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Tencent 腾讯
TENCENT HOLDINGS LIMITED
騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 700)

DISCLOSEABLE TRANSACTION
PURCHASE OF PROPERTY

On 15 May 2008, Tencent Tianjin and Shanghai Caohejing entered into an agreement. Tencent Tianjin agreed to purchase the Property at a consideration of RMB335.27 million.

The Purchase constituted a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing the details of the Purchase will be dispatched to the shareholders of the Company as soon as possible.

THE PURCHASE

On 15 May 2008, Tencent Tianjin, a wholly owned subsidiary of the Company, entered into an agreement with Shanghai Caohejing in relation to the purchase of the Property, details of which are set out below:

Vendor: Shanghai Caohejing

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, Shanghai Caohejing and its ultimate beneficial owner are independent third parties of the Company and not connected persons of the Company as defined under the Listing Rules.

Purchaser: Tencent Tianjin

Consideration: The total cash consideration payable to Shanghai Caohejing shall be approximately RMB335.27 million (equivalent to approximately HKD373.64 million) and the payment details are as follows:

- i) RMB1 million paid on 15 May 2008;
- ii) RMB99.58 million to be paid before 31 May 2008;
- iii) RMB100.58 million to be paid before 15 June 2008;
- iv) RMB134.11 million to be paid before 15 August 2008.

The Purchase will be funded by internal resources of the Group.

REASONS FOR THE PURCHASE

Currently, the construction of the Property has been completed. The Purchase price is set by the Vendor and is offered to all potential subscribers at pre-determined prices. The total asset value of the Property, including all transaction costs for the Purchase of approximately RMB10.50 million, shall be in a total sum of approximately RMB345.77 million.

The Board, having made reference to the market value of similar properties in similar location, considers that the Purchase price and the terms of the Purchase are fair and reasonable and in the best interest of the Company and the shareholders as a whole. According to the Agreement, the expected date of delivery of the Property shall be before 15 August 2008. The Group intends to use the Property as its office in Shanghai. In order to better manage the funds, the Board is of the view that the Property investment will meet the future development needs of the Group.

GENERAL

The Company and its subsidiaries are principally engaged in the provision of Internet and mobile value-added services and online advertising services to users in the PRC.

The Purchase constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules. A circular containing the details of the Purchase will be dispatched to the shareholders of the Company as soon as possible.

DEFINITIONS

“Agreement”	the agreement entered into by Tencent Tianjin and Shanghai Caohejing;
“Board”	the board of directors of the Company;
“Company”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Group”	The Company and its subsidiaries;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China;
“Property”	The area of 17,645.85 sq. m. located at 1st to 9th Floors, Zone C, 1801 Hongmei Road of the first phase of “Shanghai Modern Technology Services Community Zone”;
“Purchase”	The purchase of the Property by Tencent Tianjin;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai Caohejing”	Shanghai Caohejing Development Zone Hi-Tech Park Development Company Limited, a company incorporated in the PRC, the main business of which is zone development, construction, operation and management of property; property operation, project investment and development, information consultation and services; storage service;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere; and

“Tencent Tianjin”

Tencent Cyber (Tianjin) Company Limited, a company incorporated in the PRC.

By Order of the Board

Ma Huateng

Chairman

28 May 2008

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

Executive Directors: Ma Huateng, Lau Chi Ping Martin and Zhang Zhidong;

Non-Executive Directors: Antonie Andries Roux and Charles St Leger Searle; and

Independent Non-Executive Directors: Li Dong Sheng, Iain Ferguson Bruce and Ian Charles Stone.

For illustrative purposes only, exchange rate of RMB1.00 = HKD1.11445 has been used in this announcement.