty. As of 2017, a total of 5,559 rural villages in China were covered, resulting in more than 150 million interactions among the 1.6 million participating villagers.

CULTURAL HERITAGE PROTECTION

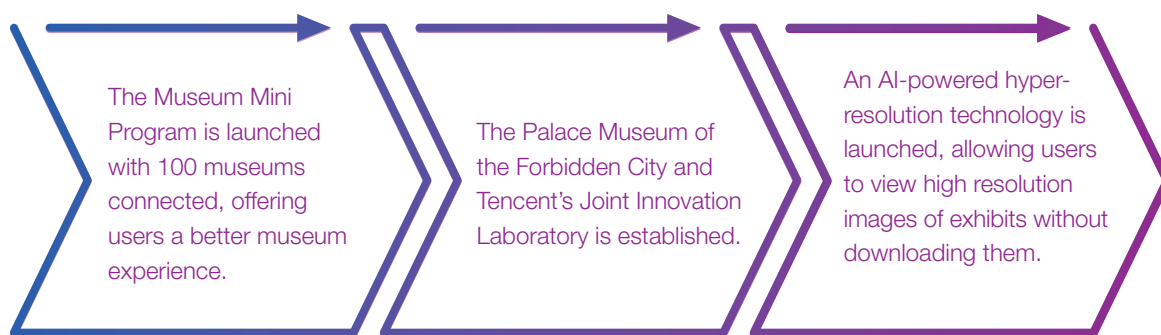
The mobile Internet, with all its tools of communication, is resulting in a revival of traditional Chinese culture. Young people are encouraged to embrace and preserve traditional culture.

When our Chairman and CEO Pony Ma announced the “Technology + Culture” development focus for Tencent, he noted that “no matter how far AI and technology goes, culture will never be replaced.” In 2017, we launched a series of initiatives to align cultural preservation with technological development and one important area in this alignment is the use of digital technology to preserve China’s cultural heritage.

TENCENT+ THE FORBIDDEN CITY

On 6 July 2016, Tencent and the Palace Museum of the Forbidden City announced a long-term partnership. One of the partnership’s core programmes is the Next Idea Tencent Innovation Competition, which makes use of the Palace Museum’s intellectual property-protected images and other traditional cultural elements to initiate cross-disciplinary collaborations, talent development, and the revitalisation of traditional culture.

Young people took part in the competition to create emoticons, games, and comic strips. Shortlisted emoticon designs were used nearly 40 million times within a month after they were launched on QQ. More than 100 groups of college students joined the online game design contest.



“We are using the Internet and digital language to redefine the operating model of museums, remove the barriers to meaningful museum visits, and advance the means of heritage protection with digital applications. This is how Tencent works with us to bring the Palace Museum of the Forbidden City to more people, allowing our visitors to enjoy this rich cultural heritage.”

– Feng Naien, Deputy Director of the Palace Museum of the Forbidden City

TENCENT+ THE GREAT WALL

July 2017 marked the 30th anniversary of the Great Wall being listed as a World Heritage Site by UNESCO. We launched a programme in the same month to preserve the cultural heritage of this great landmark. The aim of the programme was to broaden the appeal of the Great Wall among young people. It featured various initiatives, including launching a Next Idea Tencent Innovation Competition to solicit original designs and writings based on the character and history of the Great Wall. We also collaborated with research institutes to identify little-known spots along the Great Wall and incorporate them into online games.



TENCENT+ DUNHUANG HERITAGE

On 29 December 2017, Tencent and the Dunhuang Research Academy signed a strategic cooperation agreement. The partnership's primary undertaking is the "Digital Silk Road" initiative, which uses technology and cultural designs to protect, promote, and revitalise Dunhuang's cultural relics. To this end, Tencent Animation & Comics, Tencent Games, Tencent Music Entertainment, and Tencent Penguin Pictures are all involved, to build a connection between traditional culture, the Internet, and entertainment. For example, a series of games with Dunhuang-related themes was launched in 2018 via Tencent Games. Another example is Tencent Animation & Comics' partnering with renowned Taiwanese cartoonist Tsai Chih-chung to launch comic creations. QQ Music also collaborated with musicians to create songs that blend pop and classical Dunhuang elements.

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“In the past, the link between world-class cultural relics and our younger generations was not strong enough. Tencent is bridging this gap with its connection capabilities. It's encouraging to see young people becoming more interested in Dunhuang.”

– Wang Xudong, Director, Dunhuang Academy
China

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CHILD PROTECTION ON THE INTERNET

In recent years, the number of young Internet users has been growing significantly. According to the 39th Statistical Report on Internet Development, as of December 2016, there were 170 million netizens aged under 19 in China, accounting for 23.4% of the entire Chinese netizen population. An impressive 45.8% of China's new mobile Internet users were below the age of 19.

Young Internet users are more susceptible to a number of risks related to harmful or deceiving information and predatory behaviour, yet they and their guardians often lack the ability or experience to identify the potential problems. Internet companies are thus facing the critical task of guiding young netizens to use the Internet properly and in a way that protects them from such harm.

We view the mobile Internet as a double-edged sword. While the rapid development of mobile Internet technology has certainly led to new social problems and challenges for young people, it has also given rise to new ideas about how to address them. We believe that encouraging young people to use the Internet appropriately is preferable to completely denying their access to it, a prohibition that would likely cause more problems than it would solve.

PENGUINS GROW WITH YOU

Protecting minors and safeguarding their rights while using the Internet is a strategic task and one we are deeply committed to.

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“The Internet has proven an effective means for youth education and helped to build a global mindset and diverse knowledge base. That said, it has also created the problems of cybercrime, Internet bullying, harmful information, and the leakage of personal information. In view of this, establishing a system to protect children on the Internet has become a priority for us.”

– Pony Ma, Chairman and CEO, Tencent

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In June 2017, we established a project team with the purpose of protecting the health and online safety of children and launched our “Penguins Grow with You – Child Protection in the Digital Age” framework. This framework was designed to create a safe online ecosystem for young Internet users.

In 2017, we signed a strategic cooperation agreement with UNICEF, under which a series of studies and public education initiatives related to protecting children’s rights online will be launched over the coming three years. In addition, we are the only Chinese company to have joined UNICEF’s WeProtect Global Alliance against online crimes targeting children.

In April 2017, together with Beijing Normal University, we released a handbook on the proper use of the Internet by children. It is a comprehensive guide that references the latest research on Internet addiction and child psychology, offering children, parents, and schools a variety of useful approaches to using the Internet for positive and constructive ends. It includes four principles of Internet usage – limited usage, selective usage, open usage, and functional usage. These principles are to help children understand the pros and cons of using the Internet.

In 2017, the QQ Security Team shut down more than 6,000 groups and accounts suspected of exploiting the vulnerabilities of young users. The more serious cases were reported to the law enforcement department.

GAME GUARDIAN PLATFORM

In February 2017 we launched the Game Guardian Platform, which supports parents in managing their children’s engagement with online games. Parents can make enquiries, receive reminders, and change specific settings on their computers, Weixin, and Mobile QQ. Weixin and Mobile QQ provide online customer service, where parents can supervise the behaviour of their children online. They are also notified if their children are spending above a certain amount of time on the Internet. Finally, there is a guardian hotline that enables parents to discuss issues and solutions related to online gaming with experts.

FACTS AND FIGURES

Serves nearly

4 million users

Guardian services have been used

over 20 million times

Young users spent 25% less

time playing Tencent’s online games

The online top-up amount

fell by 37%

ONLINE SAFETY COURSE

To raise young peoples’ awareness of online safety and encourage wholesome online behaviour, it is important to adopt youth-friendly methods of communication. We are striving to identify high-risk areas of Internet usage by analysing young peoples’ online habits, consulting psychologists, and referencing recent case studies.

Our online safety course, launched in 2017, covers topical issues including personal privacy protection, how to stay away from harmful content, online fraud, and cyberbullying. It also includes storytelling, thought-provoking exercises, and the sharing of experience. The course has been adopted by 20 schools in 15 provinces and cities across China, including Guangdong, Ningxia, and Guizhou. Classes were offered to some 10,000 students, teaching them about the need to protect themselves online and providing them with tools that will help them develop in this Internet age.

INTERNET+ YOUTH DEVELOPMENT

GREATER BAY AREA YOUTH PROGRAMME

As an enterprise from the Greater Bay Area, we care about the future of the region's young people. In 2017, we launched the Tencent Greater Bay Area Youth Programme, which features a youth camp for college students in Hong Kong, Macau, and Guangdong, as well as internship opportunities for those from Hong Kong and Macau. The objective is to equip young people in the Greater Bay Area with new knowledge, broaden their horizons, cultivate their interest in technology and innovation, and help them realise their potential. The first group of youth camp participants, comprised of 100 senior high school students, engaged with innovative technology through company visits and exchanges with industry experts.

TSINGHUA-QINGTENG FUTURE SCIENCE AND TECHNOLOGY ACADEMY

To encourage innovative thinking among younger generations, including entrepreneurs, Tencent's Qingteng University joined forces with the School of Economics and Management at Tsinghua University to establish the Tsinghua-Qingteng Future Science and Technology Academy in April 2017. Leveraging the teaching resources and research expertise of Tsinghua, as well as our own internal resources, product development philosophy, and industry experience, the academy specialises in new technologies including AI, bioscience and new materials. The goal of the academy is to establish itself as the preeminent educational

institution offering start-up accelerator programmes and instilling innovative ideas in young entrepreneurs. A total of 48 trainees were enrolled in the inaugural year of the academy.

INTERNET+ CHARITY

At Tencent, we strive to use technology and culture to build an open and transparent charity ecosystem and promote charitable causes via the Internet.

TENCENT CHARITY FOUNDATION

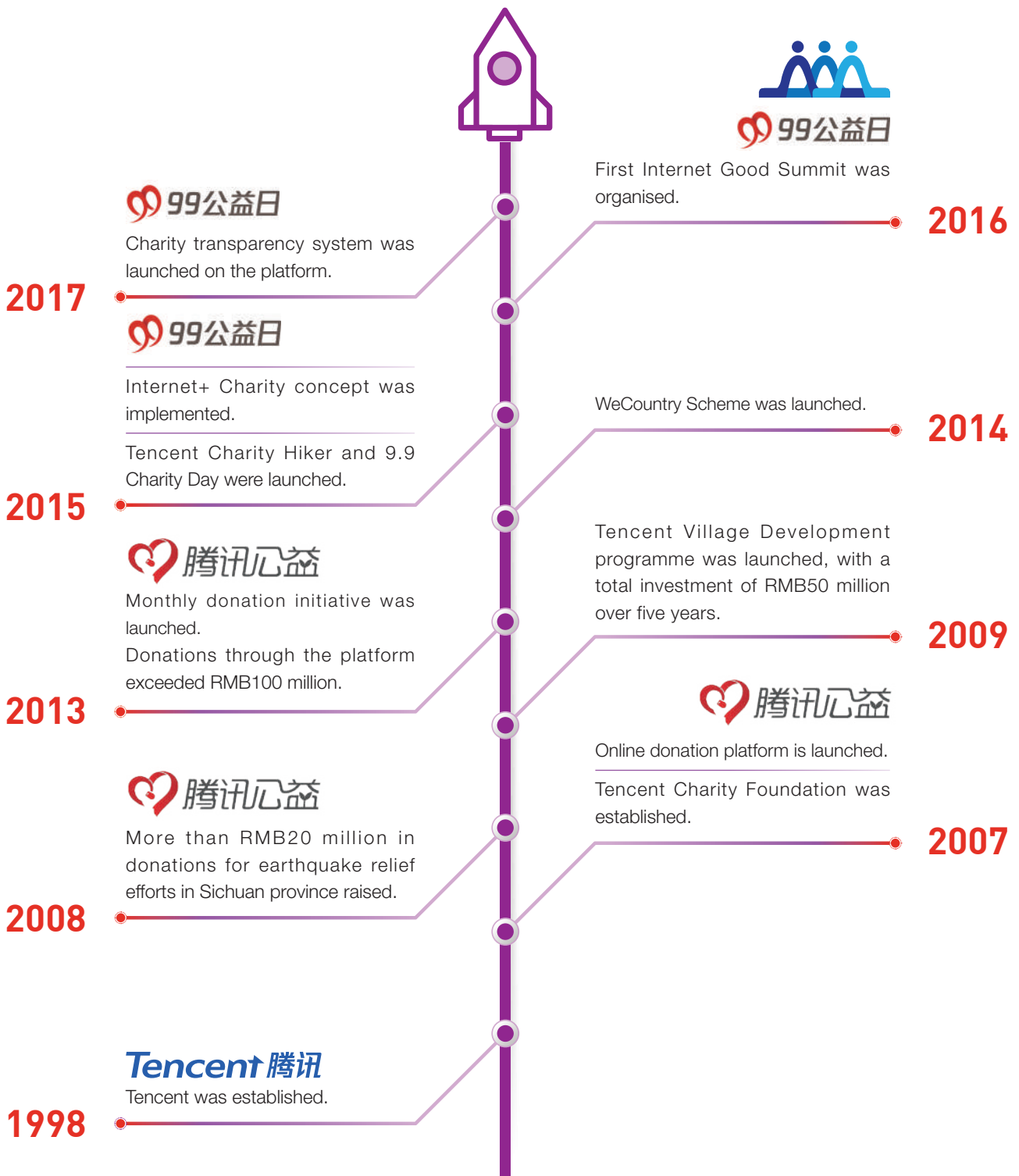
Tencent Charity Foundation, founded on 26 June 2007, was the first charity fund set up by a Chinese Internet company. It is committed to donating a portion of Tencent's annual profits to support charitable causes.

In 2017, Tencent and its employees respectively raised RMB820 million and RMB5.4 million for the foundation, which was used to support a wide range of charitable causes, including disaster relief, poverty alleviation, education, environmental and heritage conservation, community development, and healthcare.

The foundation empowers charitable organisations by streamlining online donations. It also initiated 9.9 Charity Day to enhance transparency in the carrying out of charitable work.

Tencent Charity Foundation has lowered the barriers for ordinary users to contribute to charity by making donating simple and accessible. The foundation has established trust with the public by enhancing the transparency of donations and setting up a user feedback mechanism. Through our technology, we have made charity work more engaging. For example, users can now donate their steps walked, reading time, and game points to charitable causes.

MILESTONES



TENCENT ONLINE CHARITY PLATFORM



The foundation's online charity platform is one of the largest public donation platforms in the world. It is designed to engage members of the public through social media, offering them a reliable, transparent, and user-friendly mechanism to make donations anytime and anywhere. As of 31 December 2017, the charity platform had received more than 146 million donations, raising a total amount of more than RMB3.2 billion. The funds were used to support more than 37,000 projects, covering poverty alleviation, education, medical support, disability support, the protection of women and children, environmental, animal, and cultural heritage protection, public interest projects, and innovation. The platform hosts a total of 289 qualified donation-receiving charity organisations and 8,217 not-for-profit organisations.

FACTS AND FIGURES

In 2017, over 63.1 million people donated more than RMB1.625 billion through the platform, supporting more than 19,021 charity projects. A total of 16,847 new projects were launched via the platform and 30.3 million people raised a total of RMB904 million.

In addition to enhancing transparency and providing new means of donation, such as contributing steps walked and one-to-one targeted support for people in need, the platform

also offers online advertising resources and cash prizes to attract more users to take part in charitable activities. In July 2017, the foundation and Tencent Social Ads launched a six-month charity advertising contest, which attracted more than 3,500 participants. After the contest, we used RMB60 million worth of advertising resources to publicise 28 award-winning ads on our social media platforms, including Weixin and QQ. The initiative has increased innovation in the charity sector and encouraged members of the public to support charitable causes.

9.9 CHARITY DAY

The 2017 9.9 Charity Day refreshed records in terms of impact and the number of participants, and ushered in new methods of participation. From 7-9 September 2017, our online charity platform recorded 12.7 million donations, worth a total of RMB829 million. The proceeds were used to support 6,466 charitable projects. Taking into account the RMB299 million matched donations from Tencent Charity Foundation and another RMB177 million in donations from our charity partners, the 2017 9.9 Charity Day raised more than RMB1.3 billion.

The number of participating organisations doubles from the 1,877 that participated in 2016. Moreover, nearly 300 enterprises matched RMB309 million in donations, representing a three-fold increase over the previous year.

The 2017 9.9 Charity Day featured interactive promotional collateral as a positive and engaging way to bring members of the public closer to charitable causes, moving away from the conventional approach whereby sad and upsetting imagery is used to encourage donations. More than 20 Tencent products were used to encourage participation in charitable causes. Internet users also supported charities by a number of alternative means. For example, donors turned their steps walked in real value via Weixin Sports and QQ Sports. They also donated digital devices, airline frequent flyer mileage, and reading time. Many of our applications, including our online games, Mobile QQ, QQ Music, QQ Browser, Tencent Animation & Comics, and Tencent PC Manager were used to facilitate these alternative forms of donation. In total, they generated 180 million interactions within the Tencent ecosystem.



Green Operations

Most discussions about environmental responsibility in business tend to focus on the manufacturing sector, which have a large amount of production equipment and extensive plants. However, Internet companies have a wide range of indoor business activities that also impact the environment.

As a key connector in the Internet+ era, our success in multiple domains and achievements in environmental protection have provided examples on how Internet companies may contribute to a green future in daily business practices.



GREEN OPERATIONS

SUSTAINABLE DEVELOPMENT THROUGH TECHNOLOGY

At Tencent, we are concerned about the impact of ecological changes on sustainable development and strive to use our technological resources to find effective solutions to address global environmental issues. In April 2017, Tencent joined hands with the China National Environmental Monitoring Centre to launch an air quality enquiry service. A total of 1,436 sensors were set up across 338 cities to provide the public with a reliable air quality index.

PONY MA'S PROPOSAL FOR 'SPONGE CITIES'

At China's Two Sessions in 2017, our Chairman and CEO Pony Ma submitted a proposal on the development of sponge cities in China. It would entail cities modernising their stormwater management approaches to solve drainage problems, fully utilise their land resources, and promote sustainable development. We are beginning to work across sectors to provide technological support for the development of sponge cities and create an actionable public platform to facilitate this process. Using data analytics and Internet-of-Things (IoT) technologies, we can develop technical support platforms to better detect and analyse meteorological data, rainwater collection, and soil humidity. This is done with a view to helping government departments formulate sound policies.

CUTTING-EDGE TECHNOLOGIES FOR GREEN OPERATIONS

In support of green living, energy saving, and environmental protection, we are committed to installing cutting-edge technologies into office towers and data centres to promote low-carbon operations and automation.

TENCENT'S GREEN DATA CENTRE IN QINGPU, SHANGHAI

Today, data centres play an important part in driving the growth of China's economy. However, the high energy consumption of these centres' servers is an environmental

concern. Statistics show that data centre activities account for 1.5% of global energy consumption. A 100,000 server-scale data centre consumes as much power as a medium-sized city. As a response to this challenge, we are working to operate environmentally friendly, high performing, and highly efficient data centres. Our Qingpu data centre, which occupies an area of 57,000 square metres in the Qingpu Economic and Technological Development Zone in Shanghai, boasts some of the most advanced cloud computing and cloud storage facilities in Asia Pacific. It uses many advanced technologies to minimise energy consumption and carbon emissions:

- **Combined Cooling, Heating and Power (CCHP) System:** Qingpu's system simultaneously generates electricity and performs heating and cooling functions using natural gas. The waste heat discharged after power generation is collected by recycling equipment and goes through a cooling process in a lithium bromide refrigerator. The cool air will be supplied to the data centre. This cascade utilization has greatly improved energy efficiency.
- **Tencent Module Data Centre (TMDC):** The Qingpu centre uses a modular design to combine the physical infrastructure of the centre and the systems that keep it running, thus enhancing overall energy efficiency of the centre.
- **High Energy Conversion Efficiency:** Using a close-loop cooling model, the data centre maintains a very high energy conversion efficiency as compared to the traditional open cooling systems.
- **Photovoltaics Power Generation:** The Qingpu data centre has a photovoltaics power generation area of 3,000 square metres, which is located at the top of the centre. All the electricity generated by photovoltaics is collected and integrated into the centre's power grid.

Our Qingpu data centre received the recognised 5A Certification from the Ministry of Industry and Information Technology and The Green Grid.

TENCENT'S NEW HEADQUARTERS
IN BINHAI, SHENZHEN



Tencent Binhai Building (TBB), our new global headquarters, began operations on 28 November 2017. Green design elements can be found throughout the complex, which has been awarded the Leadership in Energy and Environmental Design (LEED) Gold Certification by the US Green Building Council. The complex is a ‘smart building’ that brings together the most advanced Internet-enabled technologies in architecture and connection.

● SPONGE CITY FEATURE

Consisting of two towers, TBB has an 8,000-square-metre piazza with permeable ceramic bricks, which absorb and purify rainwater, mitigate the heat island effect, and prevent flooding. A large amount of permeable ceramic beads is laid in various parts of the building for the same purpose.

● LED LIGHTING SYSTEM

TBB uses LED lighting in public areas and a smart lighting system in office areas. It also uses T5 LED lighting, ensuring a comfortable amount of light while saving some 1,326,100 kilowatt (KW) hours of energy every year.

● HOT WATER CIRCULATION SYSTEM

The heat generated by the IT air conditioning system is efficiently recycled. The heat energy is used to provide hot water to the kitchens, showers and toilets. This system has cut energy costs by approximately RMB1.2 million per year.

● WATER-SAVING TOILET SYSTEM

The average water consumption per urinal is under three litres, per toilet is under six litres, and per squatting pan is under eight litres. TBB's system has substantially reduced the water consumed in each of these areas.

● SOLAR ENERGY-POWERED HOT WATER SYSTEM

A solar and air heat pump hot water system is installed on the roof of one of the towers to supply hot water to its shower room and save energy.

● GLASS CURTAIN WALLS

TBB uses a “self-shading curtain wall system”. After analysing the sun path in Shenzhen over an entire year, our designer built a horizontal sawtooth structure on TBB's eastern and western façades to block sunlight at low angles during summer afternoons. The southern facade has a vertical sawtooth structure that provides horizontal shading.

● AIR SUPPLY SYSTEM

TBB controls the amount of air supplied by monitoring the temperature in the office environment. Its system uses a new method for supplying air, circulating it from the floor rather than from the ceiling, which speeds up cooling and ensures high ventilation efficiency and air quality.

● ALL-FRESH AIR COOLING SYSTEM

TBB's all-fresh air system uses fresh air cooling in early summer when the temperature is not too high, which saves energy consumption significantly in air conditioning and greatly improves indoor air quality.

● THERMAL RECYCLING SYSTEM

When there is a large temperature difference between TBB's indoor and outdoor environments during the summer season, its thermal recycling system will activate, thereby saving on the energy consumption related to fresh air refrigeration.

● WATER RECYCLE SYSTEM

TBB is equipped with a water recycle system that collects and purifies waste water from the cooling tower, air conditioning system, swimming pool system and wash basins in bathrooms and pantries for floor cleaning, plant watering and toilet flushing. This process saves 50%-70% of TBB's water resources and contributes to their recycling.

● ETFE (ETHYLENE TETRAFLUOROETHYLENE) ROOF

The ceiling above the connecting layer is made of ETFE material, which has high anti-fouling and easy-cleaning qualities and good light transmission.

At Tencent, we believe that technology is paving the way to a sustainable future. We are proactively pursuing a green development strategy and promoting green technology, sensible energy saving, low carbon production and sustainable lifestyles, as our contribution to the sustainable development of China and the world.

EMPLOYEE BENEFITS

Talent is our most valuable asset. To support our employees' growth, we strive to provide attractive benefits, ample growth potential and a work environment with rich culture.

Our employee benefits package covers career growth, health, housing, and recreation, among others. Every new employee is given a set of 54 welfare cards, each representing a different benefit. Our employees can choose benefits such as insurance, sports equipment, travel cards and fruit gift cards according to a point system.

To help our employees develop good habits and cultivate health-conscious lifestyles, we offer them free annual health checkups, outpatient services, healthy dining options, access to sporting stadiums, and sports association memberships.

We have opened more than 20 company restaurants in Shenzhen, Beijing, Shanghai, Chengdu and Guangzhou, which have served over 52,000 high quality meals. We have engaged a third-party controller to ensure that all the food served is healthy and safe.

We provide employees with free and convenient transportation along 800 road routes to commute to and from work with 1,500 stops in cities including Beijing, Shanghai, Shenzhen and Chengdu. We also provide shuttle bus service that shuttles our people on over 60,000 trips every day.

Every New Year's Day, International Women's Day, Children's Day, Mid-Autumn Festival, and Elderly Day, we offer gifts to employees as well as their families.

To provide a safe and empowering working environment for our teams, we equipped our new office tower with frontier technology and capabilities: a lobby entrance with facial recognition technology, smart elevators operated through mobile phones, a canteen with diverse seating layouts, comfortable working spaces, and relaxation zones. The building is a vertical ecological community for employees to feel supported as they work.

FACT AND FIGURES

Total number of employees: 44,796 as of end of 2017

Employees with post-doctoral, doctoral, and post-graduate qualifications account for 34.1% of our workforce.

Bachelor's degree and double degree holders account for 55.1% of our workforce.

MULTI-LEVEL TRAINING FOR EMPLOYEES TO PROMOTE SELF-DEVELOPMENT

We have put in place various measures tailored to help our employees develop their careers and improve their skillsets and competitiveness.

COMPREHENSIVE TRAINING SYSTEM

In 2007, we set up a corporate learning institute – Tencent Academy – to provide different types of development training to our employees. Notably 90% of the courses run by the Academy are self-developed. There are over 1,200 lecturers conducting more than 5,600 classes. At the end of 2017, more than 30,000 people had taken courses offered by the Academy.

FACTS AND FIGURES

Tencent Academy conducted 2.1 million training sessions online.

More than 30,000 people attended the sessions.

The Academy's online study rate reached 96%.

MULTI-LAYERED TRAINING

We also offer training programmes tailored for employees of different seniority levels. We established a mentor system whereby every new employee is assigned a mentor who will introduce them to our company culture and their role-specific expectations. During their first week, new employees are encouraged to form groups to interview long-serving employees about their experiences working at Tencent.

To nurture promising talent, we have in place a series of training programmes targeting both technicians and managers who demonstrate great potential in their roles. We also occasionally invite well-known specialists, heads of research institutes, and renowned individuals to host lectures for our employees.

DIVERSE TRAINING FORMATS

We also provide alternative forms of training designed to meet the diverse needs of our employees. For instance, Creative Marathon is a programme whereby participants team up to generate creative ideas over the period of a few days. A panel of judges then chooses the best ideas. Our BarCamp Seminar, as another example, is a workshop whereby participants come together to discuss the issues they face at work and seek solutions.

Considering the global emergence and application of AI in business, we held a series of forums in 2017 focused on smart robots, deep learning and AI. We invited eight renowned specialists to attend the event and help improve our employees' knowledge of AI. We have also formed a partnership with Udacity, a technology learning platform in Silicon Valley, to introduce innovative courses and teaching models, with a view to developing the best technology-related talent. As of the end of 2017, more than 2,000 engineers had taken online courses via the Udacity platform.

TENCENT UNIVERSITY

Tencent University, established by Tencent in 2012, has launched 1,695 free online courses. The university's official Weixin account has exceeded 420,000 followers. In 2017, it ran 80 live broadcasts, attracting an average of 13,119 viewers per day. The university works with schools and enterprises to offer specialised courses in subjects such

as mobile terminals and game design. These courses are conducted both online and offline, involving more than 500 college students from over 40 tertiary institutions. We have also launched Internet courses for more than 6,000 primary and secondary students from over 60 schools.

CHARITABLE WORK BY EMPLOYEES

Historically, our CSR team would occasionally receive messages from colleagues, calling for the company to support certain charitable activities. In 2013, Tencent Charity Foundation launched an internal charity platform – KM.OA.COM/LOVE – to encourage our employees to participate in volunteer work themselves and serve their communities directly.

On 28 September 2017, we launched a volunteer platform for employees to undertake individual volunteer projects. Those volunteers leading projects are given incentives for completing them. Our volunteers have since responded to people in need across the country, helped locate missing persons, distributed free educational courses, and more. As of the end of 2017, there were more than 1,000 projects on the platform.

In 2017, we launched an internal campaign to help small, community shops promote their businesses by using templates and algorithms we apply daily for our own businesses and clients. Through these initiatives, we empowered our employees to be forces for good in their communities and create real value for society.





HAPPY LIFE FOR ALL

We understand how excessive work stress can affect employees' emotional and physical health, as well as their family lives. We have thus taken it upon ourselves to help every employee live a meaningful life and find fulfilment at work, using our core values of integrity, proactivity, collaboration, and innovation.

As the number of our employees continues to grow, we are aware of the need to communicate effectively about our company's direction and encourage all employees to feedback on issues that are relevant to their roles. To this end, we are promoting an open corporate culture, one with a variety of communication channels for employees to voice their needs and stay involved in the company's growth.

At the end of every year, we host an employee conference, where our top executives present the company's future growth strategies. In this way, all employees are kept abreast of important news and the kind of issues Tencent is facing. At the event, employee teams with outstanding achievements that year are commended. The areas of achievement include business operations, technological development, and management.

TENCENT LEWEN AND TENCENT LEXIANG

To improve our internal communications, we created Tencent Lewen, an online platform that has become a lively, highly interactive tool for our employees. Using Lewen, employees can go anonymous and voice concerns. They can also ask questions about personal issues, ranging from health and wellness to buying a car. To ensure the feedback is genuine and appropriate, respondents to anonymous messages are required to identify themselves. Any employee can pose questions and anyone can provide answers. In 2017, an average of 2,000 questions were submitted on Lewen per month, generating around 12,000 answers and 6,000 comments. Lewen is browsed more than 25,000 times per month. Building upon the success of Lewen, we developed Tencent Lexiang in 2017, an online community that facilitates knowledge management, internal communications, and cultural development. To date, more than 10,000 companies across a variety of sectors, including manufacturing, retail, Internet, finance and energy, have connected with Tencent Lexiang.

VARIOUS FUN ACTIVITIES FOR EMPLOYEES

To help employees achieve a healthy work-life balance and avoid stress, we host a range of events and activities every year, including an annual party, Tencent Culture Day, a carnival, and an annual singing contest.

To encourage the cultivation of hobbies among employees, we formed a community of interest groups specialised in different subjects, including dance, music, basketball, football, badminton, volleyball, table tennis, English language, photography, and board games.



Tencent: Technology + Culture



TENCENT: TECHNOLOGY+ CULTURE

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“Tencent’s future focus can be condensed into two words: Technology and Culture. Culture is essential, regardless of the degree of development or the role of AI and technology in the future. Human wisdom, culture, and innovation will never be substituted.

Human beings are standing at the dawn of the Internet era. We are all designers and participants in this great experiment of our time. Let us eagerly anticipate the great things that are sure to unfold while passionately driving ourselves towards a brighter future.”

– Pony Ma, Chairman and CEO

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In the past, we and our customers positioned Tencent as an Internet company. But in the future, technology and culture will be the most important elements of our company. Tencent will be defined as an Internet company that brings technology and culture together in harmony. From a historical perspective, technology and culture were also the most important elements in the development of human societies. Science and technology, across all disciplines, are making impressive breakthroughs, bringing profound changes to our lives. The development of technology is set to create positive impacts on our culture and lives.

We have created QQ and Weixin, which have become the leading social networking tools in China. Our mission is “Connecting Everything”: people, information, services, and products. In the future, we will connect people and content, the past and the future, the elite and the ordinary, the youth and the arts, and culture and technology.

Culture belongs to everyone and is created by everyone. The boundary between creators and users has been fading, and so has that between mainstream culture and subcultures. Cultural rejuvenation is taking place with the emergence of anime culture, geek culture and pan-entertainment culture. The development of virtual reality technology is also contributing to this diverse cultural landscape.

Our corporate image and value to society is tied to the use of technology to enhance culture and to leverage culture to illuminate where new technologies might be developed and applied. We are well prepared to explore new ways to integrate traditional culture into futuristic technology and promote the convergence of these two important elements, with a view to contributing to a new and dynamic culture in China.

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Tencent 腾讯

