

For Immediate Release

**TENCENT ANNOUNCES 2025 FIRST QUARTER RESULTS**  
**Sustained High Quality Revenue Growth**  
**Operating Leverage to Support Strategic AI Investments over Longer Term**

**Hong Kong, May 14, 2025** – Tencent Holdings Limited (HKEX: 00700 (HKD Counter) and 80700 (RMB Counter), “Tencent” or “the Company”), a world-leading Internet and technology company in China, today announced the unaudited consolidated results for the quarter ended 31 March 2025 (“1Q2025”).

Mr. Ma Huateng, Chairman and CEO of Tencent, said, “During the first quarter of 2025, our high-quality revenue streams sustained their solid growth trajectory. AI capabilities already contributed tangibly to businesses, such as performance advertising and evergreen games. We also stepped up our spending on new AI opportunities, such as the Yuanbao application and AI in Weixin. We believe the operating leverage from our existing high-quality revenue streams will help absorb the additional costs associated with these AI-related investments and contribute to healthy financial performance during this investment phase. We expect these strategic AI investments will create value for users and society, and generate substantial incremental returns for us over the longer term.”

### 1Q2025 Financial Highlights

**Revenues: +13% YoY, gross profit: +20% YoY, non-IFRS<sup>1</sup> operating profit: +18% YoY**

- **Total revenues** were RMB180.0 billion (USD25.1 billion<sup>2</sup>), up 13% over the first quarter of 2024.
- **Gross profit** was RMB100.5 billion (USD14.0 billion), up 20% YoY.
- **On a non-IFRS basis**, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:
  - **Operating profit** was RMB69.3 billion (USD9.7 billion), up 18% YoY. Operating margin increased to 39% from 37% last year.
  - **Profit for the period** was RMB 62.7 billion (USD8.7 billion), up 22% YoY.
  - **Profit attributable to equity holders of the Company** for the period was RMB61.3 billion (USD8.5 billion), up 22% YoY.
  - **Basic earnings per share** were RMB6.735. **Diluted earnings per share** were RMB6.583.
- **On an IFRS basis:**
  - Operating profit was RMB57.6 billion (USD8.0 billion), up 10% YoY. Operating margin decreased to 32% from 33% last year.
  - Profit for the period was RMB49.7 billion (USD6.9 billion), up 17% YoY.
  - Profit attributable to equity holders of the Company for the quarter was RMB47.8 billion (USD6.7 billion), up 14% YoY.
  - Basic earnings per share were RMB 5.252. Diluted earnings per share were RMB5.129.
- **Capital expenditure** was RMB27.5 billion (USD3.8 billion), up 91% YoY.
- **Total cash** was RMB476.0 billion (USD66.3 billion) and **free cash flow** was RMB47.1 billion (USD6.6 billion), down 9% YoY. **Net cash position** totalled RMB90.2 billion (USD12.6 billion).
- As at 31 March 2025, fair value of our shareholdings<sup>3</sup> in listed investee companies (excluding subsidiaries) totalled RMB653.4 billion (USD91.0 billion) and the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was RMB337.9 billion (USD47.1 billion).

<sup>1</sup> Non-IFRS adjustments excludes share-based compensation, M&A related impact such as net (gains)/losses from investee companies, amortisation of intangible assets, impairment provisions/(reversals), SSV & CPP, income tax effects and others

<sup>2</sup> Figures stated in USD are based on USD1 to RMB7.1782

<sup>3</sup> Including those held via special purpose vehicles, on an attributable basis

- During the first quarter of 2025, the Company repurchased approximately 43.0 million shares on the Hong Kong Stock Exchange for a consideration of approximately HKD17.1 billion.

## 1Q2025 Business Review and Outlook

- We provided more onboarding support for **Mini Shops** merchants, in order to enrich the range of branded product listings, contributing to rapid year-on-year growth in GMV.
- We rolled out AI features within **Weixin** to provide more interactive user experiences and increase productivity for content creators and developers. For example, we integrated our AI service Yuanbao as a Weixin contact, powered Weixin Search with large language models (LLMs), and provided a text-prompt image generating tool for Official Accounts.
- Tencent Video** maintained its leading position in China's long-form video market with 117 million<sup>4</sup> video subscribers. **Tencent Music** sustained its industry leadership in China's music streaming market with 123 million<sup>5</sup> music subscribers.
- Several of our evergreen games, including **Honour of Kings** and **CrossFire Mobile**, achieved record high levels of gross receipts during the seasonally strong first quarter.
- Delta Force**'s domestic user base reached a post-launch record of 12 million peak DAU in April 2025. Delta Force became the sixth most popular mobile game by average DAU industry-wide<sup>6</sup>, and the highest-DAU new game released in the last three years industry-wide.
- We upgraded our **advertising technology platform** with enhanced generative AI capabilities, such as improved image generation and video editing to accelerate advertisement creation, digital human solutions to facilitate live streaming activities, and deeper understanding of merchandise and user interests to deliver better recommendations.
- Tencent Cloud's** audio and video solutions ranked first by revenue for the seventh consecutive year in China<sup>7</sup>. We enhanced the audio and video solutions' content generation, media processing and real-time interaction experience by integrating LLM capabilities.

## Operating Metrics

	As at 31 March 2025	As at 31 March 2024 (in millions, unless specified)	Year- on-year change	As at 31 December 2024	Quarter- on-quarter change
Combined MAU of Weixin and WeChat	1,402	1,359	3%	1,385	1%
Mobile device MAU of QQ	534	553	-3%	524	2%
Fee-based VAS paying users	268	260	3%	262	2%

<sup>4</sup> The average daily number of paying users for the first quarter of 2025

<sup>5</sup> The average number of paying users as of the last day of each month during the first quarter of 2025

<sup>6</sup> By DAU among mobile games in domestic market during the first quarter of 2025, according to QuestMobile

<sup>7</sup> During 2018-2024, according to IDC

## 1Q2025 Management Discussion and Analysis

Revenues from VAS increased by 17% year-on-year to RMB92.1 billion for the first quarter of 2025. Domestic Games revenues were RMB42.9 billion, representing a 24% year-on-year increase from a low base in the same period last year, driven by growth in revenues from Honour of Kings and Peacekeeper Elite, as well as contributions from recently released DnF Mobile and Delta Force. International Games revenues were RMB16.6 billion, reflecting a 23% year-on-year increase (22% increase on a constant currency basis), driven by growth in revenues from Brawl Stars, Clash Royale and PUBG MOBILE. Social Networks revenues rose by 7% year-on-year to RMB32.6 billion, driven by growth in app-based game virtual item sales, music subscription revenues and Mini Games platform service fees.

Revenues from Marketing Services<sup>8</sup> were RMB31.9 billion for the first quarter of 2025, reflecting a 20% year-on-year increase. This growth was primarily due to robust advertiser demand for Video Accounts, Mini Programs and Weixin Search inventories, supported by higher user engagement, ongoing AI upgrades to our advertising platform, and improvements to the transaction ecosystem within Weixin. Marketing Services revenues increased across most major industry categories during the quarter.

Revenues from FinTech and Business Services increased by 5% year-on-year to RMB54.9 billion for the first quarter of 2025. FinTech Services revenue growth was due to higher revenues from consumer loan services and wealth management services. Business Services revenue growth was driven by an increase in cloud services revenues and eCommerce technology service fees.

For other detailed disclosure, please refer to our website <https://www.tencent.com/en-us/investors.html>, or follow us via Weixin Official Account (Weixin ID: TencentGlobal):



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### About Tencent

Tencent uses technology to enrich the lives of Internet users.

Our communication and social services, Weixin and QQ, connect users with each other and with digital content and services, both online and offline, making their lives more convenient. Our targeted marketing services helps advertisers reach out to hundreds of millions of consumers in China. Our FinTech and business services support partners' business growth and assist their digital upgrade.

Tencent invests heavily in talent and technological innovation, actively promoting the development of the Internet industry. Tencent was founded in Shenzhen, China, in 1998. Tencent has been listed on the Main Board of the Stock Exchange of Hong Kong since 2004.

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### Non-IFRS Financial Measures

To supplement the consolidated results of the Group ("the Company and its subsidiaries") prepared in accordance with IFRS, certain additional non-IFRS financial measures (in terms of operating profit, operating

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<sup>8</sup> Starting third quarter of 2024, we have renamed this revenue segment from "Online Advertising" to "Marketing Services" to better represent the breadth of our marketing solutions and accompanying technology services across our online marketing properties

margin, profit for the period, profit attributable to equity holders of the Company, basic EPS and diluted EPS) have been presented in this press release. 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.

### **Forward-Looking Statements**

This press release 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 press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be 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 press release 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.

## CONDENSED CONSOLIDATED INCOME STATEMENT

RMB in millions, unless specified

Unaudited			Unaudited		
	1Q2025	1Q2024	1Q2025	4Q2024	
<b>Revenues</b>	<b>180,022</b>	159,501	<b>180,022</b>	172,446	
VAS	<b>92,133</b>	78,629	<b>92,133</b>	79,022	
Marketing Services	<b>31,853</b>	26,506	<b>31,853</b>	35,004	
FinTech and Business Services	<b>54,907</b>	52,302	<b>54,907</b>	56,125	
Others	<b>1,129</b>	2,064	<b>1,129</b>	2,295	
<b>Cost of revenues</b>	<b>(79,529)</b>	(75,631)	<b>(79,529)</b>	(81,793)	
<b>Gross profit</b>	<b>100,493</b>	83,870	<b>100,493</b>	90,653	
<b>Gross margin</b>	<b>56%</b>	53%	<b>56%</b>	53%	
Selling and marketing expenses	<b>(7,866)</b>	(7,536)	<b>(7,866)</b>	(10,285)	
General and administrative expenses	<b>(33,664)</b>	(24,809)	<b>(33,664)</b>	(31,403)	
Other gains/(losses), net	<b>(1,397)</b>	1,031	<b>(1,397)</b>	2,513	
<b>Operating profit</b>	<b>57,566</b>	52,556	<b>57,566</b>	51,478	
<b>Operating margin</b>	<b>32%</b>	33%	<b>32%</b>	30%	
Net gains/(losses) from investments and others	<b>1,407</b>	656	<b>1,407</b>	1,119	
Interest income	<b>3,748</b>	4,248	<b>3,748</b>	3,910	
Finance costs	<b>(3,860)</b>	(2,826)	<b>(3,860)</b>	(2,512)	
Share of profit/(loss) of associates and joint ventures, net	<b>4,581</b>	2,186	<b>4,581</b>	9,253	
<b>Profit before income tax</b>	<b>63,442</b>	56,820	<b>63,442</b>	63,248	
Income tax expense	<b>(13,717)</b>	(14,169)	<b>(13,717)</b>	(11,781)	
<b>Profit for the period</b>	<b>49,725</b>	42,651	<b>49,725</b>	51,467	
<b>Attributable to:</b>					
Equity holders of the Company	<b>47,821</b>	41,889	<b>47,821</b>	51,324	
Non-controlling interests	<b>1,904</b>	762	<b>1,904</b>	143	
<b>Non-IFRS operating profit</b>	<b>69,320</b>	58,619	<b>69,320</b>	59,475	
Non-IFRS profit attributable to equity holders of the Company	<b>61,329</b>	50,265	<b>61,329</b>	55,312	
<b>Earnings per share for profit attributable to equity holders of the Company (in RMB per share)</b>					
- basic	<b>5.252</b>	4.479	<b>5.252</b>	5.597	
- diluted	<b>5.129</b>	4.386	<b>5.129</b>	5.485	

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

RMB in millions, unless specified

	Unaudited	
	1Q2025	1Q2024
<b>Profit for the period</b>	<b>49,725</b>	42,651
<b>Other comprehensive income, net of tax:</b>		
<i>Items that may be subsequently reclassified to profit or loss</i>		
Share of other comprehensive income of associates and joint ventures	652	(337)
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	-	(30)
Transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income	1	1
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	106	10
Currency translation differences	2,294	(3,929)
Net movement in reserves for hedges	(213)	(782)
<i>Items that will not be subsequently reclassified to profit or loss</i>		
Share of other comprehensive income of associates and joint ventures	522	(120)
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	26,361	15,918
Currency translation differences	370	(463)
Net movement in reserves for hedges	6	-
	<b>30,099</b>	10,268
<b>Total comprehensive income for the period</b>	<b>79,824</b>	52,919
<b>Attributable to:</b>		
Equity holders of the Company	75,858	51,673
Non-controlling interests	3,966	1,246

**OTHER FINANCIAL INFORMATION**

RMB in millions, unless specified

	Unaudited		
	1Q2025	1Q2024	4Q2024
EBITDA (a)	73,817	65,094	63,917
Adjusted EBITDA (a)	81,559	69,259	69,579
Adjusted EBITDA margin (b)	45%	43%	40%
Interest and related expenses	3,386	3,044	3,340
Net cash/(debt)(c)	90,229	92,534	76,798
Capital expenditures (d)	27,476	14,359	36,578

**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 purpose, minus borrowings and notes payable
- (d) Capital expenditures primarily consist of investments in technology IT infrastructure (including computer equipment, components, and software), data centres, land user rights, office premises and intellectual properties (excluding media content)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

RMB in millions, unless specified

	Unaudited As at 31 March, 2025	Audited As at 31 December, 2024
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	91,727	80,185
Land use rights	22,928	23,117
Right-of-use assets	17,085	17,679
Construction in progress	13,250	12,302
Investment properties	900	801
Intangible assets	207,641	196,127
Investments in associates	305,487	290,343
Investments in joint ventures	7,138	7,072
Financial assets at fair value through profit or loss	202,869	204,999
Financial assets at fair value through other comprehensive income	337,527	302,360
Prepayments, deposits and other assets	49,959	42,828
Other financial assets	978	1,076
Deferred income tax assets	29,490	28,325
Term deposits	98,066	77,601
	<b>1,385,045</b>	<b>1,284,815</b>
<b>Current assets</b>		
Inventories	427	440
Accounts receivable	49,311	48,203
Prepayments, deposits and other assets	102,015	101,044
Other financial assets	4,480	4,750
Financial assets at fair value through profit or loss	30,212	9,568
Financial assets at fair value through other comprehensive income	5,444	3,345
Term deposits	132,549	192,977
Restricted cash	3,544	3,334
Cash and cash equivalents	205,253	132,519
	<b>533,235</b>	<b>496,180</b>
<b>Total assets</b>	<b>1,918,280</b>	<b>1,780,995</b>



**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

RMB in millions, unless specified

	Unaudited As at 31 March, 2025	Audited As at 31 December, 2024
<b>EQUITY</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	-	-
Share premium	47,020	43,079
Treasury shares	(2,777)	(3,597)
Shares held for share award schemes	(5,377)	(5,093)
Other reserves	80,291	47,129
Retained earnings	921,297	892,030
	<u>1,040,454</u>	<u>973,548</u>
<b>Non-controlling interests</b>	<u>82,484</u>	<u>80,348</u>
<b>Total equity</b>	<u>1,122,938</u>	<u>1,053,896</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	209,079	146,521
Notes payable	123,240	130,586
Long-term payables	11,495	10,201
Other financial liabilities	4,831	4,203
Deferred income tax liabilities	20,070	18,546
Lease liabilities	13,405	13,897
Deferred revenue	4,480	6,236
	<u>386,600</u>	<u>330,190</u>
<b>Current liabilities</b>		
Accounts payable	125,488	118,712
Other payables and accruals	71,532	84,032
Borrowings	44,151	52,885
Notes payable	9,326	8,623
Current income tax liabilities	18,956	16,586
Other tax liabilities	5,119	4,038
Other financial liabilities	5,846	6,336
Lease liabilities	5,442	5,600
Deferred revenue	122,882	100,097
	<u>408,742</u>	<u>396,909</u>
<b>Total liabilities</b>	<u>795,342</u>	<u>727,099</u>
<b>Total equity and liabilities</b>	<u>1,918,280</u>	<u>1,780,995</u>



## RECONCILIATIONS OF THE GROUP'S NON-IFRS FINANCIAL MEASURES TO THE NEAREST MEASURES PREPARED IN ACCORDANCE WITH IFRS

RMB in millions, unless specified	As reported	Adjustments					Non-IFRS	
		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 (f)
Unaudited three months ended 31 March 2025								
Operating profit	57,566	10,100	–	1,515	–	139	–	69,320
Share of profit/(loss) of associates and joint ventures, net	4,581	968	111	1,713	267	–	–	7,640
Profit for the period	49,725	11,068	(31)	3,228	(689)	160	(769)	62,692
Profit attributable to equity holders	47,821	10,833	1,081	2,854	(719)	160	(701)	61,329
Operating margin	32%							39%
Unaudited three months ended 31 March 2024								
Operating profit	52,556	4,694	–	1,249	–	120	–	58,619
Share of profit/(loss) of associates and joint ventures, net	2,186	1,509	(459)	1,556	699	–	–	5,491
Profit for the period	42,651	6,203	(1,476)	2,805	1,562	132	(535)	51,342
Profit attributable to equity holders	41,889	6,035	(1,449)	2,589	1,541	132	(472)	50,265
Operating margin	33%							37%
Unaudited three months ended 31 December 2024								
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
Operating margin	30%							34%

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 Sustainable Social Value and Common Prosperity Programme ("SSV & CPP") initiatives
- (f) Income tax effects of non-IFRS adjustments