

	Year ended 31 December		
	2024	2023	Year- on-year change
	(RMB in millions, unless specified)		
Revenues	660,257	609,015	8%
Gross profit	349,246	293,109	19%
Operating profit	208,099	160,074	30%
Profit for the year	196,467	118,048	66%
Profit attributable to equity holders of the Company	194,073	115,216	68%
EPS (RMB per share)			
– basic	20.938	12.186	72%
– diluted	20.486	11.887	72%
Non-IFRS operating profit	237,811	191,886	24%
Non-IFRS profit attributable to equity holders of the Company	222,703	157,688	41%
Non-IFRS EPS (RMB per share)			
– basic	24.027	16.678	44%
– diluted	23.505	16.320	44%

DIVIDEND

The Board has recommended the payment of a final dividend of HKD4.50 per share (2023: HKD3.40 per share) for the year ended 31 December 2024, subject to the approval of the shareholders at the 2025 AGM. Such proposed dividend is expected to be payable on 30 May 2025 to the shareholders whose names appear on the register of members of the Company on 21 May 2025.

OPERATING INFORMATION

	As at 31 December 2024	As at 31 December 2023	Year- on-year change	As at 30 September 2024	Quarter- on-quarter change
Combined MAU of Weixin and WeChat	1,385	1,343	3%	1,382	0.2%
Mobile device MAU of QQ	524	554	-5%	562	-7%
Fee-based VAS paying subscriptions [#]	262	244	7%	265	-1%

[#] Adjusted to report the average daily number of subscriptions during the quarter, since the first quarter of 2024

BUSINESS REVIEW AND OUTLOOK

Benefitting from AI-powered enhancements to our advertising platform, higher engagement in Video Accounts, and growth in our evergreen games, we achieved double digit revenue growth while sustaining continued operating leverage in the fourth quarter of 2024. Starting a few months ago, we have reorganised our AI teams to sharpen focus on both fast product innovation and deep model research, increased our AI-related capital expenditures, and increased our R&D and marketing efforts for our AI-native products. We believe these stepped-up investments will generate ongoing returns via uplifting productivity in our advertising business and longevity of our games, as well as longer term value from accelerated consumer usage of our AI applications and enterprise adoption of our AI services.

Below are some highlights from our key products and services for 2024:

- Weixin strengthened its user engagement and transaction capabilities through the launch of Mini Shops, our platform for indexed and standardised merchandise.

- Video Accounts' total user time spent grew rapidly year-on-year, benefitting from enhanced recommendation algorithms and more local content.
- Query volume rapidly increased in Weixin Search, benefitting from integrating AI capabilities which enhance the relevance and quality of search results.
- Tencent Video maintained its leading position in China's long-form video market with 113 million¹ video subscribers. Tencent Music extended its industry leadership in China's music streaming market with 121 million² music subscribers.
- We expanded our evergreen games portfolio³ from 12 games in 2023 to 14 in 2024, while nurturing new games with evergreen potential.
- We upgraded our advertising technology platform by optimising advertisement ranking systems and adding LLM capabilities, driving higher click-through rates and advertiser spending.
- For FinTech services, we upgraded our risk controls and optimised payment funding costs.
- We rapidly iterated our HunYuan Foundation Model, deployed AI for internal use cases, and prepared for breakout growth in consumer adoption of AI, via the Yuanbao and Weixin applications.

We delivered substantial shareholder returns in 2024 through payment of a cash dividend of HKD3.40 per share (equivalent to approximately HKD32 billion) and through share repurchase of approximately HKD112 billion. For 2025, we propose to increase our annual dividend by 32%, to HKD4.50 per share⁴ (equivalent to approximately HKD41 billion), and we intend to repurchase at least HKD80 billion worth of our shares.

¹ The average daily number of subscriptions for the fourth quarter of 2024

² The average number of subscriptions as of the last day of each month during the fourth quarter of 2024

³ Evergreen games portfolio includes domestic and international games. Evergreen games refer to games surpassing average quarterly DAU of 5 million for mobile or 2 million for PC, and generating over RMB4 billion annual gross receipts

⁴ For the year ended 31 December 2024; subject to shareholders' approval at the 2025 AGM

Below are some highlights of our sustainability initiatives for 2024:

- Our digital philanthropy initiative connected with over 280 million users, over 2,200 charitable organisations, and over 20,000 enterprises, via Tencent Charity Platform, and upgraded Giving for Good campaign.
- Through our XPLOER PRIZE and New Cornerstone Investigator Program, we have provided funding to over 360 outstanding scientists, contributing to societal and economic development.
- We leveraged AI, game technology and Mini Programs to create an immersive digital experience of the Beijing Central Axis, assisting this historic landmark's inclusion into the UNESCO World Heritage List.
- We enhanced our data centres' energy efficiency, and increased their adoption of renewable energy, progressing towards our goal of carbon neutrality.

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

The following table sets forth the comparative figures for the years ended 31 December 2024 and 2023:

	Year ended 31 December	
	2024	2023
	(RMB in millions)	
Revenues	660,257	609,015
Cost of revenues	(311,011)	(315,906)
Gross profit	349,246	293,109
Selling and marketing expenses	(36,388)	(34,211)
General and administrative expenses	(112,761)	(103,525)
Other gains/(losses), net	8,002	4,701
Operating profit	208,099	160,074
Net gains/(losses) from investments and others	4,187	(6,090)
Interest income	16,004	13,808
Finance costs	(11,981)	(12,268)
Share of profit/(loss) of associates and joint ventures, net	25,176	5,800
Profit before income tax	241,485	161,324
Income tax expense	(45,018)	(43,276)
Profit for the year	196,467	118,048
Attributable to:		
Equity holders of the Company	194,073	115,216
Non-controlling interests	2,394	2,832
	196,467	118,048
Non-IFRS operating profit	237,811	191,886
Non-IFRS profit attributable to equity holders of the Company	222,703	157,688

Revenues. Revenues increased by 8% year-on-year to RMB660.3 billion for the year ended 31 December 2024. The following table sets forth revenues of the Group and its segments for the years ended 31 December 2024 and 2023:

	Year ended 31 December				
	2024	2023	Year-on-year change	2024	2023
	Revenues			% of total revenues	
	(RMB in millions, unless specified)				
VAS	319,168	298,375	7%	49%	49%
Marketing Services	121,374	101,482	20%	18%	17%
FinTech and Business Services	211,956	203,763	4%	32%	33%
Others	7,759	5,395	44%	1%	1%
The Group	660,257	609,015	8%	100%	100%

- Revenues from VAS increased by 7% year-on-year to RMB319.2 billion for the year ended 31 December 2024. International Games revenues were RMB58.0 billion, reflecting 9% growth in both reported and constant currency terms, driven by strong performances from PUBG MOBILE and Supercell’s games. Domestic Games revenues rose by 10% to RMB139.7 billion, driven by revenue growth from VALORANT, Naruto Mobile, Fight of the Golden Spatula and League of Legends: Wild Rift, alongside new contributions from DnF Mobile and Delta Force. Social Networks revenues were RMB121.5 billion, up 2% year-on-year, driven by higher revenues from music and long-form video subscription services, increased app-based game virtual item sales and Mini Games platform service fees, partially offset by a decline in music-related and games-related live streaming revenues.
- Revenues from Marketing Services increased by 20% year-on-year to RMB121.4 billion for the year ended 31 December 2024. This increase was primarily due to robust advertiser demand for Video Accounts, Mini Programs and Weixin Search inventories, and ongoing enhancement of our AI-powered advertising infrastructure. Advertising spending rose across most major categories, with notable growth from games, eCommerce, education and Internet services categories.

- Revenues from FinTech and Business Services grew by 4% year-on-year to RMB212.0 billion for the year ended 31 December 2024. The increase in FinTech Services revenues primarily reflected growth in wealth management services and commercial payment services. Higher Business Services revenues were driven by growth in WeCom revenue and eCommerce technology service fees.

Cost of revenues. Cost of revenues were RMB311.1 billion for the year ended 31 December 2024, representing a 2% year-on-year decline, due to lower live streaming revenue sharing costs, long-form video content costs and cloud project deployment costs.

Gross profit. Gross profit rose by 19% year-on-year to RMB349.2 billion for the year ended 31 December 2024, primarily driven by robust growth in high-margin revenue streams from Domestic Games, Video Accounts, Weixin Search, and the Mini Games platform. Improved profitability in our cloud services and long-form video businesses also contributed to the overall increase in gross profit. Gross margin increased to 53%, compared to 48% in the prior year. The following table sets forth gross profit and gross margin of the Group and its segments for the years ended 31 December 2024 and 2023:

	Year ended 31 December				
	2024	2023	Year-on-year change	2024	2023
	Gross profit/(loss)			Gross margin	
	(RMB in millions, unless specified)				
VAS	181,657	161,919	12%	57%	54%
Marketing Services	67,232	51,344	31%	55%	51%
FinTech and Business Services	99,701	80,636	24%	47%	40%
Others	656	(790)	NA	8%	(15%)
The Group	<u>349,246</u>	<u>293,109</u>	19%	53%	48%

- Gross profit for VAS increased by 12% year-on-year to RMB181.7 billion, driven by growth in high-margin revenues from Domestic Games and Mini Games platform service fees, as well as long-form video subscription revenue growth and content cost optimisation. Gross margin improved to 57%, up from 54% in the prior year.
- Gross profit for Marketing Services rose by 31% year-on-year to RMB67.2 billion, primarily due to growth in high-margin revenues from Video Accounts and Weixin Search marketing services. Gross margin expanded to 55%, compared to 51% in the previous year.

- Gross profit for FinTech and Business Services increased by 24% year-on-year to RMB99.7 billion, driven by revenue growth from wealth management services, WeCom, and eCommerce technology service fees, as well as enhanced cost efficiency in our cloud services. Gross margin rose to 47% from 40% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 6% year-on-year to RMB36.4 billion for the year ended 31 December 2024, reflecting higher promotional and advertising efforts to support new content releases. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses increased by 9% year-on-year to RMB112.7 billion for the year ended 31 December 2024. This increase was primarily driven by higher R&D expenses, including those related to our AI initiatives, alongside higher staff costs. As a percentage of revenues, general and administrative expenses remained broadly stable at 17%, in line with the prior year.

Interest income. Interest income increased by 16% year-on-year to RMB16.0 billion for the year ended 31 December 2024 due to growth in cash reserves.

Finance costs. Finance costs decreased by 2% year-on-year to RMB12.0 billion for the year ended 31 December 2024, primarily due to recognition of foreign exchange gains this year versus losses in the previous year, partially offset by higher interest expenses.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB25.2 billion for the year ended 31 December 2024, up from share of profits of RMB5.8 billion for the previous year. Non-IFRS share of profits of associates and joint ventures rose to RMB31.6 billion, compared to RMB13.0 billion for the previous year. The increase in non-IFRS share of profits of associates and joint ventures reflected stronger financial performances across several associates, driven by company-specific factors, including business growth, new content releases and operational efficiency improvements.

Income tax expense. Income tax expense increased by 4% year-on-year to RMB45.0 billion for the year ended 31 December 2024, primarily due to our operating profit growth, partially offset by the high base effect from deferred tax adjustments at an overseas subsidiary in the previous year. Excluding the deferred tax adjustments in the prior year, income tax expense would have increased by 15% year-on-year.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 68% year-on-year to RMB194.1 billion for the year ended 31 December 2024. Non-IFRS profit attributable to equity holders of the Company increased by 41% to RMB222.7 billion for the year ended 31 December 2024.

Fourth Quarter of 2024 Compared to Fourth Quarter of 2023

The following table sets forth the comparative figures for the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited	
	Three months ended	
	31 December	31 December
	2024	2023
	(RMB in millions)	
Revenues	172,446	155,196
Cost of revenues	(81,793)	(77,632)
Gross profit	90,653	77,564
Selling and marketing expenses	(10,285)	(10,971)
General and administrative expenses	(31,403)	(27,175)
Other gains/(losses), net	2,513	1,983
Operating profit	51,478	41,401
Net gains/(losses) from investments and others	1,119	(6,730)
Interest income	3,910	3,917
Finance costs	(2,512)	(3,543)
Share of profit/(loss) of associates and joint ventures, net	9,253	2,463
Profit before income tax	63,248	37,508
Income tax expense	(11,781)	(9,658)
Profit for the period	51,467	27,850
Attributable to:		
Equity holders of the Company	51,324	27,025
Non-controlling interests	143	825
	51,467	27,850
Non-IFRS operating profit	59,475	49,135
Non-IFRS profit attributable to equity holders of the Company	55,312	42,681

Revenues. Revenues increased by 11% year-on-year to RMB172.4 billion for the fourth quarter of 2024. The following table sets forth revenues of the Group and its segments for the fourth quarter of 2024 and the fourth quarter of 2023:

	Unaudited				
	Three months ended				
	31 December	31 December	Year-	31 December	31 December
	2024	2023	on-year	2024	2023
	Revenues			% of total revenues	
	(RMB in millions, unless specified)				
VAS	79,022	69,079	14%	46%	45%
Marketing Services	35,004	29,794	17%	20%	19%
FinTech and Business Services	56,125	54,379	3%	33%	35%
Others	2,295	1,944	18%	1%	1%
The Group	<u>172,446</u>	<u>155,196</u>	11%	<u>100%</u>	<u>100%</u>

- Revenues from VAS increased by 14% year-on-year to RMB79.0 billion for the fourth quarter of 2024. International Games revenues were RMB16.0 billion, reflecting a 15% year-on-year increase (16% increase on a constant currency basis), driven by robust performances from Brawl Stars and PUBG MOBILE, alongside the early access release of Path of Exile 2. Domestic Games revenues increased by 23% year-on-year to RMB33.2 billion, benefitting from: a low base in the prior year’s period; growth in revenue from major games such as Honour of Kings, Peacekeeper Elite and VALORANT; and contributions from recently released games DnF Mobile and Delta Force. Social Networks revenues rose by 6% year-on-year to RMB29.8 billion, primarily due to growth in app-based game virtual item sales, music subscription revenues and Mini Games platform service fees.
- Revenues from Marketing Services were RMB35.0 billion for the fourth quarter of 2024, up 17% year-on-year, driven by robust advertiser demand for Video Accounts, Mini Programs and Weixin Search inventories. Advertising spending rose across most major categories during the quarter.

- Revenues from FinTech and Business Services increased by 3% year-on-year to RMB56.1 billion for the fourth quarter of 2024. FinTech Services revenue growth reflected higher revenues from wealth management services and consumer loan services, while commercial payment services revenue was broadly stable year-on-year. Higher Business Services revenues were driven by growth in eCommerce technology service fees and WeCom revenue.

Cost of revenues. Cost of revenues for the fourth quarter of 2024 rose by 5% year-on-year to RMB81.7 billion, mainly due to higher content costs driven by growth of games revenues, along with increased bandwidth and server costs.

Gross profit. Gross profit for the fourth quarter of 2024 grew by 17% year-on-year to RMB90.7 billion, primarily supported by growth in high-margin revenue streams from Domestic Games, Video Accounts and Weixin Search, alongside enhanced cost efficiency in our cloud services. Gross margin improved to 53% from 50% in the same period last year. The following table sets forth gross profit and gross margin of the Group and its segments for the fourth quarter of 2024 and the fourth quarter of 2023.

	Unaudited				
	Three months ended				
	31 December	31 December	Year-	31 December	31 December
	2024	2023	on-year	2024	2023
	Gross profit/(loss)			Gross margin	
	(RMB in millions, unless specified)				
VAS	44,157	37,090	19%	56%	54%
Marketing Services	20,197	16,922	19%	58%	57%
FinTech and Business Services	26,460	23,860	11%	47%	44%
Others	(161)	(308)	NA	(7%)	(16%)
The Group	<u>90,653</u>	<u>77,564</u>	17%	53%	50%

- Gross profit for VAS grew by 19% year-on-year to RMB44.2 billion, primarily driven by growth in high-margin Domestic Games revenues. Gross margin rose to 56%, up from 54% in the same period last year.
- Gross profit for Marketing Services was RMB20.2 billion, up 19% year-on-year, supported by growth in high-margin Video Accounts and Weixin Search revenues. Gross margin was 58%, compared to 57% in the same period last year.
- Gross profit for FinTech and Business Services rose by 11% year-on-year to RMB26.5 billion, mainly due to revenue growth from wealth management services, consumer loan services and WeCom, alongside improved cost efficiency in our cloud services. Gross margin increased to 47% from 44% in the same period last year.

Selling and marketing expenses. Selling and marketing expenses decreased by 6% year-on-year to RMB10.3 billion in the fourth quarter of 2024, reflecting a high base in the prior-year period. As a percentage of revenues, selling and marketing expenses declined to 6%, compared to 7% in the same period last year.

General and administrative expenses. General and administrative expenses increased by 16% year-on-year to RMB31.4 billion for the fourth quarter of 2024, primarily driven by increased R&D expenses, including staff costs and depreciation expenses related to our AI initiatives.

Interest income. Interest income was RMB3.9 billion for the fourth quarter of 2024, broadly stable year-on-year.

Finance costs. Finance costs decreased by 29% year-on-year to RMB2.5 billion for the fourth quarter of 2024, mainly due to recognition of foreign exchange gains this quarter, compared to losses recorded in the same period last year.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB9.3 billion for the fourth quarter of 2024, an increase from share of profits of RMB2.4 billion in the same period last year. Non-IFRS share of profits of associates and joint ventures rose to RMB7.7 billion, compared to share of profits of RMB4.5 billion in the same period last year. The increase in non-IFRS share of profits of associates and joint ventures was due to associate company-specific factors, such as business growth, new content releases and enhanced operating efficiencies.

Income tax expense. Income tax expense rose by 22% year-on-year to RMB11.8 billion for the fourth quarter of 2024, driven primarily by growth in operating profit.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 90% to RMB51.3 billion for the fourth quarter of 2024 on a year-on-year basis. Non-IFRS profit attributable to equity holders of the Company increased by 30% year-on-year to RMB55.3 billion for the fourth quarter of 2024.

Fourth Quarter of 2024 Compared to Third Quarter of 2024

The following table sets forth the comparative figures for the fourth quarter of 2024 and the third quarter of 2024:

	Unaudited	
	Three months ended	
	31 December	30 September
	2024	2024
	(RMB in millions)	
Revenues	172,446	167,193
Cost of revenues	(81,793)	(78,365)
Gross profit	90,653	88,828
Selling and marketing expenses	(10,285)	(9,411)
General and administrative expenses	(31,403)	(29,058)
Other gains/(losses), net	2,513	2,974
Operating profit	51,478	53,333
Net gains/(losses) from investments and others	1,119	3,066
Interest income	3,910	3,996
Finance costs	(2,512)	(3,531)
Share of profit/(loss) of associates and joint ventures, net	9,253	6,019
Profit before income tax	63,248	62,883
Income tax expense	(11,781)	(8,900)
Profit for the period	51,467	53,983
Attributable to:		
Equity holders of the Company	51,324	53,230
Non-controlling interests	143	753
	51,467	53,983
Non-IFRS operating profit	59,475	61,274
Non-IFRS profit attributable to equity holders of the Company	55,312	59,813

Revenues. Revenues for the fourth quarter of 2024 increased by 3% quarter-on-quarter to RMB172.4 billion.

- Revenues from VAS decreased by 4% quarter-on-quarter to RMB79.0 billion. International Games revenues were RMB16.0 billion, up 10% quarter-on-quarter, driven by newly launched game Age of Empires Mobile and the early access release of Path of Exile 2, as well as Supercell’s games. Domestic Games revenues were RMB33.2 billion, representing a 11% decline quarter-on-quarter, primarily due to seasonally lower revenue in the fourth quarter. Social Networks revenues decreased by 3% quarter-on-quarter to RMB29.8 billion, reflecting seasonally lower revenue from app-based game virtual item sales.
- Revenues from Marketing Services rose by 17% quarter-on-quarter to RMB35.0 billion, due to increased revenues from Video Accounts, Weixin Moments and our mobile ad network, benefitting from ongoing improvements to our AI-powered advertising infrastructure, and a seasonal uptick in eCommerce advertising spending.
- Revenues from FinTech and Business Services increased by 6% quarter-on-quarter to RMB56.1 billion, driven by higher revenues from payment activities, consumer loan services, cloud services and eCommerce technology service fees.

Cost of revenues. Cost of revenues were RMB81.7 billion for the fourth quarter of 2024, up 4% quarter-on-quarter.

Gross profit. Gross profit was RMB90.7 billion for the fourth quarter of 2024, up 2% quarter-on-quarter. Gross margin was 53%, broadly stable quarter-on-quarter.

- Gross profit for VAS was RMB44.2 billion, down 7% quarter-on-quarter primarily due to seasonally lower revenues from Domestic Games. Gross margin was 56%, compared to 57% in the third quarter of 2024.
- Gross profit for Marketing Services increased by 27% quarter-on-quarter to RMB20.2 billion driven by seasonally higher eCommerce advertising spending. Gross margin increased to 58% from 53% in the previous quarter.
- Gross profit for FinTech and Business Services increased by 4% quarter-on-quarter to RMB26.5 billion, mainly due to revenue growth from consumer loan services and eCommerce technology service fees. Gross margin was 47%, compared to 48% in the third quarter of 2024.

Selling and marketing expenses. Selling and marketing expenses rose by 9% quarter-on-quarter to RMB10.3 billion for the fourth quarter of 2024, reflecting seasonally higher promotional and advertising efforts related to games and eSports events.

General and administrative expenses. General and administrative expenses increased by 8% quarter-on-quarter to RMB31.4 billion for the fourth quarter of 2024, driven by costs related to AI initiatives, including higher depreciation on servers and network equipment.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB9.3 billion for the fourth quarter of 2024, compared to share of profits of RMB6.0 billion for the previous quarter. Non-IFRS share of profits of associates and joint ventures was RMB7.7 billion for the fourth quarter of 2024, compared to share of profits of RMB8.5 billion for the previous quarter.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company decreased by 4% to RMB51.3 billion for the fourth quarter of 2024 on a quarter-on-quarter basis. Non-IFRS profit attributable to equity holders of the Company decreased by 8% to RMB55.3 billion for the fourth quarter of 2024.

Other Financial Information

	Unaudited				
	Three months ended			Year ended	
	31 December 2024	30 September 2024	31 December 2023	31 December 2024	31 December 2023
	(RMB in millions, unless specified)				
EBITDA (a)	63,917	64,397	53,983	256,310	214,381
Adjusted EBITDA (a)	69,579	69,656	59,494	277,012	235,454
Adjusted EBITDA margin (b)	40%	42%	38%	42%	39%
Interest and related expenses	3,340	3,145	3,015	12,447	11,885
Net cash/(debt) (c)	76,798	95,462	54,740	76,798	54,740
Capital expenditures (d)	36,578	17,094	7,524	76,760	23,893

Note:

- (a) EBITDA is calculated as operating profit minus other gains/(losses), net, and adding back depreciation of property, plant and equipment, investment properties as well as right-of-use assets, and amortisation of intangible assets and land use rights. Adjusted EBITDA is calculated as EBITDA plus equity-settled share-based compensation expenses.
- (b) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.
- (c) Net cash/(debt) represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, including highly liquid investment products held for treasury purposes, minus borrowings and notes payable.
- (d) Capital expenditures primarily consist of investments in computer equipment and components, and other property, plant and equipment, construction in progress, investment properties, land use rights, as well as certain intangible assets.

The following table reconciles our operating profit to our EBITDA and Adjusted EBITDA for the periods presented:

	Unaudited				
	Three months ended			Year ended	
	31 December	30 September	31 December	31 December	31 December
	2024	2024	2023	2024	2023
	(RMB in millions, unless specified)				
Operating profit	51,478	53,333	41,401	208,099	160,074
Adjustments:					
Other (gains)/losses, net	(2,513)	(2,974)	(1,983)	(8,002)	(4,701)
Depreciation of property, plant and equipment and investment properties	5,811	5,183	5,117	21,141	19,908
Depreciation of right-of-use assets	1,595	1,549	1,544	6,191	6,397
Amortisation of intangible assets and land use rights	7,546	7,306	7,904	28,881	32,703
EBITDA	63,917	64,397	53,983	256,310	214,381
Equity-settled share-based compensation	5,662	5,259	5,511	20,702	21,073
Adjusted EBITDA	69,579	69,656	59,494	277,012	235,454

Non-IFRS Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain additional non-IFRS financial measures (in terms of operating profit, operating margin, profit for the period, profit attributable to equity holders of the Company, basic EPS and diluted EPS) have been presented in this announcement. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group'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 Group's core operations by excluding certain non-cash items and certain impact of investment-related transactions. In addition, non-IFRS adjustments include relevant non-IFRS adjustments for the Group's major associates based on available published financials of the relevant major associates, or estimates made by the Company's management based on available information, certain expectations, assumptions and premises.

The following tables set forth the reconciliations of the Group's non-IFRS financial measures for the fourth quarter of 2024 and 2023, the third quarter of 2024, as well as the years ended 31 December 2024 and 2023 to the nearest measures prepared in accordance with IFRS:

Unaudited three months ended 31 December 2024								
		Adjustments						
As reported	Share-based compensation	Net (gains)/ losses from investee companies	Amortisation of intangible assets	Impairment provisions/ (reversals)	SSV & CPP	Income tax effects	Non-IFRS	
	(a)	(b)	(c)	(d)	(e)	(g)		
(RMB in millions, unless specified)								
Operating profit	51,478	6,140	-	1,416	-	441	-	59,475
Share of profit/(loss) of associates and joint ventures, net	9,253	1,003	(3,799)	1,176	116	-	-	7,749
Profit for the period	51,467	7,143	(6,888)	2,592	1,760	1,109	(706)	56,477
Profit attributable to equity holders	51,324	7,034	(6,931)	2,396	1,037	1,109	(657)	55,312
EPS (RMB per share)								
- basic	5.597							6.032
- diluted	5.485							5.909
Operating margin	30%							34%

Unaudited three months ended 30 September 2024

	Adjustments							Non-IFRS
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Income tax effects (g)	
Operating profit	53,333	6,377	–	1,324	–	240	–	61,274
Share of profit/(loss) of associates and joint ventures, net	6,019	985	60	1,433	12	–	–	8,509
Profit for the period	53,983	7,362	(6,610)	2,757	3,788	304	(653)	60,931
Profit attributable to equity holders	53,230	7,180	(6,664)	2,591	3,766	304	(594)	59,813
EPS (RMB per share)								
– basic	5.762							6.475
– diluted	5.644							6.340
Operating margin	32%							37%

Unaudited three months ended 31 December 2023

	Adjustments							Non-IFRS	
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Others (f)		Income tax effects (g)
Operating profit	41,401	5,732	–	1,564	–	437	1	–	49,135
Share of profit/(loss) of associates and joint ventures, net	2,463	914	(416)	1,396	159	–	–	–	4,516
Profit for the period	27,850	6,646	(94)	2,960	5,705	1,594	1	(829)	43,833
Profit attributable to equity holders	27,025	6,512	(55)	2,719	5,650	1,594	1	(765)	42,681
EPS (RMB per share)									
– basic	2.873								4.537
– diluted	2.807								4.443
Operating margin	27%								32%

Year ended 31 December 2024

	Adjustments								Non-IFRS
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Others (f)	Income tax effects (g)	
	(RMB in millions, unless specified)								
Operating profit	208,099	23,424	-	5,294	-	991	3	-	237,811
Share of profit/(loss) of associates and joint ventures, net	25,176	4,423	(4,289)	5,478	847	-	-	-	31,635
Profit for the year	196,467	27,847	(18,646)	10,772	10,636	2,570	3	(2,455)	227,194
Profit attributable to equity holders	194,073	27,230	(18,770)	9,994	9,836	2,570	3	(2,233)	222,703
EPS (RMB per share)									
- basic	20.938								24.027
- diluted	20.486								23.505
Operating margin	32%								36%

Year ended 31 December 2023

	Adjustments								Non-IFRS
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Others (f)	Income tax effects (g)	
	(RMB in millions, unless specified)								
Operating profit	160,074	22,782	-	5,019	-	998	3,013	-	191,886
Share of profit/(loss) of associates and joint ventures, net	5,800	4,984	(4,925)	5,250	1,933	-	(1)	-	13,041
Profit for the year	118,048	27,766	(6,170)	10,269	8,123	3,790	3,012	(3,104)	161,734
Profit attributable to equity holders	115,216	27,100	(6,024)	9,462	8,004	3,790	3,012	(2,872)	157,688
EPS (RMB per share)									
- basic	12.186								16.678
- diluted	11.887								16.320
Operating margin	26%								32%

Note:

- (a) Including put options granted to employees of investee companies on their shares and shares to be issued under investee companies' share-based incentive plans which can be acquired by the Group, and other incentives
- (b) 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
- (c) Amortisation of intangible assets resulting from acquisitions
- (d) Mainly including impairment provisions/(reversals) for associates, joint ventures, goodwill and other intangible assets arising from acquisitions
- (e) Mainly including donations and expenses incurred for the Group's SSV & CPP initiatives
- (f) Primarily non-recurring compliance-related costs and expenses incurred for certain litigation settlements of the Group and/or arising from investee companies
- (g) Income tax effects of non-IFRS adjustments

Liquidity and Financial Resources

Our cash and debt positions as at 31 December 2024 and 30 September 2024 were as follows:

	Audited 31 December 2024	Unaudited 30 September 2024
	(RMB in millions)	
Cash and cash equivalents	132,519	145,468
Term deposits and others	282,894	280,049
Borrowings	(199,406)	(194,367)
Notes payable	(139,209)	(135,688)
Net cash	<u>76,798</u>	<u>95,462</u>

As at 31 December 2024, the Group had net cash of RMB76.8 billion, compared to net cash of RMB95.5 billion as at 30 September 2024. The sequential decline in net cash was primarily due to cash outflows related to capital expenditures and share repurchases, as well as seasonally lower games gross receipts.

For the fourth quarter of 2024, the Group generated free cash flow of RMB4.5 billion. This was a result of net cash flow generated from operating activities of RMB54.0 billion, offset by payments for capital expenditures of RMB39.0 billion to support the development of our AI initiatives, as well as payments for media content of RMB8.5 billion and payments for lease liabilities of RMB2.0 billion.

As at 31 December 2024, the fair value of our shareholdings⁵ in listed investee companies (excluding subsidiaries) was RMB569.8 billion, and the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was RMB335.6 billion.

⁵ Including those held via special purpose vehicles, on an attributable basis

FINANCIAL INFORMATION
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December	
	Note	2024	2023
		RMB' Million	RMB' Million
Revenues			
Value-added Services		319,168	298,375
Marketing Services		121,374	101,482
FinTech and Business Services		211,956	203,763
Others		7,759	5,395
	2	660,257	609,015
Cost of revenues	3	(311,011)	(315,906)
Gross profit		349,246	293,109
Selling and marketing expenses	3	(36,388)	(34,211)
General and administrative expenses	3	(112,761)	(103,525)
Other gains/(losses), net	4	8,002	4,701
Operating profit		208,099	160,074
Net gains/(losses) from investments and others	5	4,187	(6,090)
Interest income		16,004	13,808
Finance costs		(11,981)	(12,268)
Share of profit/(loss) of associates and joint ventures, net		25,176	5,800
Profit before income tax		241,485	161,324
Income tax expense	6	(45,018)	(43,276)
Profit for the year		196,467	118,048
Attributable to:			
Equity holders of the Company		194,073	115,216
Non-controlling interests		2,394	2,832
		196,467	118,048
Earnings per share for profit attributable to equity holders of the Company (in RMB per share)			
– basic	7(a)	20.938	12.186
– diluted	7(b)	20.486	11.887

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Year ended 31 December	
	2024	2023
	RMB' Million	RMB' Million
Profit for the year	196,467	118,048
Other comprehensive income, net of tax:		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Share of other comprehensive income of associates and joint ventures	(492)	(176)
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	(13)	(9)
Transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income	1	–
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	23	59
Currency translation differences	(2,746)	13,328
Net movement in reserves for hedges	(2,618)	(3,581)
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Share of other comprehensive income of associates and joint ventures	(711)	(561)
Loss from changes in fair value of assets held for distribution	–	(29,991)
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	94,249	11,142
Currency translation differences	111	(1,077)
Net movement in reserves for hedges	71	–
	87,875	(10,866)
Total comprehensive income for the year	284,342	107,182
Attributable to:		
Equity holders of the Company	279,009	102,130
Non-controlling interests	5,333	5,052
	284,342	107,182

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

		As at 31 December	
		2024	2023
	Note	RMB' Million	RMB' Million
ASSETS			
Non-current assets			
Property, plant and equipment		80,185	53,232
Land use rights		23,117	17,179
Right-of-use assets		17,679	20,464
Construction in progress		12,302	13,583
Investment properties		801	570
Intangible assets		196,127	177,727
Investments in associates	9	290,343	253,696
Investments in joint ventures		7,072	7,969
Financial assets at fair value through profit or loss	10	204,999	211,145
Financial assets at fair value through other comprehensive income	11	302,360	213,951
Prepayments, deposits and other assets		42,828	28,439
Other financial assets		1,076	2,527
Deferred income tax assets		28,325	29,017
Term deposits		77,601	29,301
		1,284,815	1,058,800
Current assets			
Inventories		440	456
Accounts receivable	12	48,203	46,606
Prepayments, deposits and other assets		101,044	88,411
Other financial assets		4,750	5,949
Financial assets at fair value through profit or loss	10	9,568	14,903
Financial assets at fair value through other comprehensive income	11	3,345	–
Term deposits		192,977	185,983
Restricted cash		3,334	3,818
Cash and cash equivalents		132,519	172,320
		496,180	518,446
Total assets		1,780,995	1,577,246

		As at 31 December	
		2024	2023
	Note	RMB' Million	RMB' Million
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		–	–
Share premium		43,079	37,989
Treasury shares		(3,597)	(4,740)
Shares held for share award schemes		(5,093)	(5,350)
Other reserves		47,129	(33,219)
Retained earnings		892,030	813,911
		<u>973,548</u>	<u>808,591</u>
Non-controlling interests		<u>80,348</u>	<u>65,090</u>
Total equity		<u>1,053,896</u>	<u>873,681</u>
LIABILITIES			
Non-current liabilities			
Borrowings	15	146,521	155,819
Notes payable	16	130,586	137,101
Long-term payables		10,201	12,169
Other financial liabilities		4,203	8,781
Deferred income tax liabilities		18,546	17,635
Lease liabilities		13,897	16,468
Deferred revenue		6,236	3,435
		<u>330,190</u>	<u>351,408</u>
Current liabilities			
Accounts payable	14	118,712	100,948
Other payables and accruals		84,032	76,595
Borrowings	15	52,885	41,537
Notes payable	16	8,623	14,161
Current income tax liabilities		16,586	17,664
Other tax liabilities		4,038	4,372
Other financial liabilities		6,336	4,558
Lease liabilities		5,600	6,154
Deferred revenue		100,097	86,168
		<u>396,909</u>	<u>352,157</u>
Total liabilities		<u>727,099</u>	<u>703,565</u>
Total equity and liabilities		<u>1,780,995</u>	<u>1,577,246</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Company								
	Share capital RMB'Million	Share premium RMB'Million	Treasury shares RMB'Million	Shares held for share award schemes RMB'Million	Other reserves RMB'Million	Retained earnings RMB'Million	Total RMB'Million	Non- controlling interests RMB'Million	Total equity RMB'Million
Balance at 1 January 2024	-	37,989	(4,740)	(5,350)	(33,219)	813,911	808,591	65,090	873,681
Comprehensive income									
Profit for the year	-	-	-	-	-	194,073	194,073	2,394	196,467
Other comprehensive income, net of tax:									
- share of other comprehensive income of associates and joint ventures	-	-	-	-	(1,181)	-	(1,181)	(22)	(1,203)
- transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	-	-	-	-	(13)	-	(13)	-	(13)
- net gains from changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	90,612	-	90,612	3,660	94,272
- transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income	-	-	-	-	1	-	1	-	1
- currency translation differences	-	-	-	-	(1,953)	-	(1,953)	(682)	(2,635)
- net movement in reserves for hedges	-	-	-	-	(2,530)	-	(2,530)	(17)	(2,547)
Total comprehensive income for the year	-	-	-	-	84,936	194,073	279,009	5,333	284,342
Transfer of gains on disposal and deemed disposal of financial instruments to retained earnings, net of tax	-	-	-	-	(5,007)	4,773	(234)	-	(234)
Transfer of share of other comprehensive income to retained earnings upon disposal and deemed disposal of associates and joint ventures	-	-	-	-	(15)	15	-	-	-
Share of other changes in net assets of associates and joint ventures	-	-	-	-	4,083	-	4,083	-	4,083
Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal	-	-	-	-	(529)	-	(529)	-	(529)
Transactions with equity holders									
Employee share option schemes:									
- value of employee services	-	1,917	-	-	45	-	1,962	38	2,000
- proceeds from shares issued, net of withholding individual income tax	-	1,827	-	-	-	-	1,827	-	1,827
Employee share award schemes:									
- value of employee services	-	16,829	-	-	1,572	-	18,401	356	18,757
- shares purchased/withheld for share award schemes	-	-	-	(3,420)	-	-	(3,420)	-	(3,420)
- vesting of awarded shares	-	(3,338)	-	3,338	-	-	-	-	-
Tax benefit from share-based payments	-	-	-	-	13	-	13	-	13
Repurchase and cancellation of shares	-	(13,681)	4,740	-	-	(89,725)	(98,666)	-	(98,666)
Repurchase of shares (to be cancelled)	-	-	(3,597)	-	-	-	(3,597)	-	(3,597)
Cash dividends	-	-	-	-	-	(28,924)	(28,924)	(2,158)	(31,082)
Non-controlling interests arising from business combinations	-	-	-	-	-	-	-	12,624	12,624
Acquisition of additional equity interests in non wholly-owned subsidiaries	-	-	-	-	(4,637)	-	(4,637)	(2,957)	(7,594)
Dilution of interests in subsidiaries	-	-	-	-	(1,924)	-	(1,924)	1,634	(290)
Disposal of subsidiaries	-	-	-	-	-	-	-	11	11
Others	-	1,536	-	339	1,811	(2,093)	1,593	377	1,970
Total transactions with equity holders in their capacity as equity holders for the year	-	5,090	1,143	257	(3,120)	(120,742)	(117,372)	9,925	(107,447)
Balance at 31 December 2024	-	43,079	(3,597)	(5,093)	47,129	892,030	973,548	80,348	1,053,896

	Attributable to equity holders of the Company								
	Share capital RMB'Million	Share premium RMB'Million	Treasury shares RMB'Million	Shares held for share award schemes RMB'Million	Other reserves RMB'Million	Retained earnings RMB'Million	Total RMB'Million	Non-controlling interests RMB'Million	Total equity RMB'Million
Balance at 1 January 2023	-	62,418	(1,868)	(4,226)	(40,914)	705,981	721,391	61,469	782,860
Comprehensive income									
Profit for the year	-	-	-	-	-	115,216	115,216	2,832	118,048
Other comprehensive income, net of tax:									
- share of other comprehensive income of associates and joint ventures	-	-	-	-	(701)	-	(701)	(36)	(737)
- losses from changes in fair value of assets held for distribution	-	-	-	-	(29,991)	-	(29,991)	-	(29,991)
- transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	-	-	-	-	(9)	-	(9)	-	(9)
- net gains from changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	-	9,650	-	9,650	1,551	11,201
- currency translation differences	-	-	-	-	11,480	-	11,480	771	12,251
- net movement in reserves for hedges	-	-	-	-	(3,515)	-	(3,515)	(66)	(3,581)
Total comprehensive income for the year	-	-	-	-	(13,086)	115,216	102,130	5,052	107,182
Transfer of losses on disposal and deemed disposal of financial instruments to retained earnings, net of tax	-	-	-	-	17,846	(17,891)	(45)	-	(45)
Transfer of share of other comprehensive income to retained earnings upon disposal and deemed disposal of associates and joint ventures	-	-	-	-	66	(66)	-	-	-
Share of other changes in net assets of associates and joint ventures	-	-	-	-	4,680	-	4,680	-	4,680
Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal	-	-	-	-	(118)	-	(118)	-	(118)
Transactions with equity holders									
Capital injections/(reductions)	-	-	-	-	-	-	-	121	121
Employee share option schemes:									
- value of employee services	-	1,687	-	-	73	-	1,760	64	1,824
- proceeds from shares issued, net of withholding individual income tax	-	828	-	-	-	-	828	-	828
Employee share award schemes:									
- value of employee services	-	17,267	-	-	1,583	-	18,850	342	19,192
- shares purchased/withheld for share award schemes	-	-	-	(4,378)	-	-	(4,378)	-	(4,378)
- vesting of awarded shares	-	(2,071)	-	2,071	-	-	-	-	-
Tax benefit from share-based payments	-	-	-	-	21	-	21	-	21
Profit appropriations to statutory reserves	-	-	-	-	912	(912)	-	-	-
Repurchase and cancellation of shares	-	(42,112)	1,868	-	-	-	(40,244)	-	(40,244)
Repurchase of shares (to be cancelled)	-	-	(4,740)	-	-	-	(4,740)	-	(4,740)
Cash dividends	-	-	-	-	-	(20,586)	(20,586)	(598)	(21,184)
Dividends under distribution in specie	-	-	-	-	-	32,169	32,169	-	32,169
Non-controlling interests arising from business combinations	-	-	-	-	-	-	-	3,386	3,386
Acquisition of additional equity interests in non wholly-owned subsidiaries	-	-	-	-	1,449	-	1,449	(4,560)	(3,111)
Dilution of interests in subsidiaries	-	-	-	-	(1,349)	-	(1,349)	1,361	12
Disposal of subsidiaries	-	-	-	-	-	-	-	(101)	(101)
Changes in put option liabilities in respect of non-controlling interests	-	-	-	-	117	-	117	16	133
Recognition of put option liabilities arising from business combinations	-	-	-	-	(4,594)	-	(4,594)	-	(4,594)
Transfer of equity interests of subsidiaries to non-controlling interests	-	(28)	-	1,183	95	-	1,250	(1,462)	(212)
Total transactions with equity holders in their capacity as equity holders for the year	-	(24,429)	(2,872)	(1,124)	(1,693)	10,671	(19,447)	(1,431)	(20,878)
Balance at 31 December 2023	-	37,989	(4,740)	(5,350)	(33,219)	813,911	808,591	65,090	873,681

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Year ended 31 December	
	2024	2023
	RMB' Million	RMB' Million
Net cash flows generated from operating activities	258,521	221,962
Net cash flows used in investing activities	(122,187)	(125,161)
Net cash flows used in financing activities	(176,494)	(82,573)
Net (decrease)/increase in cash and cash equivalents	(40,160)	14,228
Cash and cash equivalents at beginning of the year	172,320	156,739
Exchange gains on cash and cash equivalents	359	1,353
Cash and cash equivalents at end of the year	<u>132,519</u>	<u>172,320</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information, basis of preparation and presentation

The Company was incorporated in the Cayman Islands with limited liability. The shares of the Company have been listed on the Main Board of the Stock Exchange since 16 June 2004.

The Company is an investment holding company. The Group is principally engaged in the provision of VAS, Marketing Services and FinTech and Business Services.

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of FVPL, FVOCI, certain other financial assets and liabilities, which are carried at fair value.

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2024:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The adoption of these amendments to standards does not have significant impact on the consolidated financial statements of the Group.

2 Segment information and revenues

The Group has the following reportable segments for the years ended 31 December 2024 and 2023:

- VAS;
- Marketing Services;
- FinTech and Business Services; and
- Others.

The “Others” business segment consists of 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.

There were no material inter-segment sales during the years ended 31 December 2024 and 2023. The revenues from external customers reported to the chief operating decision-makers are measured in a manner consistent with that applied in the consolidated income statement.

The segment information provided to the chief operating decision-makers for the reportable segments for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December 2024				
	VAS RMB'Million	Marketing Services RMB'Million	FinTech and Business Services RMB'Million	Others RMB'Million	Total RMB'Million
Segment revenues	<u>319,168</u>	<u>121,374</u>	<u>211,956</u>	<u>7,759</u>	<u>660,257</u>
Gross profit	<u>181,657</u>	<u>67,232</u>	<u>99,701</u>	<u>656</u>	<u>349,246</u>
Cost of revenues					
Depreciation	5,242	6,792	7,773	55	19,862
Amortisation	<u>16,270</u>	<u>7,327</u>	<u>152</u>	<u>2,243</u>	<u>25,992</u>
	Year ended 31 December 2023				
	VAS RMB'Million	Marketing Services RMB'Million	FinTech and Business Services RMB'Million	Others RMB'Million	Total RMB'Million
Segment revenues	<u>298,375</u>	<u>101,482</u>	<u>203,763</u>	<u>5,395</u>	<u>609,015</u>
Gross profit/(loss)	<u>161,919</u>	<u>51,344</u>	<u>80,636</u>	<u>(790)</u>	<u>293,109</u>
Cost of revenues					
Depreciation	5,239	6,025	8,713	59	20,036
Amortisation	<u>19,468</u>	<u>8,661</u>	<u>158</u>	<u>1,930</u>	<u>30,217</u>

3 Expenses by nature

	2024	2023
	RMB'Million	RMB'Million
Transaction costs (a)	134,954	134,864
Employee benefits expenses (b)	112,826	107,675
Content costs (excluding amortisation of intangible assets)	68,581	62,696
Amortisation of intangible assets (c)	28,765	32,623
Depreciation of property, plant and equipment, investment properties and right-of-use assets	27,332	26,305
Bandwidth and server custody fees (excluding depreciation of right-of-use assets)	26,419	24,248
Promotion and advertising expenses	25,062	22,836

Note:

- (a) Transaction costs primarily consist of bank handling fees, channel and distribution costs.
- (b) During the year ended 31 December 2024, the Group had incurred expenses for the purpose of R&D of approximately RMB70,686 million (2023: RMB64,078 million), which mainly comprised employee benefits expenses of approximately RMB56,061 million (2023: RMB52,416 million).

No significant development expenses had been capitalised for the years ended 31 December 2024 and 2023.

During the year ended 31 December 2024, employee benefits expenses included the share-based compensation expenses of approximately RMB23,424 million (2023: RMB22,782 million), which contained those incurred for employees related to SSV & CPP initiatives of approximately RMB60 million (2023: RMB63 million).

- (c) Amortisation charges of intangible assets are mainly in respect of media content including long-form video and music content, game licences, and other content. During the year ended 31 December 2024, amortisation of media content was approximately RMB26,166 million (2023: RMB30,088 million).

During the year ended 31 December 2024, amortisation of intangible assets included the amortisation of intangible assets arising from acquisitions of approximately RMB5,294 million (2023: RMB5,019 million).

- (d) During the year ended 31 December 2024, expenses incurred related to SSV & CPP initiatives (excluding share-based compensation expenses) were approximately RMB991 million (2023: RMB998 million).
- (e) During the year ended 31 December 2024, non-recurring compliance-related costs and expenses incurred for certain litigation settlements in total were approximately RMB3 million, which were included in “General and administrative expenses” (2023: except for Tenpay-related fine as disclosed in Note 4, non-recurring compliance-related costs and expenses incurred for certain litigation settlements in total were approximately RMB18 million, of which approximately RMB17 million were included in “General and administrative expenses”, and approximately RMB1 million were included in “Other gains/(losses), net”).

4 Other gains/(losses), net

	2024 RMB' Million	2023 RMB' Million
Subsidies and tax rebates	8,689	10,285
Tenpay-related fine	–	(2,995)
Others	(687)	(2,589)
	<u>8,002</u>	<u>4,701</u>

5 Net gains/(losses) from investments and others

	2024 RMB' Million	2023 RMB' Million
Net gains on disposals and deemed disposals of investee companies (a)	12,810	4,283
Net fair value gains/(losses) on FVPL ((b) and Note 10)	3,533	(1,954)
Impairment provisions for investments in associates (Note 9(c))	(8,250)	(6,847)
Impairment (provisions)/reversals for investments in joint ventures and others	(170)	752
Impairment provisions for goodwill and other intangible assets arising from acquisitions	(1,369)	(95)
Other net fair value losses (c)	(892)	(165)
Donations (d)	(2,003)	(2,952)
Dividend income	715	546
Others (e)	(187)	342
	<u>4,187</u>	<u>(6,090)</u>

Note:

- (a) The net disposal and deemed disposal gains of approximately RMB12,810 million recognised during the year ended 31 December 2024 comprised the following:
- aggregate net gains of approximately RMB2,370 million (2023: RMB1,574 million) on disposals and partial disposals of investee companies of the Group;
 - aggregate net gains of approximately RMB6,781 million (2023: RMB4,004 million) on deemed disposals of investee companies of the Group; and
 - aggregate net gains of approximately RMB3,659 million (2023: net losses of approximately RMB1,295 million) (Note 9) on dilution of the Group's equity interests in certain associates due to new equity interests being issued by these associates.
- (b) During the year ended 31 December 2024, the net fair value gains/(losses) on FVPL mainly comprised net gains of approximately RMB2,988 million as a result of changes in valuations of certain investee companies (2023: net losses of approximately RMB2,886 million).
- (c) During the year ended 31 December 2024, the other net fair value losses mainly included net losses of approximately RMB912 million on other investment-related financial assets and liabilities (2023: RMB152 million).
- (d) During the year ended 31 December 2024, donations mainly included approximately RMB1,579 million for SSV & CPP initiatives of the Group (2023: RMB2,792 million).
- (e) During the year ended 31 December 2024, others included transaction costs with an aggregate amount of approximately RMB529 million related to certain equity transactions of investee companies.

6 Income tax expense

Income tax expense is recognised based on management's best knowledge of the income tax rates expected for the financial year.

(a) Cayman Islands and British Virgin Islands corporate income tax

The Group was not subject to any taxation in the Cayman Islands and the British Virgin Islands for the years ended 31 December 2024 and 2023.

(b) Hong Kong profits tax

Hong Kong profits tax had been provided for at the rate of 16.5% on the estimated assessable profits for the years ended 31 December 2024 and 2023.

(c) PRC CIT

PRC CIT had been provided for at applicable tax rates under the relevant regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profit of entities within the Group established in the Mainland of China for the years ended 31 December 2024 and 2023. The general PRC CIT rate was 25% in 2024 and 2023.

Certain subsidiaries of the Company in the Mainland of China were approved as High and New Technology Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the years ended 31 December 2024 and 2023. Moreover, according to announcement and circular issued by relevant government authorities, a subsidiary which was qualified as National Key Software Enterprise was subject to a preferential corporate income tax rate of 10%.

In addition, certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of the Mainland of China upon fulfilment of certain requirements of the respective local governments.

(d) Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions, including the North America, Europe, Asia and South America, had been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, which were not higher than 39%.

(e) Withholding tax

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Mainland of China to a foreign investor with respect to profit derived after 1 January 2008 are generally subject to a 10% withholding tax. If a foreign investor is incorporated in Hong Kong, under the double taxation arrangement between the Mainland of China and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfillment of certain conditions.

Dividends distributed from certain jurisdictions that the Group's entities operate in are also subject to withholding tax at respective applicable tax rates.

The income tax expense of the Group is analysed as follows:

	2024	2023
	RMB' Million	RMB' Million
Current income tax	34,903	32,720
Deferred income tax	10,115	10,556
	<u>45,018</u>	<u>43,276</u>

7 Earnings per share

(a) Basic

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue (excluding shares held for share award schemes and treasury shares) during the year.

	2024	2023
Profit attributable to equity holders of the Company (RMB' Million)	<u>194,073</u>	<u>115,216</u>
Weighted average number of ordinary shares in issue excluding shares held for share award schemes and treasury shares (million shares)	<u>9,269</u>	<u>9,455</u>
Basic EPS (RMB per share)	<u>20.938</u>	<u>12.186</u>

(b) Diluted

The share options and awarded shares granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and awarded shares granted by the Company (collectively forming the denominator for computing the diluted EPS), which is determined under the treasury stock method.

In addition, the profit attributable to equity holders of the Company (numerator) has been adjusted by the effect of the share-based awards granted by the Company's non wholly-owned subsidiaries and associates, excluding those which have anti-dilutive effect on the Group's diluted EPS.

	2024	2023
Profit attributable to equity holders of the Company (RMB'Million)	194,073	115,216
Dilution effect arising from share-based awards granted by non wholly-owned subsidiaries and associates (RMB'Million)	(1,343)	(986)
Profit attributable to equity holders of the Company for the calculation of diluted EPS (RMB'Million)	<u>192,730</u>	<u>114,230</u>
Weighted average number of ordinary shares in issue excluding shares held for share award schemes and treasury shares (million shares)	9,269	9,455
Adjustments for share options and awarded shares (million shares)	139	155
Weighted average number of ordinary shares for the calculation of diluted EPS (million shares)	<u>9,408</u>	<u>9,610</u>
Diluted EPS (RMB per share)	<u>20.486</u>	<u>11.887</u>

8 Dividends

The final dividends amounting to HKD31,743 million (2023: HKD22,762 million) were paid during the year ended 31 December 2024.

A final dividend in respect of the year ended 31 December 2024 of HKD4.50 per share (2023: HKD3.40 per share) was proposed pursuant to a resolution passed by the Board on 19 March 2025 and subject to the approval of the shareholders at the 2025 AGM. This proposed dividend is not reflected as dividend payable in the consolidated financial statements.

9 Investments in associates

	As at 31 December	
	2024	2023
	RMB' Million	RMB' Million
Investments in associates		
– Listed entities (Note)	149,557	132,776
– Unlisted entities	140,786	120,920
	<u>290,343</u>	<u>253,696</u>

Note:

As at 31 December 2024, the fair value of the investments in associates consisting of directly and indirectly held listed equity interests was approximately RMB280,088 million (31 December 2023: RMB351,594 million).

Movement of investments in associates is analysed as follows:

	2024	2023
	RMB' Million	RMB' Million
At beginning of the year	253,696	246,043
Additions (a)	3,986	7,696
Transfers (b)	15,271	4,408
Dilution gains/(losses) on deemed disposal (Note 5(a))	3,659	(1,295)
Share of profit/(loss) of associates, net	24,686	5,400
Share of other comprehensive income of associates	(1,206)	(743)
Share of other changes in net assets of associates	4,074	4,674
Dividends	(2,675)	(5,235)
Disposals	(2,721)	(2,544)
Impairment provisions, net ((c) and Note 5)	(8,250)	(6,847)
Currency translation differences	(177)	2,139
	<u>290,343</u>	<u>253,696</u>
At end of the year	290,343	253,696

Note:

- (a) During the year ended 31 December 2024, the Group's additions mainly comprised new investments and additional investments in certain investee companies, which are principally engaged in eCommerce, games, music and entertainment, and other Internet-related businesses.
- (b) During the year ended 31 December 2024, investment in an investee company of the Group with a carrying amount of approximately RMB17,341 million, which is engaged in operating a social network platform, was transferred from FVPL to investment in an associate, due to changes of certain shareholder's rights of the Group.

- (c) During the year ended 31 December 2024, an aggregate impairment loss of approximately RMB8,250 million (2023: RMB6,847 million) had been recognised for investments in associates with impairment indicators, and the majority of these investments' recoverable amounts were determined using fair value less costs of disposal.

10 Financial assets at fair value through profit or loss

FVPL include the following:

	As at 31 December	
	2024	2023
	RMB'Million	RMB'Million
Included in non-current assets:		
Investments in listed entities	8,655	11,495
Investments in unlisted entities	178,824	190,698
Treasury investments and others	17,520	8,952
	<u>204,999</u>	<u>211,145</u>
Included in current assets:		
Investments in listed entities	–	1
Treasury investments and others	9,568	14,902
	<u>9,568</u>	<u>14,903</u>
	<u>214,567</u>	<u>226,048</u>

Movement of FVPL is analysed as follows:

	2024	2023
	RMB'Million	RMB'Million
At beginning of the year	226,048	234,048
Additions and transfers (a)	53,717	40,915
Changes in fair value (Note 5)	3,533	(1,954)
Disposals and others	(71,488)	(50,303)
Currency translation differences	2,757	3,342
	<u>214,567</u>	<u>226,048</u>
At end of the year	<u>214,567</u>	<u>226,048</u>

Note:

- (a) During the year ended 31 December 2024, except as described in Note 9(b), the Group's additions and transfers mainly comprised the following:
- (i) new investments and additional investments with an aggregate amount of approximately RMB71,804 million in treasury investments, as well as investee companies which are principally engaged in games development, investment funds, eCommerce and others; and
 - (ii) transfers with an aggregate amount of approximately RMB3,381 million designated as FVOCI due to the conversion of preference shares of certain investee companies into ordinary shares upon their IPOs.

11 Financial assets at fair value through other comprehensive income

FVOCI include the following:

	As at 31 December	
	2024 RMB'Million	2023 RMB'Million
Included in non-current assets:		
Equity investments in listed entities	285,134	189,286
Equity investments in unlisted entities	13,963	22,671
Treasury investments	3,263	1,994
	302,360	213,951
Included in current assets:		
Treasury investments	3,345	–
	305,705	213,951
	305,705	213,951

Movement of FVOCI is analysed as follows:

	2024 RMB'Million	2023 RMB'Million
At beginning of the year	213,951	185,247
Additions and transfers (a)	19,020	19,048
Changes in fair value	94,554	12,419
Disposals	(25,848)	(8,074)
Currency translation differences	4,028	5,311
	305,705	213,951
At end of the year	305,705	213,951

Note:

- (a) During the year ended 31 December 2024, except as described in Note 10(a)(ii), the Group's additions and transfers mainly comprised certain new investments and additional investments with an aggregate amount of approximately RMB7,666 million in investee companies which are principally engaged in games development, FinTech, biotechnology and pharmaceuticals, social media platform, sports equipment and apparel business, eCommerce and other Internet-related businesses.

12 Accounts receivable

Accounts receivable and their ageing analysis, based on recognition date, are as follows:

	As at 31 December	
	2024	2023
	RMB'Million	RMB'Million
0 ~ 30 days	26,156	24,259
31 ~ 60 days	12,273	11,708
61 ~ 90 days	6,056	6,163
Over 90 days	3,718	4,476
	<u>48,203</u>	<u>46,606</u>

Accounts receivable balances as at 31 December 2024 and 31 December 2023 mainly represented amounts due from marketing services customers and agents, FinTech and cloud customers, content production related customers, and third party platform providers.

Some marketing services customers and agents are usually granted with a credit period within 30 to 90 days immediately following the month-end in which the relevant obligations under the relevant contracted orders are delivered. Third party platform providers usually settle the amounts due by them within 60 days. Other customers, mainly including content production related customers and FinTech and cloud customers, are usually granted with a credit period within 90 days.

13 Share-based payments

(a) Share option schemes

The Company has adopted six share option schemes, namely, the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II, the Post-IPO Option Scheme III, the Post-IPO Option Scheme IV and the 2023 Share Option Scheme.

The Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III expired on 31 December 2011, 23 March 2014, 16 May 2017 and 13 May 2019, respectively. Upon the expiry of these schemes, no further options would be granted under these schemes, but the options granted prior to such expiry continued to be valid and exercisable in accordance with provisions of the schemes. As at 31 December 2024, there were no outstanding share options exercisable under the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III.

The Post-IPO Option Scheme IV had been terminated upon the completion of the transfer of the outstanding share options of the Post-IPO Option Scheme IV to the 2023 Share Option Scheme in accordance with the circular of the Company dated 24 April 2023.

In respect of the 2023 Share Option Scheme, the Board may, at its discretion, grant options to any qualifying participant to subscribe for shares of the Company, subject to the terms and conditions stipulated therein. The exercise price must be in compliance with the requirements under the Listing Rules. In addition, the option vesting period is determined by the Board provided that it is not later than the last day of a 10-year period after the date of grant of options.

The Company allowed certain of the grantees under the Post-IPO Option Scheme II, the Post-IPO Option Scheme IV and the 2023 Share Option Scheme to surrender their rights to receive a portion of the underlying shares (with equivalent fair value) to set off against the exercise consideration and/or individual income tax payable when they exercised their options.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Post-IPO Option Scheme II		2023 Share Option Scheme		Total Number of options
	Average exercise price	Number of options	Average exercise price	Number of options	
At 1 January 2024	HKD185.65	17,318,327	HKD353.11	105,292,749	122,611,076
Granted	-	-	HKD297.91	11,632,870	11,632,870
Exercised	HKD185.65	(17,208,952)	HKD279.36	(5,684,728)	(22,893,680)
Lapsed/forfeited/waived	HKD185.65	(109,375)	HKD455.64	(2,019,766)	(2,129,141)
At 31 December 2024	-	-	HKD349.18	109,221,125	109,221,125
Exercisable as at 31 December 2024	-	-	HKD355.24	76,942,490	76,942,490

	Post-IPO Option Scheme II		Post-IPO Option Scheme IV		2023 Share Option Scheme		Total Number of options
	Average exercise price	Number of options	Average exercise price	Number of options	Average exercise price	Number of options	
At 1 January 2023	HKD177.28	29,261,866	HKD354.26	90,161,910	-	-	119,423,776
Granted	-	-	HKD375.60	3,659,925	HKD334.04	13,561,932	17,221,857
Exercised	HKD165.15	(11,941,689)	HKD262.55	(752,225)	HKD250.65	(454,440)	(13,148,354)
Lapsed/forfeited	HKD143.33	(1,850)	HKD453.51	(276,898)	HKD376.26	(607,455)	(886,203)
Transferred	-	-	HKD355.55	(92,792,712)	HKD355.55	92,792,712	-
At 31 December 2023	HKD185.65	17,318,327	-	-	HKD353.11	105,292,749	122,611,076
Exercisable as at 31 December 2023	HKD185.65	17,208,952	-	-	HKD356.48	52,857,824	70,066,776

During the years ended 31 December 2024 and 2023, no options were granted to any director of the Company.

(b) Share award schemes

As at 31 December 2024, the Company had only one effective share award scheme, being the 2023 Share Award Scheme (effective since 17 May 2023), which was administered by an independent trustee appointed by the Group. The vesting period of the awarded shares is determined by the Board.

Movements in the number of awarded shares for the years ended 31 December 2024 and 2023 are as follows:

	Number of awarded shares	
	2024	2023
At beginning of the year	132,989,249	123,861,178
Granted	62,829,798	64,604,655
Lapsed/forfeited	(6,549,432)	(7,545,346)
Vested and transferred	(63,940,569)	(47,931,238)
At end of the year	125,329,046	132,989,249
Vested but not transferred as at the end of the year	4,174	38,955

During the year ended 31 December 2024, 105,760 awarded shares were granted to five independent non-executive directors of the Company (2023: 74,542 awarded shares were granted to five independent non-executive directors of the Company).

14 Accounts payable

Accounts payable and their ageing analysis, based on invoice date, are as follows:

	As at 31 December	
	2024	2023
	RMB'Million	RMB'Million
0 ~ 30 days	107,893	94,537
31 ~ 60 days	8,264	3,099
61 ~ 90 days	842	528
Over 90 days	1,713	2,784
	118,712	100,948

15 Borrowings

	As at 31 December	
	2024	2023
	RMB' Million	RMB' Million
Included in non-current liabilities:		
Non-current portion of long-term USD bank borrowings, unsecured (a)	92,012	109,782
Non-current portion of long-term RMB bank borrowings, unsecured (a)	48,655	46,000
Non-current portion of long-term HKD bank borrowings, unsecured (a)	5,837	–
Non-current portion of long-term JPY bank borrowings, unsecured (a)	14	26
Non-current portion of long-term JPY bank borrowings, secured (a)	–	2
Non-current portion of long-term EUR bank borrowings, secured (a)	3	6
Non-current portion of long-term EUR bank borrowings, unsecured (a)	–	3
	146,521	155,819
Included in current liabilities:		
USD bank borrowings, unsecured (b)	20,487	18,415
RMB bank borrowings, unsecured (b)	28,039	7,046
RMB bank borrowings, secured (b)	–	100
Current portion of long-term USD bank borrowings, unsecured (a)	4,313	15,936
Current portion of long-term JPY bank borrowings, unsecured (a)	12	16
Current portion of long-term JPY bank borrowings, secured (a)	–	1
Current portion of long-term EUR bank borrowings, unsecured (a)	3	4
Current portion of long-term EUR bank borrowings, secured (a)	3	4
Current portion of long-term RMB bank borrowings, unsecured (a)	28	15
	52,885	41,537
	199,406	197,356

Note:

- (a) The aggregate principal amounts of long-term bank borrowings and applicable interest rates are as follows:

	31 December 2024		31 December 2023	
	Amount (Million)	Interest rate (per annum)	Amount (Million)	Interest rate (per annum)
RMB bank borrowings	RMB48,683	2.55% ~ 3.90%	RMB46,015	2.45% ~ 4.60%
USD bank borrowings	USD13,400	SOFR + CAS + 0.80%	USD17,750	SOFR + CAS + 0.80% ~ 0.95%
JPY bank borrowings	JPY334	0.11% ~ 1.73%	JPY894	0.00% ~ 1.86%
JPY bank borrowings	JPY246	TIBOR + 1.70%	JPY21	TIBOR + 1.70%
EUR bank borrowings	EUR1	1.00% ~ 2.10%	EUR2	1.00% ~ 2.54%
HKD bank borrowings	HKD6,202	HIBOR + 0.25%	–	–

The zero interest rate of JPY borrowings was due to the special interest exemption for COVID-19 by Tokyo Metropolitan Government.

- (b) The aggregate principal amounts of short-term bank borrowings and applicable interest rates are as follows:

	31 December 2024		31 December 2023	
	Amount (Million)	Interest rate (per annum)	Amount (Million)	Interest rate (per annum)
RMB bank borrowings	RMB28,088	0.61% ~ 2.82%	RMB7,160	1.60% ~ 3.48%
USD bank borrowings	USD2,850	SOFR + 0.30% ~ 0.50%	USD2,600	SOFR + 0.50% ~ 0.55%

16 Notes payable

	As at 31 December	
	2024	2023
	RMB'Million	RMB'Million
Included in non-current liabilities:		
Non-current portion of long-term USD notes payable	<u>130,586</u>	<u>137,101</u>
Included in current liabilities:		
Current portion of long-term USD notes payable	<u>8,623</u>	<u>14,161</u>
	<u>139,209</u>	<u>151,262</u>

Note:

The aggregate principal amounts of notes payable and applicable interest rates are as follows:

	31 December 2024		31 December 2023	
	Amount (Million)	Interest rate (per annum)	Amount (Million)	Interest rate (per annum)
USD notes payable	-	-	USD750	Term SOFR + CAS + 0.910%
USD notes payable	USD19,450	1.375% ~ 4.700%	USD20,700	1.375% ~ 4.700%

All of these notes payable issued by the Group were unsecured.

During the year ended 31 December 2024, two tranches of notes payable issued in April 2019 with aggregate principal amounts of USD750 million and USD1,250 million, respectively, reached their maturities and were repaid in full by the Group.

17 Business combinations

During the year ended 31 December 2024, the Group acquired additional equity interests in certain existing associates engaged in games development business for an aggregate purchase price of approximately RMB9.5 billion. Upon completion of the acquisitions, the Group considered that it had sufficient power to control these investee companies and thus accounted for them as subsidiaries of the Group (“Step-up Acquisitions”), resulting in step-up gains of approximately RMB2.2 billion recognised in “Net gains/(losses) from investments and others” in the consolidated income statement.

Goodwill of approximately RMB19.1 billion was recognised as a result of the Step-up Acquisitions, primarily attributable to the operating synergies and economies of scale expected to be derived from integration of the operations with the Group’s online game business. None of the goodwill was expected to be deductible for income tax purpose.

The fair value of total identifiable net assets (including identifiable intangible assets) and non-controlling interests recognised were approximately RMB6.4 billion and RMB12.4 billion, respectively.

The Group’s revenue and results for the year would not be materially different should the Step-up Acquisitions had occurred on 1 January 2024. The related transaction costs were not material.

18 Subsequent events

There were no material subsequent events during the period from 1 January 2025 to the approval date of these financial statements by the Board on 19 March 2025.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2024, the Company repurchased a total of 307,238,500 shares on the Stock Exchange for an aggregate consideration of approximately HKD112.0 billion before expenses. The repurchased shares were subsequently cancelled. The repurchase was effected for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

Month of purchase in 2024	No. of shares purchased	Purchase consideration per share		Aggregate consideration paid HKD
		Highest price paid HKD	Lowest price paid HKD	
January	34,110,000	304.40	271.20	9,824,604,509.00
March	16,930,000	308.60	282.80	5,010,078,160.00
April	25,860,000	317.40	303.00	8,010,247,840.00
May	27,550,000	399.80	359.80	10,445,334,088.00
June	50,280,000	392.00	367.40	19,059,646,307.00
July	23,700,000	397.00	365.20	9,013,854,402.00
August	29,320,000	385.40	365.40	11,017,639,867.00
September	41,877,400	414.20	365.20	15,881,930,806.12
October	5,051,100	482.20	424.00	2,294,908,497.32
November	19,200,000	413.40	392.20	7,726,199,532.00
December	33,360,000	430.60	395.00	13,718,939,918.00
Total	<u>307,238,500</u>			<u>112,003,383,926.44</u>

Save as disclosed above and in the “Financial Information” section, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

Closure of Register of Members

(a) Entitlement to Attend and Vote at the 2025 AGM

For the purpose of determining the shareholders' entitlement to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Friday, 9 May 2025 to Wednesday, 14 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the 2025 AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 May 2025.

(b) Entitlement to the Proposed Final Dividend

For the purpose of determining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 20 May 2025 to Wednesday, 21 May 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 19 May 2025.

Employee and Remuneration Policies

As at 31 December 2024, the Group had 110,558 employees (2023: 105,417). The number of employees employed by the Group varies from time to time depending on needs and employees are remunerated based on industry practice.

The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds and in-house training programmes, discretionary bonuses, share awards and share options may be awarded to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Group for the year ended 31 December 2024 was RMB112.8 billion (2023: RMB107.7 billion).

Audit Committee

The Audit Committee, together with the Auditor, has reviewed the Group's audited Consolidated Financial Statements for the year ended 31 December 2024. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

Auditor's Procedures Performed on this Results Announcement

The financial figures in respect of the Group's results for the year ended 31 December 2024 as set out in the announcement have been agreed by the Auditor to the amounts set out in the Group's audited Consolidated Financial Statements. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by the Auditor on the announcement.

Compliance with the Corporate Governance Code

Except for the deviation from code provisions B.2.2 (regarding the retirement and re-election of directors) and C.2.1 (regarding the segregation of the roles of chairman and chief executive) of the CG Code as disclosed and explained in the 2024 interim report and the corporate governance report in the 2023 annual report of the Company, the Company has complied with the code provisions as set out in Part 2 of the CG Code for the year ended 31 December 2024.

As to the deviation from code provisions B.2.2 and C.2.1 of the CG Code, the Board will continue to review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

Publication of the Annual Results and Annual Report

All the financial and other related information of the Company required by the Listing Rules will be published on the websites of each of the Stock Exchange (www.hkexnews.hk) and the Company (www.tencent.com) in due course.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt gratitude to our dedicated staff and management team for their relentless commitment and invaluable expertise, which are essential for the Company's continued success. I would also like to extend our sincere appreciation to our shareholders and stakeholders for their unwavering support and confidence in the Company.

We are committed to adhering to the core principle of "Value for Users, Tech for Good" and will continue to strive to create exceptional value for our shareholders and society at large. Furthermore, we are dedicated to fostering innovation, addressing the needs of the community and contributing to a sustainable future for all.

By Order of the Board
Ma Huateng
Chairman

Hong Kong, 19 March 2025

As at the date of this announcement, the directors of the Company are:

Executive Director:
Ma Huateng;

Non-Executive Directors:
Jacobus Petrus (Koo) Bekker and Charles St Leger Searle; and

Independent Non-Executive Directors:
Li Dong Sheng, Ian Charles Stone, Yang Siu Shun, Ke Yang and Zhang Xiulan.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, 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 announcement. 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 realised in the future. Underlying these forward-looking statements are a lot of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

Term	Definition
“2023 Share Award Scheme”	the share award scheme adopted by the Company on 17 May 2023, as amended from time to time
“2023 Share Option Scheme”	the share option scheme adopted by the Company on 17 May 2023, as amended from time to time
“2025 AGM”	the annual general meeting of the Company to be held on 14 May 2025 or any adjournment thereof
“AI”	artificial intelligence
“Audit Committee”	the audit committee of the Company
“Auditor”	PricewaterhouseCoopers, the auditor of the Company
“Board”	the board of directors of the Company
“CAS”	credit adjustment spread, which is a fixed spread adjustment incorporated to bridge the gap between LIBOR and SOFR in order to minimise the economic impact of the transfer from a LIBOR-based debt to a SOFR-based debt
“CG Code”	the corporate governance code as set out in Appendix C1 to the Listing Rules
“Company”	Tencent Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange

Term	Definition
“Consolidated Financial Statements”	the consolidated financial statements, comprising the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, which include material accounting policies and other explanatory information
“DAU”	daily active user accounts
“DnF Mobile”	Dungeon and Fighter Mobile
“Domestic Games”	for the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding Hong Kong, the Macao Special Administrative Region and Taiwan, China
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“EPS”	earnings per share
“EUR”	the lawful currency of European Union
“FinTech”	financial technology
“FVOCI”	financial assets at fair value through other comprehensive income
“FVPL”	financial assets at fair value through profit or loss
“Group”	the Company and its subsidiaries

Term	Definition
“HIBOR”	Hong Kong InterBank Offered Rate
“HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region, the PRC
“IAS”	International Accounting Standards
“IASB”	International Accounting Standards Board
“IFRS” or “IFRS Accounting Standards”	International Financial Reporting Standards as issued by the IASB
“International Games”	for the purpose of preparing financial and operating information, International Games refers to our games business other than our Domestic Games business
“IPO”	initial public offering
“JPY”	the lawful currency of Japan
“LIBOR”	London InterBank Offered Rate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LLM”	large language model
“MAU”	monthly active user accounts
“PC”	personal computer
“Post-IPO Option Scheme I”	the Post-IPO Share Option Scheme adopted by the Company on 24 March 2004

Term	Definition
“Post-IPO Option Scheme II”	the Post-IPO Share Option Scheme adopted by the Company on 16 May 2007
“Post-IPO Option Scheme III”	the Post-IPO Share Option Scheme adopted by the Company on 13 May 2009
“Post-IPO Option Scheme IV”	the Post-IPO Share Option Scheme adopted by the Company on 17 May 2017
“PRC” or “China”	the People’s Republic of China
“PRC CIT”	PRC corporate income tax as defined in the “Corporate Income Tax Law of the People’s Republic of China”
“Pre-IPO Option Scheme”	the Pre-IPO Share Option Scheme adopted by the Company on 27 July 2001
“PUBG”	PlayerUnknown’s Battlegrounds
“R&D”	research and development
“RMB”	the lawful currency of the PRC
“SOFR”	Secured Overnight Financing Rate
“SSV & CPP”	Sustainable Social Value and Common Prosperity Programmes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supercell”	Supercell Oy, a non wholly-owned subsidiary of the Company which is a private company incorporated in Finland

Term	Definition
“Tencent Music”	Tencent Music Entertainment Group, a non wholly-owned subsidiary of the Company which is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the New York Stock Exchange and the Stock Exchange
“Tenpay”	Tenpay Payment Technology Co., Ltd., a member of the Group operating in the Mainland of China and engaging in the provision of payment services
“Term SOFR”	the term SOFR reference rate administered by CME Group Benchmark Administration Limited for the relevant period published by CME Group Benchmark Administration Limited
“TIBOR”	Tokyo InterBank Offered Rate
“United States”	the United States of America
“USD”	the lawful currency of the United States
“VAS”	value-added services