2021 Fourth Quarter and Annual Results Presentation

Mar 23, 2022
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This presentation also contains some unaudited non-IFRS financial measures which should be considered in addition to, but not as a substitute for, measures of the Company's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies. The Company’s management believes that the non-IFRS financial measures provide investors with useful supplementary information to assess the performance of the Company’s core operations by excluding certain non-cash items and certain impact of acquisitions. For further explanation of our non-IFRS measures and reconciliations between our IFRS and non-IFRS results, please refer to our earnings announcement.

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The reporting currency of the company is Renminbi. For the purpose of this presentation, all figures quoted in US dollars are based on the exchange rate of US$1 to RMB6.3757 for 4Q2021 and 2021.
1. Overview

2. Strategy Review
3. Business Review
4. Financial Review
5. Q&A
# 2021 Business Highlights

## Achievements amid changes and challenges

### Vibrant Weixin ecosystem
- **Video Accounts** significantly increased content diversity and video views
- **Mini Programs** private domains traffic grew, with physical goods GMV doubling YoY
- Our Health Code has served 1.3 billion users making 180 billion visits during the pandemic

### Strengthened cloud
- Deepened integration among fast growing WeCom, Tencent Meeting and Tencent Docs
- #1 in China’s video cloud PaaS market, with leading live streaming, RTC and VoD solutions

### Success in games
- **LoL: Wild Rift** and **Fight of The Golden Spatula** ranked top two newly released mobile games in China
- Developed and operate 5 out of the top 10 international mobile games by DAU
- Increased international revenue contribution to 26%

### Stable FinTech
- Grew our FinTech business with prudence, collaboration and expertise

## Embrace changes and reposition for sustainable long-term growth

- New regulatory framework will provide a healthier market environment
- China Internet industry is going through a structural change
- We are proactively optimising cost, while sustaining investments in key strategic areas

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1. Tencent ranked #1 in China’s cloud video solution market by revenue in 1H21 according to IDC
2. LoL: Wild Rift, ranked No.1, and Fight of The Golden Spatula ranked No.2, by DAU among mobile games released in China in 2021, according to QuestMobile
3. PUBG Mobile, Clash of Clans, Clash Royale, Call of Duty Mobile, Brawl Stars ranked among top 10 mobile games by DAU in international markets in 2021, according to data.ai
## Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>In billion RMB</th>
<th>4Q2021</th>
<th>YoY</th>
<th>QoQ</th>
<th>FY2021</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td></td>
<td>144.2</td>
<td>+8%</td>
<td>+1%</td>
<td>560.1</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Value Added Services</strong></td>
<td></td>
<td>71.9</td>
<td>+7%</td>
<td>-4%</td>
<td>291.6</td>
<td>+10%</td>
</tr>
<tr>
<td>Social Networks</td>
<td></td>
<td>29.1</td>
<td>+4%</td>
<td>-4%</td>
<td>117.3</td>
<td>+8%</td>
</tr>
<tr>
<td>Domestic Games</td>
<td></td>
<td>29.6</td>
<td>+1%</td>
<td>-12%</td>
<td>128.8</td>
<td>+6%</td>
</tr>
<tr>
<td>International Games</td>
<td></td>
<td>13.2</td>
<td>+34%</td>
<td>+16%</td>
<td>45.5</td>
<td>+31%</td>
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<td><strong>Online Advertising</strong></td>
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<td>21.5</td>
<td>-13%</td>
<td>-4%</td>
<td>88.6</td>
<td>+8%</td>
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<td>Media</td>
<td></td>
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<td>-8%</td>
<td>13.3</td>
<td>-7%</td>
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<td>Social and Others</td>
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<td>75.3</td>
<td>+11%</td>
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<td><strong>FinTech and Business Services</strong></td>
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<td>+25%</td>
<td>+11%</td>
<td>172.2</td>
<td>+34%</td>
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<tr>
<td>Others</td>
<td></td>
<td>2.8</td>
<td>-21%</td>
<td>+107%</td>
<td>7.7</td>
<td>+3%</td>
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<td><strong>Gross Profit</strong></td>
<td></td>
<td>57.8</td>
<td>-2%</td>
<td>-8%</td>
<td>245.9</td>
<td>+11%</td>
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<td><strong>Non-IFRS</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Operating Profit</td>
<td></td>
<td>33.2</td>
<td>-13%</td>
<td>-19%</td>
<td>159.5</td>
<td>+7%</td>
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<tr>
<td>Operating Margin</td>
<td></td>
<td>23.0%</td>
<td>-5.5ppt</td>
<td>-5.7ppt</td>
<td>28.5%</td>
<td>-2.5ppt</td>
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<tr>
<td>Net Profit Attributable to Equity Holders</td>
<td></td>
<td>24.9</td>
<td>-25%</td>
<td>-22%</td>
<td>123.8</td>
<td>+1%</td>
</tr>
</tbody>
</table>

Starting 3Q21, we disclose revenues 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.
Key Services Update

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

Mobile Browser
• #1 by MAU

Mobile Security
• #1 by MAU

Utilities

Digital Content

Long-Form Video
• #1 by subscriptions

News
• #1 news services by MAU

Music
• #1 music services provider

Literature
• #1 online content library and publisher

FinTech

Cloud

Mobile Payment
• #1 by MAU & DAU

Public Cloud
• #2 service provider by revenue

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
1. Overview

2. **Strategy Review**

3. Business Review

4. Financial Review

5. Q&A
Embrace Changes and Reposition for Sustainable Growth

**Industry: fundamental challenges and changes**

- Return to industry’s roots
  - New regulations correcting misbehaviour and promoting fair competition, user protection and data security
  - Challenging global macro environment
  - Time for the industry to return to its “roots”

- Old paradigm
  - Zero-sum competition
  - Aggressive marketing
  - Reckless expansion
  - Short-term growth
  - Corporate benefits

- New paradigm
  - User value
  - Technology and innovation
  - Efficiency and cost effectiveness
  - Long-term sustainability
  - Balanced benefits (corporate, industry, society)

**Tencent: proactively embracing changes and repositioning**

- Already well-positioned with our long term-oriented corporate culture
- Proactively embracing changes to better align with the new industry paradigm
- Controlling costs and rationalising non-core businesses
- Continuing to invest and pursue value creation opportunities in strategic growth areas
- Expecting to grow at a sustainable and healthier pace
Pressure on Financials amid Structural Industry Changes

Lower revenue growth for sustainability
- Advertisers and our ad services adapted to the new economic and regulatory conditions
- Direct, and especially indirect, impact of minor protection measures on our domestic games

Pressured margins due to operating deleverage
- Strategic investments in SaaS, Video Accounts and international games
- Aggressive marketing activities and intense talent competition in the industry during 2020 and 2021
- Increased revenue contribution from Business Services

Increased losses at several investees
- Increased investments in new businesses such as Community Group Buy
- Heavy expenditure on user acquisition
Path to Stabilisation and Future Growth Drivers

**Market position remains intact despite near-term challenges**

- **Advertising**
  Expect to resume growth in late 2022, as we adapt to the new environment and further upgrade our ad solutions

- **Domestic Games**
  Impact of minor protection measures to be fully digested in 2H2022, with growth potential from more new games when there are new releases of Banhao

- **Cloud (IaaS & PaaS)**
  Repositioning our focus from revenue growth at all costs to customer value creation and quality of growth

- **Long-form Video**
  Cost optimisation to reduce losses, while maintaining its leading position

**Compelling opportunities in strategic growth areas**

- **SaaS**
  Expanding scale of our leading products, with attractive prospect for progressive monetisation over time

- **Video Accounts**
  Building significant monetisation opportunities via enriching user connections with creators, advertisers and merchants

- **International Games**
  Compelling pipeline backed by franchise expansions at our market-leading studios and consistent enhancement of our category-leading studios
SaaS – Leading Communication and Collaboration Tools

Well-positioned for market opportunities

- Rapid growth in SaaS adoption in China
- WeCom, Tencent Meeting and Tencent Docs achieved strong user growth and deepened penetration into key verticals

Strengthening our competitive edges

- Integration with Tencent Meeting and Tencent Docs empowers WeCom as the core platform for enhanced collaboration and productivity
- Deepening connection with Weixin enables differentiated CRM functions in WeCom

Unlocking our monetisation potential

- Prioritising scale expansion over significant revenue generation
- Proven business models for critical enterprise SaaS internationally
- Monetisation potential validated by market size and growth rate of PaaS spending in China
- Leveraging our proven success in monetising freemium 2C products

Consumers

Upstream and downstream partners
Video Accounts – Our Flywheel is Gaining Momentum

**A thriving community**
- Per user time spent and total video views more than doubled YoY
- Expanding diversity of creators and content
- Significant growth in number of videos with over 100K likes

**Enriching user connection with creators and merchants**
- Strong differentiation for media, retailers and brands to build user engagement via private domain
- Nurturing high-quality original content by leveraging Official Accounts creator pools and upgrading creator support scheme
- Facilitating merchants’ operations with enhanced shopping features and marketing tools

**Preparing for monetisation**
- Ramping up live streaming tipping scale
- Growing live streaming eCommerce GMV before monetisation
- Testing and optimising short video feeds ad during 2022

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1. Source: Analysys
# International Games – Biggest Games, Best Studios

## Market-leading franchises

<table>
<thead>
<tr>
<th>Franchise</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>LoL</em></td>
<td>top 3 PC game by MAU&lt;sup&gt;1&lt;/sup&gt;, expanding franchise via new TFT game mode, high quality linear content <em>Arcane</em>, eSports</td>
</tr>
<tr>
<td><em>PUBG MOBILE</em></td>
<td>top 5 mobile game by DAU&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td><em>Clash</em></td>
<td>only mobile game franchise with 2 of top 10 highest-DAU&lt;sup&gt;2&lt;/sup&gt; titles</td>
</tr>
<tr>
<td><em>Valorant</em></td>
<td>#1 on Twitch&lt;sup&gt;1&lt;/sup&gt; in hyper-competitive tactical shooter category</td>
</tr>
</tbody>
</table>

## Category-leading studios

- Helping studios to improve product and expand scope, enabling sustained post-acquisition revenue and profit growth

## Building on multi-year investments to drive future growth

- A key participant with revenue of USD7.1 billion for 2021
- Growth from existing titles via deepening market penetration, product enhancements and operational optimisation
- New game releases to drive additional growth, particularly for 2023 and beyond

1. Source: Newzoo
2. Source: data.ai
3. Business Review
Revenue by Segment

In billion RMB

<table>
<thead>
<tr>
<th>Segment</th>
<th>1Q19</th>
<th>2Q19</th>
<th>3Q19</th>
<th>4Q19</th>
<th>1Q20</th>
<th>2Q20</th>
<th>3Q20</th>
<th>4Q20</th>
<th>1Q21</th>
<th>2Q21</th>
<th>3Q21</th>
<th>4Q21</th>
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<tbody>
<tr>
<td>Social Networks</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
<td>15%</td>
<td>31%</td>
<td>16%</td>
<td>7%</td>
<td>9%</td>
<td>8%</td>
</tr>
<tr>
<td>Domestic Games</td>
<td>23%</td>
<td>25%</td>
<td>28%</td>
<td>30%</td>
<td>31%</td>
<td>33%</td>
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<td>26%</td>
<td>26%</td>
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<td>26%</td>
<td>30%</td>
<td>30%</td>
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<td>29%</td>
</tr>
<tr>
<td>Online Advertising</td>
<td>24%</td>
<td>23%</td>
<td>22%</td>
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<td>23%</td>
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<td>23%</td>
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<tr>
<td>FBS</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>1%</td>
<td>1%</td>
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<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
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<tr>
<td>Others</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
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<td>1%</td>
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</tbody>
</table>

FY2020: 482.1 billion RMB
FY2021: 560.1 billion RMB
Value Added Services

Social Networks
- 4Q21 revenue was up 4% YoY to RMB29.1 billion, reflecting more video subscriptions and revenue contribution from Video Accounts live streaming service
- Total VAS subscriptions grew 8% YoY to 236 million in 4Q21. Amid industry challenges, video subscriptions increased 1% YoY to 124 million, benefiting from popular animated series, drama series and sports events. Music subscriptions increased 36% YoY to 76 million, thanks to expanded sales channels and high quality content and services

Domestic Games
- 4Q21 revenue was up 1% YoY to RMB29.6 billion, as growth from HoK and new games Fight of The Golden Spatula, LoL: Wild Rift was largely offset by softness in Moonlight Blade Mobile and DnF. Revenue decreased QoQ due to seasonality and, to the direct and indirect effects of the controls on minors playing games

International Games
- 4Q21 revenue grew 34% YoY to RMB13.2 billion, reflecting 1) popular content updates in Valorant and Clash Royale, 2) a true-up adjustment to revenue of Supercell upon periodic review of revenue deferral periods, and 3) consolidation of Digital Extremes
Social Networks

Breakthrough in Video Accounts Live Streaming

Customised Moments sharing for 2022 CCTV Spring Festival Gala to drive user engagement

- 120+ million viewers
- 350+ million likes
- 9+ million comments
- 5.5+ million shares

Strengthened music content operations to broaden reach of live performance

![Before & After](image)

Westlife concert
27+ million viewers

Mayday concert
14+ million viewers

Upgrading technological foundation for new immersive social experiences

Integrated Unreal Engine’s capabilities to enable real-time rendering and physics simulation, providing more attractive visuals and lifelike interactions

Testing Super QQ Show, which allows users to customise their new 3D virtual avatars for use in various social scenarios

![Upgrade to Super QQ Show](image)

Before

Upgrade to Super QQ Show

After

Socialising with virtual avatars

Click for live streaming

Moments

Moments

Moments
Domestic Games

Cultivating IP franchise

• Developing new games, animated series and a movie based on popular HoK to enrich its IP content

Integrating thematic content

• Provided events tied into the Winter Olympics in Peacekeeper Elite, QQ Speed Mobile and QQ Dancer Mobile, delivering lifelike sports experience across multiple genres

Industry-leading efforts yield effective results in fostering a healthy gameplay environment

• In 4Q21, time spent from users aged under 18 decreased 88% YoY, which contributed to 0.9% of Domestic Games total; grossing receipts from users aged under 18 decreased 73% YoY, which contributed to 1.5% of Domestic Games total
International Games

Pokémon Unite (MOBA)
- Google Play's Best Game 2021 and Users’ Choice Award in multiple regions
- Downloads exceeded 50 million by Dec 2021

Clash Royale (Real-Time Strategy)
- Released one of the biggest updates in its history with higher level cap and innovative content
- DAU and grossing receipts increased significantly

Valorant (Tactical Shooter)
- New map and character drove user engagement and consumption growth
- Launched first global eSports tournament successfully

League of Legends (MOBA)
- Arcane ranked #1 English-language TV series on Netflix
- LoL World Championship Finals set record high viewership as #1 most-watched eSports event for 2021

1. Source: eSports Charts
Online Advertising

In billion RMB

Overall
• 4Q21 revenue declined 13% YoY with lower bidding density, resulting in lower eCPMs
• Weakness in education, games and Internet services ad spend more than offset strength in consumer staples and consolidation of Sogou's ad business
• Regulatory changes directly impacting ad services included limitations on launch screen ads, restrictions on ads for elderly and minors, as well as Personal Information Protection Law

Social & Others
• Weixin's daily active advertisers increased over 30% YoY in 4Q21 as we helped advertisers enhance ROI
• Over 1/3 of Moments’ ad revenue in 4Q21 was generated from ads using Mini Programs as landing pages and ads connecting users to customer services representatives via WeCom

Media
• Video ad revenue declined YoY in 4Q21 due to fewer releases of top-tier drama series and variety shows
FinTech and Business Services

FinTech Services
- YoY revenue growth in 4Q21 was mainly driven by increased commercial payment volume, which benefited from an expanded merchant acquirer network and increased Mini Programs transactions
- Strengthened our payment ecosystem by enhancing user security, upgrading Mini Program-based transaction and customer management tools for SMEs, and reducing transaction friction
- Supporting e-CNY as a new funding option within Weixin Pay as part of the PBOC’s e-CNY pilot phase

Business Services
- YoY revenue growth in 4Q21 was mainly driven by increased use of our services by Internet services, public transportation, and retail industries
- Developed three in-house chips (AI inference, smart NIC, video transcoding) to enhance product performance and cost efficiency, and released a distributed cloud native operating system Orca to enable consistent app deployment and IT management
- Leading manufacturers such as Foxconn and Sany Heavy Industry are leveraging our advanced AI, IoT and proprietary cloud solutions to automate their production and quality control processes
4. Financial Review
## Income Statement

<table>
<thead>
<tr>
<th>In billion RMB</th>
<th>4Q2021</th>
<th>YoY</th>
<th>QoQ</th>
<th>FY2021</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>144.2</td>
<td>+8%</td>
<td>+1%</td>
<td>560.1</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>COPS</strong></td>
<td>(86.4)</td>
<td>+15%</td>
<td>+8%</td>
<td>(314.2)</td>
<td>+21%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>57.8</td>
<td>-2%</td>
<td>-8%</td>
<td>245.9</td>
<td>+11%</td>
</tr>
<tr>
<td>Interest income</td>
<td>1.7</td>
<td>Stable</td>
<td>Stable</td>
<td>6.7</td>
<td>-4%</td>
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<tr>
<td>Other gains, net</td>
<td>86.2</td>
<td>+162%</td>
<td>+275%</td>
<td>149.5</td>
<td>+162%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(36.0)</td>
<td>+21%</td>
<td>+5%</td>
<td>(130.4)</td>
<td>+29%</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>109.7</td>
<td>+72%</td>
<td>+106%</td>
<td>271.6</td>
<td>+47%</td>
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<td>Finance costs, net</td>
<td>(1.9)</td>
<td>-17%</td>
<td>-4%</td>
<td>(7.1)</td>
<td>-10%</td>
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<tr>
<td>Share of loss of associates &amp; JVs</td>
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<td>Income tax expense</td>
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<td>-29%</td>
<td>(20.3)</td>
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<tr>
<td><strong>Net profit</strong></td>
<td>95.7</td>
<td>+61%</td>
<td>+139%</td>
<td>227.8</td>
<td>+42%</td>
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<td>Net profit attributable to equity holders</td>
<td>95.0</td>
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<td>+140%</td>
<td>224.8</td>
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<tr>
<td>Diluted EPS in RMB</td>
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<td>+60%</td>
<td>+140%</td>
<td>23.174</td>
<td>+40%</td>
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<td><strong>Non-IFRS</strong></td>
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<td>-25%</td>
<td>-22%</td>
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<tr>
<td>Diluted EPS in RMB</td>
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## Non-IFRS Adjustments

<table>
<thead>
<tr>
<th>In billion RMB</th>
<th>IFRS 4Q2021</th>
<th>SBC</th>
<th>Net (gains)/losses from investee companies¹</th>
<th>Amortisation of intangible assets</th>
<th>Impairment provisions/(reversals)²</th>
<th>SSV &amp; CPP³</th>
<th>Others⁴</th>
<th>Tax effect</th>
<th>Non-IFRS 4Q2021</th>
<th>YoY change</th>
<th>QoQ change</th>
<th>Non-IFRS FY2021</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>109.7</td>
<td>5.7</td>
<td>(100.3)</td>
<td>1.3</td>
<td>15.2</td>
<td>0.6</td>
<td>1.0</td>
<td>-</td>
<td>33.2</td>
<td>-13%</td>
<td>-19%</td>
<td>159.5</td>
<td>+7%</td>
</tr>
<tr>
<td>Net profit</td>
<td>95.7</td>
<td>7.9</td>
<td>(98.0)</td>
<td>3.3</td>
<td>15.6</td>
<td>0.6</td>
<td>1.6</td>
<td>(0.9)</td>
<td>25.8</td>
<td>-25%</td>
<td>-21%</td>
<td>127.9</td>
<td>+1%</td>
</tr>
<tr>
<td>Net profit attributable to equity holders</td>
<td>95.0</td>
<td>7.8</td>
<td>(97.8)</td>
<td>3.0</td>
<td>15.6</td>
<td>0.6</td>
<td>1.6</td>
<td>(0.9)</td>
<td>24.9</td>
<td>-25%</td>
<td>-22%</td>
<td>123.8</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Operating margin</strong></td>
<td><strong>76.1%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>23.0%</strong></td>
<td>-5.5ppt</td>
<td>-5.7ppt</td>
<td><strong>28.5%</strong></td>
<td>-2.5ppt</td>
</tr>
<tr>
<td><strong>Net margin</strong></td>
<td><strong>66.4%</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>17.9%</strong></td>
<td>-7.9ppt</td>
<td>-4.9ppt</td>
<td><strong>22.8%</strong></td>
<td>-3.5ppt</td>
</tr>
</tbody>
</table>

**Note:**

1. Including net (gains)/losses on deemed disposals/disposals of investee companies, fair value changes arising from investee companies, and other expenses in relation to equity transactions of investee companies.

2. Impairment provisions/(reversals) for associates, joint ventures, goodwill and other intangible assets arising from acquisitions.

3. Including donations and expenses incurred for Sustainable Social Value & Common Prosperity Programme.

4. Mainly including expenses incurred for regulatory fines in the Mainland of China and certain litigation settlements.
Gross Margins

Overall Gross Margin (%)

Value Added Services (%)

Online Advertising (%)

FinTech and Business Services (%)
Operating Expenses

**S&M**
in billion RMB

4Q20: 10.0  
4Q21: 11.6  
3Q21: 10.4  
4Q21: 11.6

4Q21 S&M increased by 15% YoY and 12% QoQ excl. SBC
FY21 S&M increased by 19% YoY excl. SBC

**R&D**
in billion RMB

4Q20: 11.2  
4Q21: 14.0  
3Q21: 13.7  
4Q21: 14.0

4Q21 R&D increased by 19% YoY and 3% QoQ excl. SBC;
FY21 R&D increased by 28% YoY excl. SBC.

**G&A (excl. R&D)**
in billion RMB

4Q20: 8.6  
4Q21: 10.4  
3Q21: 10.2  
4Q21: 10.4

4Q21 G&A (excl. R&D) increased by 22% YoY and 15% QoQ excl. SBC
FY21 G&A (excl. R&D) increased by 29% YoY excl. SBC.
Non-IFRS Margin Ratios

Non-IFRS Operating Margin (%)

Non-IFRS Net Margin (%)

1Q19 2Q19 3Q19 4Q19 1Q20 2Q20 3Q20 4Q20 1Q21 2Q21 3Q21 4Q21
25.4 27.2 25.8 25.2 25.9 27.2 26.6 25.8 25.5 25.4 22.8 17.9

FY19 FY20 FY21
25.9 26.3 22.8
## EPS and Annual Dividend

<table>
<thead>
<tr>
<th></th>
<th>IFRS</th>
<th>YoY</th>
<th>Non-IFRS</th>
<th>YoY</th>
<th>IFRS</th>
<th>YoY</th>
<th>Non-IFRS</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic EPS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q2021</td>
<td>9.957</td>
<td>+60%</td>
<td>2.609</td>
<td>-25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2021</td>
<td>23.597</td>
<td>+40%</td>
<td></td>
<td></td>
<td>12.992</td>
<td>Stable</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4Q2021</td>
<td>9.788</td>
<td>+60%</td>
<td>2.547</td>
<td>-25%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2021</td>
<td>23.164</td>
<td>+40%</td>
<td></td>
<td></td>
<td>12.698</td>
<td>Stable</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

On 23 December 2021, declared a special interim dividend in the form of a distribution in specie of 457 million Class A ordinary shares of JD.com

Subject to shareholders’ approval at the 2022 AGM, proposed 2021 annual dividend of HKD1.60 per share for the year ended 31 December 2021
## CAPEX, FCF and Cash Position

<table>
<thead>
<tr>
<th>In billion RMB</th>
<th>4Q2021</th>
<th>YoY</th>
<th>QoQ</th>
<th>FY2021</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating CAPEX</td>
<td>8.1</td>
<td>Stable</td>
<td>+43%</td>
<td>26.1</td>
<td>-12%</td>
</tr>
<tr>
<td>Non-operating CAPEX</td>
<td>3.6</td>
<td>+122%</td>
<td>+149%</td>
<td>7.3</td>
<td>66%</td>
</tr>
<tr>
<td>Total CAPEX</td>
<td>11.7</td>
<td>+21%</td>
<td>+65%</td>
<td>33.4</td>
<td>-2%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>51.3</td>
<td>+5%</td>
<td>+25%</td>
<td>175.2</td>
<td>-10%</td>
</tr>
<tr>
<td>Less: CAPEX Paid</td>
<td>(7.5)</td>
<td>-39%</td>
<td>-2%</td>
<td>(31.2)</td>
<td>-24%</td>
</tr>
<tr>
<td>Payments for media content</td>
<td>(8.8)</td>
<td>+13%</td>
<td>+9%</td>
<td>(30.8)</td>
<td>+20%</td>
</tr>
<tr>
<td>Payments for lease liabilities</td>
<td>(1.5)</td>
<td>+27%</td>
<td>+16%</td>
<td>(5.1)</td>
<td>+25%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>33.5</td>
<td>+21%</td>
<td>+39%</td>
<td>108.1</td>
<td>-12%</td>
</tr>
<tr>
<td>Total Cash</td>
<td>281.3</td>
<td>+8%</td>
<td>-3%</td>
<td>281.3</td>
<td>+8%</td>
</tr>
<tr>
<td>Less: Total Debt</td>
<td>301.5</td>
<td>+21%</td>
<td>-4%</td>
<td>301.5</td>
<td>+21%</td>
</tr>
<tr>
<td>Net (Debt)/Cash</td>
<td>(20.2)</td>
<td>N/A</td>
<td>-23%</td>
<td>(20.2)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

As at 31 Dec 2021, the fair value of our shareholdings\(^1\) in listed investee companies (excluding subsidiaries) was approximately RMB983 billion (USD154 billion)

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1. Including those held via special purpose vehicles, on an attributable basis.
1. Overview
2. Strategy Review
3. Business Review
4. Financial Review
5. Q&A