



SONY MUSIC ENTERTAINMENT AND TENCENT ANNOUNCE A STRATEGIC DISTRIBUTION ARRANGEMENT FOR MAINLAND CHINA

Landmark Agreement to bolster China's fast developing consumer digital music market

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Sony Music Entertainment (Sony Music) and Tencent Holdings Limited ("Tencent", SEHK stock code: 0700) today announced an exciting strategic cooperation arrangement for the online digital distribution of Sony Music's audio music master recordings in mainland China.

Under the main terms of this major initiative, Tencent will distribute Sony Music's repertoire via Tencent's QQ Music services and manage the online distribution of Sony Music's repertoire to legitimate local Chinese audio online music services in mainland China.

Through Tencent's advanced technological infrastructure and massive user-base and Sony Music's music entertainment expertise and highly-talented artists' music content, this new strategic arrangement will enable Tencent to provide an enhanced consumer experience music model in mainland China. Under the new strategic arrangement, Tencent will also promote Sony Music's artists extensively on its platforms as well as license to other local online music service providers to sub-distribute Sony Music's repertoire releases to their consumers in mainland China.

Tencent will also leverage its popular gaming, mobile and social platforms (such as China's leading social media service QQ that has more than 820 million monthly active users) as well as its distribution capabilities to promote both Sony Music's highly talented local and international artists and their music in mainland China.

From a broader marketing perspective, Sony Music will continue to market its artists across a multitude of on-ground, online and other media platforms to connect with music fans right across the country with the aim to enhance the consumer experience and access to music and artists information. In addition to this new strategic arrangement with Tencent, Sony Music will also continue to develop and maintain direct business relationship with local mobile operators and its international business partners.

The strategic arrangement will also see joint cooperation on tackling commercial online music service infringers in order to provide consumers and creators with the high quality music services and opportunities for market development. Sony Music China's roster features some of the greatest artists of all time together with a host of new artists, including: A-Lin, Lang Lang, Joshua Jin, Allen Su, Joanna Wang, Ailing Tai, Eve Ai, Eric Chou, Jason Chan,

One Direction, Meghan Trainor, Ricky Martin, Beyonce, Avril Lavigne, Yo-Yo Ma, Celine Dion, AC/DC, Pink Floyd, Il Divo, Calvin Harris, Britney Spears, and Daft Punk.

Edgar Berger, Chairman and CEO, Sony Music Entertainment, International, said

“Sony Music is excited to partner with Tencent in this landmark deal. Through its advanced digital systems operations and huge customer base Tencent understands the amazing scope of the market for both Chinese and international artists. We share the vision that China can easily become within a relatively short period of time one of the world’s largest music markets and look forward to developing greater consumer engagement and services.”

Dowson Tong, President of Social Network Group, Senior Executive Vice President at Tencent, said

“Sony Music has one of the best talent pools in world music today. This exciting strategic partnership with Sony Music brings the latest and greatest music to China’s exploding fan-base, which is eager to enjoy more world-class music acts. We look forward to continually enhancing our market-leading music experience and provide simple and easy access for China’s users to the widest portfolio of music and entertainment.”

Denis Handlin AM, Chairman & CEO of Sony Music Entertainment Australia & New Zealand and President, Asia, said

“It was most important for us to find a strategic partner that shares our passion for developing the music market through digital music services. The market in mainland China is a rapidly transforming one, with fans that have great passion and interest in music and the artists that bring this wonderful entertainment into their lives. Sony Music has a very proud record of discovering and developing Chinese artists for the music fans of both the local market and markets throughout Asia and beyond. We are very excited to see the advancements in the digital online music market especially over the past several years and believe consumers will gain substantially through the provision of enhanced music services and interaction. We welcome the leading role Tencent will play in developing the market and we look forward to working with them and other leading music portals, media and retail businesses to market and sell our music.”

Dennis Kooker, President, Global Digital Business & US Sales, Sony Music Entertainment, said

“China has the potential to be one of the top music markets in the world but we need a local partner who shares that vision to transform the market. Tencent is that partner as they understand that a healthy music marketplace will lead to more investment for music in China which will grow the impact of China and its locally signed artists on the world stage.”

ABOUT SONY MUSIC ENTERTAINMENT

Sony Music Entertainment is a global recorded music company with a current roster that includes a broad array of both local artists and international superstars. The company boasts a vast catalogue that comprises some of the most important recordings in history. It is home to premier record labels representing music from every genre, including Arista Nashville, Beach Street/Reunion Records, Bystorm Entertainment, Columbia Nashville, Columbia Records, Day 1, Epic Records, Essential Records, Kemosabe Records, Legacy Recordings, MASTERWORKS, Polo Grounds, RCA Inspiration, RCA Nashville, RCA Records, Sony Classical, Sony Music Latin, Star Time International, Syco Music, Vested in Culture and Volcano. Sony Music Entertainment is a wholly owned subsidiary of Sony Corporation of America.

For more information, please visit www.sonymusic.com

ABOUT TENCENT

Tencent uses technology to enrich the lives of Internet users. Every day, hundreds of millions of people communicate, share experiences, consume information, seek entertainment, and shop online through our integrated platforms. Our diversified services include QQ, Weixin and WeChat for communications; Qzone for social networking; QQ Game Platform for online games and QQ.com for information.

Tencent was founded in Shenzhen in 1998 and went public on the Main Board of the Stock Exchange of Hong Kong Limited on in 2004. Tencent has been one of the 50 constituent stocks of the Hang Seng Index since June 10, 2008, under stock code 00700. Tencent seeks to evolve with the Internet by investing in innovation, providing a hospitable environment for our partners, and staying close to our users.

For more information, please visit www.tencent.com/ir

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