Leading Services with Highly Engaged User Base

Games
- #1 by users in China across PC and mobile
- #1 globally by revenue

Weixin & WeChat
- #1 mobile community
- MAU at 1,268m

QQ
- QQ mobile devices MAU at 552m

Communication & Social

Digital Content

FinTech

Cloud

Utilities

Mobile Payment
- #1 by MAU & DAU

Public Cloud
- #2 service provider by revenue

FinTech
- #1 by MAU & DAU

Mobile Security
- #1 by MAU

Mobile Browser
- #1 by MAU

Long-Form Video
- #1 by subscriptions

News
- #1 news services by MAU

Music
- #1 music services provider

Literature
- #1 online content library and publisher

* All rankings above refer to China market, unless otherwise stated. Ranking for public cloud is based on IaaS and PaaS revenue (source: IDC). Company data as of Dec 31, 2021.
Digital Ecosystem Fulfilling Everyday Needs of Consumers

1 billion+
daily average commercial payment transactions on Weixin Pay

RMB1.6 trillion+
total transaction value generated from Weixin Mini Programs

236 million
total fee-based VAS subscriptions

1. Since 4Q2019
2. Annual transaction value in 2020
3. Fee-based VAS subscriptions as of Dec 31, 2021
Weixin Connects Users, Content and Services in China

- **Chat and Moments**
  - *Weixin Chat* provides synchronous communication between mutual contacts
  - *Moments* provide asynchronous photo, video and audio sharing

- **Weixin Pay**
  - Easy and secured online/offline transactions
  - Over 1 billion average commercial transactions per day since 4Q2019

- **Mini Programs**
  - Connect over 450 million DAU with products, content and services
  - Help independent businesses thrive with their own channels and customer relationships
  - 2020 annual transaction value more than doubled YoY

- **Official Accounts**
  - Allow individuals, media and businesses to share original content and engage with audience
  - Strengthen brand awareness and content management

- **Video Accounts & Live Streaming**
  - A separate ID-based content platform for public sharing of video and live streaming content
  - Provide unique channel for acquiring and managing customers efficiently
  - Composed of both knowledge-based and entertainment content, offered to users via social and algorithmic recommendations

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Largest communication and social service in China for over 1.26 billion MAU

1. As of Dec 31, 2021
QQ Caters to Evolving Interactive Needs of Young Generations

QQ Wallet

Mobile payment for daily services, transportation, shopping and entertainment services, etc.

Mini Programs

Connect users with content & services, e.g., animated series provided by third-parties.

Chat & Group

Users discuss game-related topics and form teams in game communities.

Video-focused UGC

Game interest group

Honour of Kings team-up invite

Super QQ Show

UGC creation, sharing and immersive consumption experience

Testing new customisable virtual avatar for use in various social scenarios.

552 million QQ MAU (1) on mobile devices

1. As of Dec 31, 2021
Embrace Industrial Internet with Comprehensive Technological Capabilities

- Extending our strategy of ‘Connection’ to connecting industries, consumers and business partners
- Customise smart industry solutions based on Tencent Cloud; leverage our high-DAU products and software, and proprietary technologies to assist enterprises in digital transformation

### Smart Solutions
- Retail
- Healthcare
- Education
- Finance
- Transportation

### Software and Services
- WeCom
- Tencent Meeting / VooV Meeting
- Tencent Docs
- Weixin
- Weixin Pay
- Tencent Security

### Technologies
- Security Capabilities
- Autonomous Driving
- YouTu AI Lab
- Tencent AI Lab
- Big Data Analytics
- Location-based Services

### Infrastructure
- Tencent Cloud
- Comprehensive range of products and services (>300) on top of computing and storage
- Solid infrastructure in 26 regions and 69 availability zones (1)
- Over 1 million paying customers since 4Q2019

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1. As of Dec 31, 2021

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1. As of Dec 31, 2021
**Our ESG Commitment and Approach**

Integrate social responsibility into products and services  
Promote technological innovation to create long-term value for all stakeholders

<table>
<thead>
<tr>
<th>Environment</th>
<th>Social</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>To achieve <strong>Carbon Neutrality</strong> in own operations and supply chain, and shift to 100% renewable energy by 2030, via:</td>
<td>• Adapted various apps to provide <strong>elderly-oriented and barrier-free services</strong></td>
<td>• Enhanced anti-trust compliance with a dedicated department, updated guidelines for all businesses and strengthened staff trainings</td>
</tr>
<tr>
<td>• Improving energy efficiency via technology innovations and applications</td>
<td>• Adopted industry-leading and effective measures for <strong>Minor protection</strong></td>
<td>• <strong>Fostering ecosystem</strong> by supporting growth of third-party partners and promoting industry collaboration</td>
</tr>
<tr>
<td>• Increasing renewable energy use and participating in green power trading</td>
<td>• Assist <strong>SMEs</strong> to reduce operating costs and enhance efficiency by offering subsidies, resources and services via <strong>Weixin Pay</strong></td>
<td>• <strong>Support diversity and inclusion</strong>, increasing female representation in managerial roles, and collaborating with UNDP to inspire women in technology industry</td>
</tr>
<tr>
<td>• Carbon offsets for the remaining segments which cannot be reduced otherwise</td>
<td>• Upgraded our <strong>charitable fundraising platform</strong>, extending reach of annual 99 <strong>Giving Day</strong> event to engage 69 million users and 12,000 enterprises</td>
<td></td>
</tr>
</tbody>
</table>

**MSCI ESG Rating: BBB**  | **Sustainalytics ESG risk score: 22.9** (1)  

1. Out of 100, the lower the better
Create Sustainable Innovations for Social Value

- Realise our aspiration: bring benefits and value to society sustainably leveraging our technology and products
- Broad undertaking to elevate importance of sustainable social value in making product decisions
- Established Sustainable Social Value Org (SSV) to deploy social value initiatives in a professional and entrepreneurial way
- Incubate projects in various areas, linking with our existing businesses when appropriate
- Promote development of self-sustainable operations in addition to providing donations
- Pursue long-term social value rather than economic profits
- Capital funded by our investment gains

*Food, Energy and Water*
Leading industry in fostering a healthy gameplay environment in China

- Pioneered a system for parents to manage minors’ game activity in Feb 2017. Introduced the strictest measures in the industry with mandatory real-name verification, game time and spending limits in Sep 2018.
- Further tightened game time and spending limits beyond regulatory requirement in Aug 2021, reducing daily time limit for users aged under 18 and preventing in-game spending by users aged under 12.
- Full compliance with new regulations enforced since Sep 1, 2021: users aged under 18 can only play games between 8-9pm on Fridays, Saturdays, Sundays and statutory holidays.
- Industry-leading effort in combatting minors’ usage of adult accounts: 1) upgraded our screening system to identify misused adult accounts; and 2) proactively assist authorities in cracking down on illegal account transactions.
- Users aged under 18 accounted for: 1) 0.9% of Domestic Games time spent in 4Q2021, down 88% YoY; 2) 1.5% of our Domestic Games grossing receipts in 4Q2021, down 73% YoY.
1. Business Model

2. Financials
1. “Others” segment revenues is marked in grey. “Others” segment revenues for 2016-2017 include FinTech and Business Services, and the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities. “Others” segment revenues for 2018 – 2021 included the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.

2. Starting 1Q2019, we moved “FinTech and Business Services” revenues out of the “Others” segment to form a new segment, comparative figures in 2018 were restated accordingly.

3. Starting 3Q21, we disclose revenue from Domestic Games and International Games as new sub-segments under VAS, reflecting the increasing scale of our International Games business. For the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan.

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### Resilient Business Model with Diversified Revenue Streams

#### Revenues by Business Segment

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>FinTech and Business Services(2)</td>
<td>151.9</td>
<td>237.8</td>
<td>312.7</td>
<td>377.3</td>
<td>482.1</td>
<td>560.1</td>
</tr>
<tr>
<td>Online Advertising</td>
<td>24%</td>
<td>23%</td>
<td>31%</td>
<td>26%</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>VAS: International games (3)</td>
<td>11%</td>
<td>18%</td>
<td>41%</td>
<td>31%</td>
<td>26%</td>
<td>23%</td>
</tr>
<tr>
<td>VAS: Domestic games (3)</td>
<td>47%</td>
<td>24%</td>
<td>23%</td>
<td>23%</td>
<td>23%</td>
<td>21%</td>
</tr>
<tr>
<td>VAS: Social Networks</td>
<td>18%</td>
<td>19%</td>
<td>4%</td>
<td>7%</td>
<td>8%</td>
<td>16%</td>
</tr>
</tbody>
</table>

#### 5-year CAGR 24%

1. “Others” segment revenues is marked in grey. “Others” segment revenues for 2016-2017 include FinTech and Business Services, and the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities. “Others” segment revenues for 2018 – 2021 included the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.

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Digital Content Services

- Leading digital content platforms offer high quality content in various forms, including literature, anime, video, games and others
- Expertise in curating popular IP and extending IP influence across various media forms and high-DAU properties
- Strategic partner of choice for major content producers and owners locally and globally

High Quality Content

Growing Fee-based VAS Subscriptions

(in millions)

124 million (1) Total video subscriptions
76 million (1) Total music subscriptions

1. As of Dec 31, 2021
Games

Leading global platform for game development, publishing and operation

Sizable Developer

- Owned Studios
- Invested External Studios
- Partnership with External Studios

Deep Portfolio of Massively Popular Titles across Genres

- Battle Arena
- Action
- Turn-based Strategy
- Emerging Genres

Expanding international presence

- Investing in talents & leading studios
- Global IP portfolio
- Building capabilities

1. QuestMobile, as of Dec 2021
2. The Game Awards 2021
3. App Annie, global ex China ranking as of 2021
4. Newzoo, as of Dec 2021
According to QuestMobile, in December 2021; including apps with MAU of no less than 10,000.

Market share calculated as Tencent Online Advertising revenue in 2020 divided by China online advertising market size in 2020 according to CNNIC adjusted by adding customer management revenue of Alibaba in 2020 as disclosed.
## FinTech and Business Services

### Payment Solutions

- Over 1 billion average daily commercial payment transactions since 4Q2019
- Take-rate collected from merchants for commercial transactions
- Social and other transactions including red packets, bill sharing and utility payment

### Other FinTech Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LiCaiTong</td>
<td>Offers wealth management services including compliant and inclusive financial products from partners</td>
</tr>
<tr>
<td>WeSure</td>
<td>Offers insurance services</td>
</tr>
<tr>
<td>WeiLiDai</td>
<td>Offers a channel for making small-sized, short maturity consumer loans to our users</td>
</tr>
<tr>
<td></td>
<td>Receives distribution fees from WeBank with no credit risk or balance sheet exposure (1)</td>
</tr>
</tbody>
</table>

### Cloud Services

- Tencent Cloud
- WeCom
- Tencent Meeting/VooV Meeting

IaaS, PaaS, SaaS and technology solutions from enterprise customers
- IaaS: Star Lake server and T-block technology enhanced service performance
- PaaS: #1 in China’s video cloud market and increasing adoption of security solutions
- SaaS: deepened integration among fast growing WeCom, Tencent Meeting/VooV Meeting and Tencent Docs

### Other Business Services

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Retail</td>
<td>Customised smart industry solutions help partners move their businesses to digital, applied across verticals including retail, healthcare, transportation, education, finance, tourism, etc.</td>
</tr>
<tr>
<td>Smart Healthcare</td>
<td></td>
</tr>
<tr>
<td>Smart Transportation</td>
<td></td>
</tr>
<tr>
<td>Smart Education</td>
<td></td>
</tr>
</tbody>
</table>

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1. WeBank is an affiliate of Tencent and is a licensed bank
1. Business Model

2. Financial Highlights
Highly Profitable and Cash-Generative Business Model

Adjusted EBITDA (1) and Free Cash Flow (FCF) (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA (RMB in billions)</th>
<th>FCF (RMB in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>66.9</td>
<td>55.0</td>
</tr>
<tr>
<td>2017</td>
<td>95.9</td>
<td>93.4</td>
</tr>
<tr>
<td>2018</td>
<td>118.3 (2)</td>
<td>87.8 (2)(3)</td>
</tr>
<tr>
<td>2019</td>
<td>147.4</td>
<td>120.3 (2)(3)</td>
</tr>
<tr>
<td>2020</td>
<td>183.3</td>
<td>153.2 (3)</td>
</tr>
<tr>
<td>2021</td>
<td>194.8</td>
<td>144.0 (3)</td>
</tr>
</tbody>
</table>

Key Metrics

1. Adjusted EBITDA CAGR (4)
2. Adj. EBITDA Margin (5)
3. FCF Conversion (6)

1. Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Free cash flow calculated as net cash flow generated from operating activities minus payments for capital expenditures. In 2019, interest paid was re-classified from operating to financing cash flows. Comparative figures from 2018 were re-stated accordingly
3. Starting from 2020, free cash flow was adjusted by subtracting payments for media contents and lease liabilities, in addition to subtracting payments for capital expenditure from operating cash flow. RMB120.3 billion in 2019, RMB153.2 billion in 2020 and RMB144.0 billion in 2021 are the free cash flow numbers before the adjustments
4. 2017–2021 CAGR
5. 2021 Adjusted EBITDA as % of Revenues
6. FCF Conversion = FCF / Adjusted EBITDA; In 2021
In 2019, interest paid was re-classified from operating to financing cash flows, comparative figures from 2018 were re-stated accordingly.

Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents). Dividends paid include dividends paid to both the Company’s shareholders and non-controlling interests.

### Stable and Sustainable Cash Generation

#### Operating Cash Flow (OCF)\(^{(1)}\), Capital Expenditure Paid and Dividends Paid\(^{(2)}\)

(RMB in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Cash Flow (OCF) (RMB in billions)</th>
<th>Capital Expenditure Paid (as % of OCF)</th>
<th>Dividends Paid (as % of OCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>65.5</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>2017</td>
<td>106.1</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>2018</td>
<td>110.9</td>
<td>21%</td>
<td>7%</td>
</tr>
<tr>
<td>2019</td>
<td>148.6</td>
<td>19%</td>
<td>6%</td>
</tr>
<tr>
<td>2020</td>
<td>194.1</td>
<td>21%</td>
<td>6%</td>
</tr>
<tr>
<td>2021</td>
<td>175.2</td>
<td>18%</td>
<td>8%</td>
</tr>
</tbody>
</table>

1. In 2019, interest paid was re-classified from operating to financing cash flows, comparative figures from 2018 were re-stated accordingly.
2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents). Dividends paid include dividends paid to both the Company’s shareholders and non-controlling interests.
### Solid Balance Sheet Position

#### Net Cash / (Debt) Position

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Cash (RMB in billions)</th>
<th>Net Cash/ (Debt)</th>
<th>Total Debt (RMB in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>127.6</td>
<td>18.1</td>
<td>(109.5)</td>
</tr>
<tr>
<td>2017</td>
<td>168.2</td>
<td>16.3</td>
<td>(131.9)</td>
</tr>
<tr>
<td>2018</td>
<td>167.1</td>
<td>(12.2)</td>
<td>(179.3)</td>
</tr>
<tr>
<td>2019</td>
<td>205.3</td>
<td>(15.5)</td>
<td>(220.8)</td>
</tr>
<tr>
<td>2020</td>
<td>259.5</td>
<td>11.1</td>
<td>(248.4)</td>
</tr>
<tr>
<td>2021</td>
<td>281.3</td>
<td>(20.2)</td>
<td>(301.5)</td>
</tr>
</tbody>
</table>

#### Fair Value of Shareholdings in Listed Investee Companies

<table>
<thead>
<tr>
<th>Year</th>
<th>Fair Value of Shareholdings (RMB in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>(109.5)</td>
</tr>
<tr>
<td>2017</td>
<td>(131.9)</td>
</tr>
<tr>
<td>2018</td>
<td>(179.3)</td>
</tr>
<tr>
<td>2019</td>
<td>(220.8)</td>
</tr>
<tr>
<td>2020</td>
<td>(301.5)</td>
</tr>
<tr>
<td>2021</td>
<td>(301.5)</td>
</tr>
</tbody>
</table>

1. Based on cash and cash equivalents, and term deposits and others
2. Total debt consists of borrowings and notes payable
3. Excluding subsidiaries, including those held via special purpose vehicles, on an attributable basis
4. 2020 and 2021 figures quoted in US dollars are based on the exchange rate of US$1 to RMB6.5249, and US$1 to RMB6.3757, respectively
Prudent Capital Management and Robust Credit Metrics

**Total debt / Adjusted EBITDA (1)**

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<tr>
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</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>1.6x</td>
<td>1.4x</td>
<td>1.5x</td>
<td>1.5x</td>
<td>1.4x</td>
<td>1.5x</td>
</tr>
</tbody>
</table>

**Total debt / (Adjusted EBITDA – CAPEX paid) (2)**

<table>
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<tr>
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<tbody>
<tr>
<td>Ratio</td>
<td>1.9x</td>
<td>1.6x</td>
<td>1.9x</td>
<td>1.9x</td>
<td>1.7x</td>
<td>1.8x</td>
</tr>
</tbody>
</table>

**Adjusted EBITDA / Interest expense**

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</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>30.9x</td>
<td>31.3x</td>
<td>24.1x</td>
<td>19.2x</td>
<td>24.6x</td>
<td>24.6x</td>
</tr>
</tbody>
</table>

**Total debt / Total capitalisation (3)**

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</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>37.0%</td>
<td>32.3%</td>
<td>33.5%</td>
<td>31.1%</td>
<td>24.2%</td>
<td>25.6%</td>
</tr>
</tbody>
</table>

1. Total debt consists of borrowings and notes payable; Adjusted EBITDA consists of EBITDA plus equity-settled share-based compensation expenses
2. Capital expenditure paid includes purchase of property, plant and equipment, constructions in progress and investment properties, payments for land use rights and payments for intangible assets (excluding media contents, game licences and other contents)
3. Total capitalisation consists of total debt plus total equity (book value)