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In connection with the Offering, Goldman Sachs (Asia) L.L.C. as stabilizing manager, on behalf of the Underwriters, or any person acting for it, may over-allot or effect transactions with a view to supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on Goldman Sachs (Asia) L.L.C. or any person acting for it to conduct any such stabilizing action. Such stabilization may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilizing) Rules, as amended, made under the Securities and Futures Ordinance. Such stabilization, if commenced, will be conducted at the absolute discretion of Goldman Sachs (Asia) L.L.C. or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. The details of the intended stabilization and how it will be regulated under the Securities and Futures Ordinance are contained in the prospectus of Tencent Holdings Limited (the "Company") dated June 7, 2004 (the "Prospectus"). The number of Shares being offered in the Offering may be increased by up to an aggregate of 63,024,000 Shares through the exercise of the Over-allotment Option granted to the International Purchasers by the Company, exercisable by the Global Coordinator on behalf of the International Purchasers to cover over-allocation (if any) in the International Placing. Such Over-allotment Option is exercisable up to the date which is the 30th day after the Listing Date. In the event that such Over-allotment Option is exercised, a press announcement will be made.

Unless otherwise defined in this announcement, terms defined in the Prospectus have the same meanings when used in this announcement.

Tencent 腾讯

TENCENT HOLDINGS LIMITED

騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

HONG KONG PUBLIC OFFERING

AND

INTERNATIONAL PLACING

Number of Hong Kong Offer Shares	: 42,016,000 Shares (subject to adjustment)
Number of Offer Shares	: 420,160,500 Shares (subject to adjustment and the Over-allotment Option)
Maximum Offer Price	: Not more than HK\$3.70 per Hong Kong Offer Share plus brokerage fee of 1%, Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and investor compensation levy of 0.002% (payable in full on application and subject to refund)
Nominal value	: HK\$0.0001 per Share
Stock code	: 700

Global Coordinator, Bookrunner, Lead Manager and Sponsor



Goldman Sachs (Asia) L.L.C.

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue, the Offer Shares, and any Shares issued pursuant to the Over-allotment Option, the Pre-IPO Share Option Scheme and the Share Option Scheme. Dealings in the Shares on the Stock Exchange are expected to commence on Wednesday, June 16, 2004. Applications for the Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and in the **white** or **yellow** Application Forms. **It should be noted that multiple applications or suspected multiple applications or any application for more than 21,008,000 Shares, being 50 per cent. of the Hong Kong Offer Shares initially comprised in the Hong Kong Public Offering, will be rejected.** Only one application on a **white** or **yellow** Application Form or by way of giving **electronic application instructions** to HKSCC may be made for the benefit of any person. Applicants for any Shares under the Hong Kong Public Offering are required to undertake and confirm that they or the relevant beneficial owner(s) have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing. Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Shares on the Stock Exchange or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Company is initially offering 42,016,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Shares initially available under the Offering. The allocation of the Shares between the Hong Kong Public Offering and the International Placing is subject to adjustment as stated in the paragraph headed "Pricing and Allocation" under the section in the Prospectus entitled "Structure of the Offering".

Acceptance of all applications for the Shares pursuant to the Hong Kong Public Offering is conditional on the conditions as stated in the paragraph headed "Conditions of the Hong Kong Public Offering" in the section entitled "Structure of the Offering" in the Prospectus. The Offer Price is expected to be fixed by agreement between the Global Coordinator, on behalf of the Underwriters, and the Company on or around Friday, June 11, 2004 and, in any event, not later than Monday, June 14, 2004. Investors applying for Shares under the Hong Kong Public Offering must pay, on application, the maximum Offer Price of HK\$3.70 for each Share together with a brokerage fee of 1%, Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and investor compensation levy of 0.002% on each Share. The Global Coordinator, on behalf of the Underwriters, may with the consent of the Company, reduce the number of Offer Shares being offered in the Offering and/or the indicative offer price range below that stated in the Prospectus (which is HK\$2.77 to HK\$3.70 per Share) at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, a notice of the reduction in the number of Offer Shares and/or the indicative offer price range will be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) not later than the morning of the last day for lodging applications under the Hong Kong Public Offering. If applications for Hong Kong Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, then even if the number of Offer Shares and/or the indicative offer price range is so reduced, such applications cannot be subsequently withdrawn. If, for any reason, the Offer Price is not agreed between the Company and the Global Coordinator (on behalf of the Underwriters), the Offering will not proceed.

If the Offering does not become unconditional, all application monies received from applicants under the Hong Kong Public Offering will be refunded, without interest, on the terms set out under the paragraph headed "Deposit of Share Certificates into CCASS and Refund of Application Monies" in the section entitled "How to Apply for Hong Kong Offer Shares" in the Prospectus. Refund will be made in respect of wholly or partially successful applications in the event that the Offer Price is less than the offer price per Share initially paid and in respect of wholly or partially unsuccessful applications. Applicants for 1,000,000 Shares or more who have elected in their Application Forms to collect their refund cheque(s) (where relevant) and/or share certificates (for applicants using **white** Application Form) personally, may do so from the Company's Share Registrar, Computershare Hong Kong Investor Services Limited from 9:00 a.m. to 1:00 p.m. on Tuesday, June 15, 2004. Applicants being individuals who opt for personal collection may not authorize any other person to make

collection on their behalf. Applicants being corporations, who opt for personal collection, must attend by their authorized representatives each bearing a letter of authorization from such corporation stamped with the corporation's chop. Both individuals and authorized representatives must produce at the time of collection, evidence of identity acceptable to Computershare Hong Kong Investor Services Limited. Uncollected share certificates and refund cheques will be despatched by ordinary post at the applicants' own risk to the addresses specified in the relevant Application Form. For enquiries, please call the hotline of Computershare Hong Kong Investor Services Limited at (852) 2862-8628. Share certificates will only become valid certificates of title at 8:00 a.m. on Wednesday, June 16, 2004 provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination described in the section entitled "Underwriting" – Underwriting Arrangements and Expenses – The Hong Kong Public Offering – Grounds for termination by the Hong Kong Underwriters" of the Prospectus has not been exercised.

In relation to applicants who have applied for less than 1,000,000 Shares, or applicants who have applied for 1,000,000 Shares or more and have not elected in their Application Forms to collect their refund cheque(s) (where relevant) and/or share certificate(s) in person, their refund cheque(s) (where relevant) and/or share certificate(s) (for applicants using **white** Application Form) will be sent by ordinary post at the applicants' own risk to the addresses specified in the relevant Application Forms on Tuesday, June 15, 2004.

Applicants who would like to be allotted Shares in their own names should complete and sign the **white** Application Forms. Applicants who would like to have the Shares issued in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **yellow** Application Forms or (ii) give **electronic application instructions** to HKSCC via CCASS.

Obtaining a copy of the Prospectus and Application Forms

Copies of the Prospectus, together with the **white** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Monday, June 7, 2004 until 12:00 noon on Thursday, June 10, 2004 at:

1. Goldman Sachs (Asia) L.L.C., 68th Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong;
2. The Hongkong and Shanghai Banking Corporation Limited, Level 15, 1 Queen's Road Central, Hong Kong; or

3. any of the following branches of Bank of China (Hong Kong) Limited:

Hong Kong Island:	Bank of China Tower Branch	3/F., 1 Garden Road, Central
	Central District (Wing On House) Branch	71 Des Voeux Road, Central
	Causeway Bay Branch	18 Percival Street, Causeway Bay
	Taikoo Shing Branch	Shop G1012, Yiu Sing Mansion, Taikoo Shing
	Aberdeen Branch	25 Wu Pak Street, Aberdeen
	North Point (Kiu Fai Mansion) Branch	413-415 King's Road, North Point
Kowloon:	Mong Kok (President Commercial Centre) Branch	608 Nathan Road, Mong Kok
	Festival Walk Branch	Unit LG149, Festival Walk, Kowloon Tong
	Hoi Yuen Road Branch	55 Hoi Yuen Road, Kwun Tong
	Yau Ma Tei Branch	471 Nathan Road, Yau Ma Tei
	Stage 6 Mei Foo Branch	Shop N47-49 Mount Sterling Mall, Mei Foo Sun Chuen
	2 Carnarvon Road Branch	2-2A Carnarvon Road, Tsim Sha Tsui
New Territories:	Castle Peak Road (Tsuen Wan) Branch	167 Castle Peak Road, Tsuen Wan
	Lucky Plaza Branch	G/F., Lucky Plaza, Wang Pok Street, Shatin
	Tuen Mun Town Plaza Branch	Shop 2, Tuen Mun Town Plaza Phase II

Copies of the Prospectus, together with the **yellow** Application Forms, may be obtained during normal business hours in the same period from:

1. the Depository Counter of HKSCC at 2/F., Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong; or
2. the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong.

Both **white** and **yellow** Application Forms completed in all respects (to which one cheque or banker's cashier order should be securely stapled) should be deposited in the special collection boxes provided at the branches of Bank of China (Hong Kong) Limited referred to above at the following times on the following dates:

Monday, June 7, 2004 – 9:00 a.m. to 4:00 p.m.
Tuesday, June 8, 2004 – 9:00 a.m. to 4:00 p.m.
Wednesday, June 9, 2004 – 9:00 a.m. to 4:00 p.m.
Thursday, June 10, 2004 – 9:00 a.m. to 12:00 noon

Applications by giving electronic application instructions to HKSCC

Investors can apply for Shares by giving electronic application instructions to HKSCC as follows:

1. CCASS Investor Participants can give **electronic application instructions** to HKSCC through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input **electronic application instructions** on behalf of CCASS Investor Participants if they go to the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong and complete an input request form. Prospectuses are also available for collection at the Customer Service Centre of HKSCC; and
2. those who are not CCASS Investor Participants can instruct their brokers or custodians who are CCASS Broker Participants or CCASS Custodian Participants to give **electronic application instructions** to HKSCC via CCASS terminals to apply for Shares on their behalf.

CCASS Participants can input **electronic application instructions** at the following times on the following dates:

Monday, June 7, 2004 – 9:00 a.m. to 7:00 p.m.⁽¹⁾
Tuesday, June 8, 2004 – 9:00 a.m. to 7:00 p.m.⁽¹⁾
Wednesday, June 9, 2004 – 9:00 a.m. to 7:00 p.m.⁽¹⁾
Thursday, June 10, 2004 – 9:00 a.m. to 12:00 noon

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Participants.

Subject to the terms and conditions set out in the Prospectus and the Application Forms relating thereto, applications must be received no later than 12:00 noon on Thursday, June 10, 2004 (or if the application lists are not open on that day, by the time and date stated in the sub-paragraph entitled “How to Apply for Hong Kong Offer Shares – Effect of Bad Weather on the Opening of the Application Lists” in the Prospectus). Please see the section entitled “How to Apply for Hong Kong Offer Shares” in the Prospectus for further details. No temporary documents or evidence of title will be issued. No receipt will be issued for application monies.

The total number of Shares available under the Hong Kong Public Offering (after taking into account of any adjustment in the number of Offer Shares allocated between the International Placing and the Hong Kong Public Offering) will be divided into two pools for allocation purposes: Pool A and Pool B. The Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate price of HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable) or less. The Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Shares with an aggregate price of more than HK\$5 million (excluding brokerage, SFC transaction levy, investor compensation levy and Stock Exchange trading fee payable) and up to the value of Pool B. Investors should be aware that applications in Pool A and applications in Pool B may receive different allocation ratios. If Shares in one (but not both) of the pools are undersubscribed, the surplus Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the “price” for Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Shares from either Pool A or Pool B but not from both pools.

It is expected that the level of indication of interest in the International Placing, the Offer Price, the results of applications and the basis of allocation of Hong Kong Offer Shares will be published on Tuesday, June 15, 2004 in the South China Morning Post and Hong Kong Economic Times.

If you are applying through a designated CCASS Participant (other than a CCASS Investor Participant), you can check the number of Hong Kong Offer Shares allocated to you and (if you are instructing your broker or custodian to give electronic application instruction on your behalf) the amount of refund monies payable to you with that CCASS Participant. If you are applying as a CCASS Investor Participant, you should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, June 15, 2004 or such other date as shall be determined by HKSCC or HKSCC Nominees. On Wednesday, June 16, 2004, you can check your new account balance via the CCASS Phone System and CCASS Internet System (under the procedures contained in HKSCC’s “An Operating Guide for Investor Participants” in effect from time to time). On Wednesday, June 16, 2004, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and (if you are applying by giving electronic application instructions to HKSCC) the amount of refund monies credited to your designated bank account. For further details, please refer to the section entitled “How to apply for Hong Kong Offer Shares” in the Prospectus.

As at the date of this announcement, the Directors of the Company are Ma Huateng, Zhang Zhidong, Antonie Andries Roux, Charles St Leger Searle, Li Dong Sheng, Iain Ferguson Bruce and Ian Charles Stone.

By order of the Board
Ma Huateng
Chairman

Hong Kong, June 7, 2004

Please also refer to the published version of this announcement in SCMP (Business).