

**For Immediate Release**

**Tencent to Implement New China Mobile Policies  
to Foster Healthy Growth of the Wireless Sector**

**Shenzhen, July 7, 2006** – Tencent Holdings Limited (“Tencent” or the “Company”, SEHK 700), a leading provider of Internet and mobile & telecommunications value-added services in China, today says it is aware of policy changes for all wireless value-added services on China Mobile’s Monternet platform that are to be implemented in response to directives from the Ministry of Information Industry to increase customer satisfaction and foster the healthy development of the wireless sector in the long run.

These measures will apply to SMS, MMS and WAP services for the time being and possibly other wireless value-added services in the future. Key details of these new policies cover:

1. New subscription

From July 2006 onwards, new subscribers will be given an approximately month-long free trial during which they will be asked to firstly confirm their subscriptions upon registration and be reminded of the subscriptions and cancellation procedures at the end of the free trial period.

2. Existing subscription

During August and September 2006, existing subscribers will receive SMS reminders about their active subscriptions, fees being charged and how they may cancel their subscriptions. It is expected that each provincial subsidiary of China Mobile will also cancel existing WAP subscriptions that have been inactive for more than four months.

These new policies will reduce the effectiveness of the acquisition of new subscribers, reduce revenue due to the free trial period and increase the churn of existing monthly subscriptions for our wireless value-added services and certain Internet services that offer wireless functionalities.

In addition, we also understand that wireless service providers who are currently providing mobile chat services on the Monternet platform will have their mobile chat service contracts extended until December 31, 2006 while the possible options thereafter are being discussed. We are currently in the process of evaluating the potential impact of these new policies, as we believe they will negatively impact our businesses in the coming quarters.

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## About Tencent

Tencent Holdings Limited is a leading provider of Internet and mobile & telecommunications value-added services in China. Tencent 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 Limited, under the stock code 700. For more information, please visit our corporate website at [www.tencent.com](http://www.tencent.com).

*Tencent currently offers three IM products – QQ, TM and RTX. QQ is a personal IM communication product which offers a variety of entertainment and community features. TM is for professional IM communications in a business environment. RTX offers IM 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.*