

For Immediate Release

Online Music Takes Off on Tencent's QQ Platforms

[Shenzhen, China, July 25, 2005] Tencent Holdings Limited (SEHK 700), a leading provider of Internet and mobile value-added services in China, has joined hands with the music industry to offer the largest licensed music streaming services in China to its 150 million QQ users.

To date Tencent's QQ Music Service, or *Qusic*, has over 100,000 songs licensed from nine major record labels, including internationally renowned companies such as Warner, EMI, Universal and SonyBMG, and regional labels in China and Asia such as Rock, EEG, Music Street, Seed Music and Music Nation. In addition, licensed agreements were also signed with more than 20 domestic labels in China. The growing collection is a rich source of music content for some of our services such as ringtones and ringback tones for handsets, and song dedication via our instant messaging (IM) and interactive voice response (IVR) platforms.

"There is a lot of potential in online music services and Tencent is making an early move into this strategic market. We will continue to grow our collection and enhance user experience by introducing personalized features such as fan clubs, billboards and other interactive elements in the future," said Chief Operating Officer of Tencent, Mr. Jason Zeng Li-qing.

Mr. Zeng added, "With 150 million users and of which over 90 percent are below 30 years old, QQ held the largest captive internet audience in China. This made QQ a highly attractive platform for promoting and distributing licensed music content online. "

As part of an effort to enrich its overall offering in interactive entertainment services, Tencent has also partnered with America Online (AOL) to bring Live 8 concerts to the Internet audience in China. Live 8 is a series of large-scale pop concerts held simultaneously in ten cities worldwide to raise the awareness of poverty and related issues in Africa. The Live 8 concert held in early July this year was the largest live broadcast to date, reaching out to billions of viewers over the Internet, television and radio around the world. Participating celebrity artists included Madonna, Elton John, U2, Paul McCartney, Robbie Williams and dozens of other stars.

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About Tencent Group

Tencent Group is a leading provider of Internet and mobile value-added services in China. The Group serves the largest instant messaging (IM) community in China as measured by registered IM user accounts. The Company's IM platform allows users to communicate in real-time across the Internet, and mobile and fixed line telecommunications networks using various terminal devices. Tencent operates three principal lines of business: Internet value-added services, mobile and telecommunications value-added services and online advertising. Shares of Tencent Holdings Limited are traded on the Main Board of the Stock Exchange of Hong Kong, under the stock code 700. For more information, please visit our corporate website at www.tencent.com.

**Tencent currently offers three IM products – QQ, TM and RTX. QQ is a consumer IM communication product which offers a variety of entertainment and community features. TM is for professional IM communications in a business environment. RTX offers an IM package solution that allows an enterprise to operate and manage its own internal IM network.*

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Important note:

This press release contains forward-looking statements relating to the business outlook, 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 realized in future. Underlying the forward-looking statements are a large number of risks and uncertainties. Further information regarding these risks and uncertainties is included in our other public disclosure documents.