



For Immediate Release

Tencent Makes Investment in Leading Chinese Online Games Company

SHENZHEN, China, October 13, 2005 -- Tencent Holdings Limited (SEHK 700), a leading provider of Internet and mobile value-added services in China, announced it has signed an agreement to purchase a 19.9% stake in SZ Domain Ltd ("SZ Domain") – a developer and operator of Massive Multiplayer Online Games (MMOG) and mini casual games based in Shenzhen.

Under the agreement, Tencent has the option to acquire a majority stake in SZ Domain in subsequent years.

Founded in April 1997, SZ Domain develops and operates *Huaxia Online*, which is a 2D MMOG based on Chinese mythology and was ranked number three in The Best 2D Online Game Survey in 2005, according to iResearch. *Huaxia Online* recorded over 60,000 peak concurrent users (PCU) shortly after its open-beta launch in late December 2004. SZ Domain also develops mini-casual games, and is a solution partner to China Games Centre (CGC) – the number three casual games portal in China by PCU, according to iResearch.

"SZ Domain is an experienced game developer and operator of both MMOGs and casual games. Our investment will further strengthen our position as a leading online game platform that offers a broad range of compelling gaming content to our large user base. We will also capture synergies between the two companies through marketing and distribution arrangements," said Tencent's Chief Strategy and Investment Officer Mr. Martin Lau.

Mr. Zhang Yan, Chairman and CEO of SZ Domain, said: "We are excited about the additional strengths that Tencent will bring to us. We look forward to working closely with Tencent through leveraging its platform advantages and cross-marketing to capture the growth of online games market in China."

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About Tencent Holdings Limited

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.

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.

About SZ Domain

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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 release. 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.