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Tencent 腾讯
TENCENT HOLDINGS LIMITED
騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Codes: 700 (HKD counter) and 80700 (RMB counter))

ANNOUNCEMENT OF THE RESULTS
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2025

The Board is pleased to announce the unaudited consolidated results of the Group for the three and six months ended 30 June 2025. The Interim Financial Information of the Group has been reviewed by the Auditor in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board, and by the Audit Committee.

FINANCIAL PERFORMANCE HIGHLIGHTS

| | | Unaudited Three months ended | | | |
|--|-----------------|-------------------------------------|----------------------------|------------------|----------------------------------|
| | 30 June 2025 | 30 June 2024 | Year- on-year change | 31 March 2025 | Quarter- on-quarter change |
| | | (RMB in millions, unless specified) | | | |
| Revenues | 184,504 | 161,117 | 15% | 180,022 | 2% |
| Gross profit | 105,013 | 85,895 | 22% | 100,493 | 4% |
| Operating profit | 60,104 | 50,732 | 18% | 57,566 | 4% |
| Profit for the period | 56,044 | 48,366 | 16% | 49,725 | 13% |
| Profit attributable to equity holders of the Company | 55,628 | 47,630 | 17% | 47,821 | 16% |
| EPS (RMB per share) | | | | | |
| – basic | 6.115 | 5.112 | 20% | 5.252 | 16% |
| – diluted | 5.996 | 4.994 | 20% | 5.129 | 17% |
| Non-IFRS operating profit | 69,248 | 58,443 | 18% | 69,320 | -0.1% |
| Non-IFRS profit attributable to equity holders of the Company | 63,052 | 57,313 | 10% | 61,329 | 3% |
| Non-IFRS EPS (RMB per share) | | | | | |
| – basic | 6.931 | 6.151 | 13% | 6.735 | 3% |
| – diluted | 6.793 | 6.014 | 13% | 6.583 | 3% |

| | Unaudited | | |
|---|-------------------------------------|---------|---------|
| | Six months ended | | |
| | 30 June | 30 June | Year- |
| | 2025 | 2024 | on-year |
| | (RMB in millions, unless specified) | | change |
| Revenues | 364,526 | 320,618 | 14% |
| Gross profit | 205,506 | 169,765 | 21% |
| Operating profit | 117,670 | 103,288 | 14% |
| Profit for the period | 105,769 | 91,017 | 16% |
| Profit attributable to equity holders of the Company | 103,449 | 89,519 | 16% |
| EPS (RMB per share) | | | |
| – basic | 11.367 | 9.590 | 19% |
| – diluted | 11.126 | 9.377 | 19% |
| Non-IFRS operating profit | 138,568 | 117,062 | 18% |
| Non-IFRS profit attributable to equity holders of the Company | 124,381 | 107,578 | 16% |
| Non-IFRS EPS (RMB per share) | | | |
| – basic | 13.667 | 11.524 | 19% |
| – diluted | 13.377 | 11.275 | 19% |

OPERATING INFORMATION

| | As at 30 June 2025 | As at 30 June 2024 | Year- on-year change | As at 31 March 2025 | Quarter- on-quarter change |
|--------------------------------------|--------------------------|--------------------------|----------------------------|---------------------------|----------------------------------|
| (in millions, unless specified) | | | | | |
| Combined MAU of Weixin and WeChat | 1,411 | 1,371 | 3% | 1,402 | 0.6% |
| Mobile device MAU of QQ | 532 | 571 | -7% | 534 | -0.4% |
| Fee-based VAS paying users | 264 | 263 | 0.4% | 268 | -1% |

BUSINESS REVIEW AND OUTLOOK

During the second quarter of 2025, we delivered double-digit revenue and non-IFRS operating profit growth on a year-on-year basis, as we invested in, and also benefitted from, utilising AI. Our games performed well in terms of users and revenue as evergreen games such as Honour of Kings and Peacekeeper Elite evolve into platforms while increasing their usage of AI, and as new games such as Delta Force broke out. Our marketing services revenue sustained rapid growth as we upgraded our advertising foundation model, leading to better performance of advertisements across our traffic platforms. We are striving to bring further benefits of AI to consumers and enterprises through powering more use cases within Weixin, driving usage of our AI native app Yuanbao, and upgrading the capabilities of our HunYuan foundation models.

Below are some highlights from our key products and services for the reporting quarter:

- We enriched AI features in Weixin, providing AI-powered citations in content, intelligent responses to customer enquiries for Mini Shops merchants, and automated text summaries for Video Accounts video clips.
- We deployed AI tools in games to accelerate content production, introduced AI-powered features enabling more realistic virtual teammates and non-player characters, used AI-powered marketing activities to increase user acquisition and engagement, contributing to the popularity and revenue growth of our Domestic and International Games.

- We upgraded Mini Games' technology infrastructure with expanded game engine compatibility, enhanced graphics rendering, and reduced load time, which facilitated developers in porting complex app-based games to Mini Games. Total gross receipts of Mini Games increased 20% year-on-year in the second quarter of 2025.
- Domestically, Delta Force, a first-person shooter that we released on mobile and PC in September 2024, exceeded 20 million monthly average DAU, ranking it among the top 5 games by DAU, and the top 3 games by gross receipts, industry-wide in July 2025¹.
- Internationally, Supercell released more frequent content updates, optimised the reward system and hosted more community events for Clash Royale, boosting the game's DAU, and lifting its monthly gross receipts to a seven-year high in June 2025.
- We expanded AI capabilities in advertisement creation, placement, recommendation and performance analysis, enhancing advertising click-through rates and conversions, returns on investment for advertisers, and growing marketing services revenue on our platforms.
- Tencent Video maintained its leading position in China's long-form video market with 114 million² video subscribers. Tencent Music sustained its leading position in the music streaming market with 124 million³ music subscribers.
- Benefitting from improved consumption activity, commercial payment volume growth turned positive year-on-year in the second quarter of 2025, contributing to higher revenue growth for FinTech Services.
- For HunYuan, we enhanced our data quality and diversity through data augmentation and synthesis, and implemented more effective pre-training and post-training scaling, bolstering the model's foundational capabilities. Our HunYuan 3D model ranked first⁴ on Hugging Face for its industry-leading geometric precision, texture fidelity and prompt-3D alignment capabilities. Game developers, 3D printing enterprises, and design professionals are increasingly adopting HunYuan 3D model to generate digital assets.

¹ Company data, QuestMobile, Sensor Tower

² The average daily number of paying users for the second quarter of 2025

³ The average number of paying users as of the last day of each month during the second quarter of 2025

⁴ Published on <https://huggingface.co/spaces/3DTopia/3DGen-Leaderboard>, August 2025

MANAGEMENT DISCUSSION AND ANALYSIS

Second Quarter of 2025 Compared to Second Quarter of 2024

The following table sets forth the comparative figures for the second quarter of 2025 and the second quarter of 2024:

| | Unaudited | |
|---|---------------------------|----------------|
| | Three months ended | |
| | 30 June | 30 June |
| | 2025 | 2024 |
| | (RMB in millions) | |
| Revenues | 184,504 | 161,117 |
| Cost of revenues | (79,491) | (75,222) |
| Gross profit | 105,013 | 85,895 |
| Selling and marketing expenses | (9,410) | (9,156) |
| General and administrative expenses | (31,921) | (27,491) |
| Other gains/(losses), net | (3,578) | 1,484 |
| Operating profit | 60,104 | 50,732 |
| Net gains/(losses) from investments and others | 2,638 | (654) |
| Interest income | 4,121 | 3,850 |
| Finance costs | (3,941) | (3,112) |
| Share of profit/(loss) of associates and joint ventures, net | 4,473 | 7,718 |
| Profit before income tax | 67,395 | 58,534 |
| Income tax expense | (11,351) | (10,168) |
| Profit for the period | 56,044 | 48,366 |
| Attributable to: | | |
| Equity holders of the Company | 55,628 | 47,630 |
| Non-controlling interests | 416 | 736 |
| | 56,044 | 48,366 |
| Non-IFRS operating profit | 69,248 | 58,443 |
| Non-IFRS profit attributable to equity holders of the Company | 63,052 | 57,313 |

Revenues. Revenues increased by 15% year-on-year to RMB184.5 billion for the second quarter of 2025. The following table sets forth revenues of the Group and its segments for the second quarter of 2025 and the second quarter of 2024.

| | Unaudited | | | | |
|-------------------------------|-------------------------------------|---------|---------|---------------------|---------|
| | Three months ended | | | | |
| | 30 June | 30 June | Year- | 30 June | 30 June |
| | 2025 | 2024 | on-year | 2025 | 2024 |
| | Revenues | | | % of total revenues | |
| | (RMB in millions, unless specified) | | | | |
| VAS | 91,368 | 78,822 | 16% | 50% | 49% |
| Marketing Services | 35,762 | 29,871 | 20% | 19% | 19% |
| FinTech and Business Services | 55,536 | 50,440 | 10% | 30% | 31% |
| Others | 1,838 | 1,984 | -7% | 1% | 1% |
| The Group | 184,504 | 161,117 | 15% | 100% | 100% |

- Revenues from VAS increased by 16% year-on-year to RMB91.4 billion for the second quarter of 2025. Domestic Games revenues were RMB40.4 billion, up 17% year-on-year, driven by the contribution from recently released Delta Force and growth in revenues from evergreen games including Honour of Kings, VALORANT, and Peacekeeper Elite. International Games revenues were RMB18.8 billion, reflecting a 35% year-on-year increase (33% increase on a constant currency basis), driven by growth in revenues from Supercell’s games and PUBG MOBILE, as well as the contribution from newly released Dune: Awakening. Social Networks revenues rose by 6% year-on-year to RMB32.2 billion, driven by growth in app-based game virtual item sales, Video Accounts live streaming revenue and music subscription revenue.
- Revenues from Marketing Services were RMB35.8 billion for the second quarter of 2025, up 20% year-on-year. This growth was primarily due to AI-driven improvements to our advertising platform and enhancements to the Weixin transaction ecosystem, which resulted in robust advertiser demand across Video Accounts, Mini Programs and Weixin Search. Marketing Services revenues increased across most major industry categories during the quarter.

- Revenues from FinTech and Business Services rose by 10% year-on-year to RMB55.5 billion for the second quarter of 2025. FinTech Services revenue growth was driven by higher revenues from consumer loan services, commercial payment activities and wealth management services. Increased enterprise customer demand for AI-related services, including GPU rental and API token usage, along with increased eCommerce technology service fees, resulted in Business Services revenue growth accelerating versus prior quarters.

Cost of revenues. Cost of revenues for the second quarter of 2025 rose by 6% year-on-year to RMB79.5 billion, primarily due to higher content costs and channel and distribution costs, as well as bandwidth and server costs.

Gross profit. Gross profit for the second quarter of 2025 rose by 22% year-on-year to RMB105.0 billion, driven by increased contributions from high-margin revenue streams including Domestic Games, Video Accounts and Weixin Search, as well as enhanced cost efficiency in our payment services and cloud services. Gross margin increased to 57% from 53% in the same period last year. The following table sets forth gross profit and gross margin of the Group and its segments for the second quarter of 2025 and the second quarter of 2024.

| | Unaudited | | | | |
|-------------------------------|-------------------------------------|---------|---------|--------------|---------|
| | Three months ended | | | | |
| | 30 June | 30 June | Year- | 30 June | 30 June |
| | 2025 | 2024 | on-year | 2025 | 2024 |
| | Gross profit | | | Gross margin | |
| | (RMB in millions, unless specified) | | | | |
| VAS | 55,223 | 44,965 | 23% | 60% | 57% |
| Marketing Services | 20,585 | 16,621 | 24% | 58% | 56% |
| FinTech and Business Services | 28,952 | 24,013 | 21% | 52% | 48% |
| Others | 253 | 296 | -15% | 14% | 15% |
| The Group | 105,013 | 85,895 | 22% | 57% | 53% |

- Gross profit for VAS grew by 23% year-on-year to RMB55.2 billion, primarily driven by Domestic Games, which benefitted from enhanced contributions from certain internally developed games, including Delta Force. Gross margin rose to 60%, up from 57% in the same period last year.
- Gross profit for Marketing Services was RMB20.6 billion, up 24% year-on-year, driven by increased high-margin revenues from Video Accounts and Weixin Search. Gross margin was 58%, up from 56% in the same period last year.

- Gross profit for FinTech and Business Services rose by 21% year-on-year to RMB29.0 billion, due to higher revenue contributions from consumer loan services and wealth management services, as well as enhanced cost efficiency in our payment services and cloud services. Gross margin increased to 52%, up from 48% in the same period last year.

Selling and marketing expenses. Selling and marketing expenses rose by 3% year-on-year to RMB9.4 billion in the second quarter of 2025, reflecting promotional and advertising efforts to support the growth of our AI-native applications. As a percentage of revenues, selling and marketing expenses decreased to 5%, compared to 6% in the same period last year.

General and administrative expenses. General and administrative expenses were RMB31.9 billion for the second quarter of 2025, up 16% year-on-year, driven by higher R&D expenses to support our AI-related efforts, alongside higher staff costs, including performance-based rewards at certain overseas subsidiaries.

Interest income. Interest income was RMB4.1 billion for the second quarter of 2025, up 7% year-on-year due to growth in cash reserves.

Finance costs. Finance costs increased by 27% year-on-year to RMB3.9 billion for the second quarter of 2025, due to higher interest expenses and increased foreign exchange losses.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB4.5 billion for the second quarter of 2025, compared to share of profits of RMB7.7 billion in the same period last year. Non-IFRS share of profits of associates and joint ventures was RMB6.3 billion, compared to share of profits of RMB9.9 billion in the same period last year, primarily due to lower estimated associate income from a large associate.

Income tax expense. Income tax expense increased by 12% year-on-year to RMB11.4 billion for the second quarter of 2025, 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 17% year-on-year to RMB55.6 billion for the second quarter of 2025. Non-IFRS profit attributable to equity holders of the Company increased by 10% year-on-year to RMB63.1 billion for the second quarter of 2025. Excluding non-IFRS share of profits of associates and joint ventures in both the current quarter and the same quarter last year as mentioned above, non-IFRS profit attributable to equity holders of the Company would have increased by 20% year-on-year to RMB56.8 billion for the second quarter of 2025.

Second Quarter of 2025 Compared to First Quarter of 2025

The following table sets forth the comparative figures for the second quarter of 2025 and the first quarter of 2025:

| | Unaudited | |
|---|---------------------------|-----------------|
| | Three months ended | |
| | 30 June | 31 March |
| | 2025 | 2025 |
| | (RMB in millions) | |
| Revenues | 184,504 | 180,022 |
| Cost of revenues | (79,491) | (79,529) |
| Gross profit | 105,013 | 100,493 |
| Selling and marketing expenses | (9,410) | (7,866) |
| General and administrative expenses | (31,921) | (33,664) |
| Other gains/(losses), net | (3,578) | (1,397) |
| Operating profit | 60,104 | 57,566 |
| Net gains/(losses) from investments and others | 2,638 | 1,407 |
| Interest income | 4,121 | 3,748 |
| Finance costs | (3,941) | (3,860) |
| Share of profit/(loss) of associates and joint ventures, net | 4,473 | 4,581 |
| Profit before income tax | 67,395 | 63,442 |
| Income tax expense | (11,351) | (13,717) |
| Profit for the period | 56,044 | 49,725 |
| Attributable to: | | |
| Equity holders of the Company | 55,628 | 47,821 |
| Non-controlling interests | 416 | 1,904 |
| | 56,044 | 49,725 |
| Non-IFRS operating profit | 69,248 | 69,320 |
| Non-IFRS profit attributable to equity holders of the Company | 63,052 | 61,329 |

Revenues. Revenues for the second quarter of 2025 increased by 2% quarter-on-quarter to RMB184.5 billion.

- Revenues from VAS decreased by 0.8% quarter-on-quarter to RMB91.4 billion. Domestic Games revenues were RMB40.4 billion, down 6% quarter-on-quarter reflecting a seasonal decline following the Spring Festival period. International Games revenues were RMB18.8 billion, up 13% quarter-on-quarter driven by VALORANT, Supercell's games and PUBG MOBILE. Social Networks revenues decreased by 1% quarter-on-quarter to RMB32.2 billion due to seasonally lower app-based game virtual item sales.
- Revenues from Marketing Services grew 12% quarter-on-quarter to RMB35.8 billion, benefitting from our deployment of AI capabilities and from positive seasonality following the Spring Festival period.
- Revenues from FinTech and Business Services increased by 1% quarter-on-quarter to RMB55.5 billion, with higher revenues from cloud services and eCommerce technology service fees partially offset by lower revenues from FinTech Services.

Cost of revenues. Cost of revenues was RMB79.5 billion for the second quarter of 2025, broadly stable quarter-on-quarter.

Gross profit. Gross profit was RMB105.0 billion for the second quarter of 2025, up 4% quarter-on-quarter, driven by increased high-margin Marketing Services revenues, along with revenue growth and enhanced cost efficiency in our cloud services. Gross margin was 57%, up from 56% in the previous quarter.

- Gross profit for VAS was RMB55.2 billion, up 0.6% quarter-on-quarter. Gross margin was 60%, largely stable quarter-on-quarter.
- Gross profit for Marketing Services increased by 16% quarter-on-quarter to RMB20.6 billion, due to revenue growth alongside margin improvement. Gross margin was 58%, up from 56% in the previous quarter.
- Gross profit for FinTech and Business Services increased by 5% quarter-on-quarter to RMB29.0 billion, primarily driven by revenue growth and enhanced cost efficiency in our cloud services. Gross margin was 52%, up from 50% in the previous quarter.

Selling and marketing expenses. Selling and marketing expenses rose by 20% quarter-on-quarter to RMB9.4 billion for the second quarter of 2025, primarily due to increased promotional and advertising activities related to games.

General and administrative expenses. General and administrative expenses decreased by 5% quarter-on-quarter to RMB31.9 billion for the second quarter of 2025. This decrease was primarily due to prior quarter's high base from a one-off share-based compensation expense at an overseas subsidiary, partially offset by increased R&D expenses to support our AI-related efforts.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB4.5 billion for the second quarter of 2025, compared to share of profits of RMB4.6 billion for the previous quarter. Non-IFRS share of profits of associates and joint ventures was RMB6.3 billion for the second quarter of 2025, compared to share of profits of RMB7.6 billion for the previous quarter.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 16% quarter-on-quarter to RMB55.6 billion for the second quarter of 2025. Non-IFRS profit attributable to equity holders of the Company increased by 3% quarter-on-quarter to RMB63.1 billion for the second quarter of 2025.

Other Financial Information

| | Unaudited Three months ended | | | Unaudited Six months ended | |
|-------------------------------|-------------------------------------|------------------|-----------------|-------------------------------|-----------------|
| | 30 June 2025 | 31 March 2025 | 30 June 2024 | 30 June 2025 | 30 June 2024 |
| | (RMB in millions, unless specified) | | | | |
| EBITDA (a) | 79,467 | 73,817 | 62,902 | 153,284 | 127,996 |
| Adjusted EBITDA (a) | 85,122 | 81,559 | 68,518 | 166,681 | 137,777 |
| Adjusted EBITDA margin (b) | 46% | 45% | 43% | 46% | 43% |
| Interest and related expenses | 3,541 | 3,386 | 2,918 | 6,927 | 5,962 |
| Net cash/(debt) (c) | 74,592 | 90,229 | 71,757 | 74,592 | 71,757 |
| Capital expenditures (d) | 19,107 | 27,476 | 8,729 | 46,583 | 23,088 |

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 IT infrastructure (including computer equipment, components, and software), data centres, land use rights, office premises and intellectual properties (excluding media content).

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

| | Unaudited Three months ended | | | Unaudited Six months ended | |
|---|-------------------------------------|------------------|-----------------|-------------------------------|-----------------|
| | 30 June 2025 | 31 March 2025 | 30 June 2024 | 30 June 2025 | 30 June 2024 |
| | (RMB in millions, unless specified) | | | | |
| Operating profit | 60,104 | 57,566 | 50,732 | 117,670 | 103,288 |
| Adjustments: | | | | | |
| Other (gains)/losses, net | 3,578 | 1,397 | (1,484) | 4,975 | (2,515) |
| Depreciation of property, plant and equipment and investment properties | 6,076 | 5,295 | 5,056 | 11,371 | 10,147 |
| Depreciation of right-of-use assets | 1,575 | 1,495 | 1,497 | 3,070 | 3,047 |
| Amortisation of intangible assets and land use rights | 8,134 | 8,064 | 7,101 | 16,198 | 14,029 |
| EBITDA | 79,467 | 73,817 | 62,902 | 153,284 | 127,996 |
| Equity-settled share-based compensation | 5,655 | 7,742 | 5,616 | 13,397 | 9,781 |
| Adjusted EBITDA | 85,122 | 81,559 | 68,518 | 166,681 | 137,777 |

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 second quarter of 2025 and 2024, the first quarter of 2025, as well as the first half of 2025 and 2024 to the nearest measures prepared in accordance with IFRS:

| Unaudited three months ended 30 June 2025 | | | | | | | | |
|--|-------------------------------------|------------------------------|---|---------------------------------------|--|---------------|------------------------|----------|
| | Adjustments | | | | | | | |
| | 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) | Non-IFRS |
| | (RMB in millions, unless specified) | | | | | | | |
| Operating profit | 60,104 | 7,361 | – | 1,614 | – | 169 | – | 69,248 |
| Share of profit/(loss) of associates and joint ventures, net | 4,473 | 903 | (798) | 1,544 | 226 | – | – | 6,348 |
| Profit for the period | 56,044 | 8,264 | (2,396) | 3,158 | (372) | 751 | (683) | 64,766 |
| Profit attributable to equity holders | 55,628 | 8,071 | (3,192) | 2,848 | (405) | 751 | (649) | 63,052 |
| EPS (RMB per share) | | | | | | | | |
| – basic | 6.115 | | | | | | | 6.931 |
| – diluted | 5.996 | | | | | | | 6.793 |
| Operating margin | 33% | | | | | | | 38% |
| Unaudited three months ended 31 March 2025 | | | | | | | | |
| | Adjustments | | | | | | | |
| | 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) | Non-IFRS |
| | (RMB in millions, unless specified) | | | | | | | |
| 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 |
| EPS (RMB per share) | | | | | | | | |
| – basic | 5.252 | | | | | | | 6.735 |
| – diluted | 5.129 | | | | | | | 6.583 |
| Operating margin | 32% | | | | | | | 39% |

Unaudited three months ended 30 June 2024

| | Adjustments | | | | | | | | |
|--|-------------------------------------|--------------------------|---|-----------------------------------|------------------------------------|-----------|--------|--------------------|----------|
| | As reported | Share-based compensation | Net (gains)/ losses from investee companies | Amortisation of intangible assets | Impairment provisions/ (reversals) | SSV & CPP | Others | Income tax effects | Non-IFRS |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
| | (RMB in millions, unless specified) | | | | | | | | |
| Operating profit | 50,732 | 6,213 | – | 1,305 | – | 190 | 3 | – | 58,443 |
| Share of profit/(loss) of associates and joint ventures, net | 7,718 | 926 | (91) | 1,313 | 20 | – | – | – | 9,886 |
| Profit for the period | 48,366 | 7,139 | (3,672) | 2,618 | 3,526 | 1,025 | 3 | (561) | 58,444 |
| Profit attributable to equity holders | 47,630 | 6,981 | (3,726) | 2,418 | 3,492 | 1,025 | 3 | (510) | 57,313 |
| EPS (RMB per share) | | | | | | | | | |
| – basic | 5.112 | | | | | | | | 6.151 |
| – diluted | 4.994 | | | | | | | | 6.014 |
| Operating margin | 31% | | | | | | | | 36% |

Unaudited six months ended 30 June 2025

| | 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 | 117,670 | 17,461 | – | 3,129 | – | 308 | – | 138,568 |
| Share of profit/(loss) of associates and joint ventures, net | 9,054 | 1,871 | (687) | 3,257 | 493 | – | – | 13,988 |
| Profit for the period | 105,769 | 19,332 | (2,427) | 6,386 | (1,061) | 911 | (1,452) | 127,458 |
| Profit attributable to equity holders | 103,449 | 18,904 | (2,111) | 5,702 | (1,124) | 911 | (1,350) | 124,381 |
| EPS (RMB per share) | | | | | | | | |
| – basic | 11.367 | | | | | | | 13.667 |
| – diluted | 11.126 | | | | | | | 13.377 |
| Operating margin | 32% | | | | | | | 38% |

| | Adjustments | | | | | | | | |
|--|-------------------------------------|--------------------------|---|-----------------------------------|------------------------------------|-----------|--------|--------------------|----------|
| | As reported | Share-based compensation | Net (gains)/ losses from investee companies | Amortisation of intangible assets | Impairment provisions/ (reversals) | SSV & CPP | Others | Income tax effects | Non-IFRS |
| | | (a) | (b) | (c) | (d) | (e) | (f) | (g) | |
| | (RMB in millions, unless specified) | | | | | | | | |
| Operating profit | 103,288 | 10,907 | – | 2,554 | – | 310 | 3 | – | 117,062 |
| Share of profit/(loss) of associates and joint ventures, net | 9,904 | 2,435 | (550) | 2,869 | 719 | – | – | – | 15,377 |
| Profit for the period | 91,017 | 13,342 | (5,148) | 5,423 | 5,088 | 1,157 | 3 | (1,096) | 109,786 |
| Profit attributable to equity holders | 89,519 | 13,016 | (5,175) | 5,007 | 5,033 | 1,157 | 3 | (982) | 107,578 |
| EPS (RMB per share) | | | | | | | | | |
| – basic | 9.590 | | | | | | | | 11.524 |
| – diluted | 9.377 | | | | | | | | 11.275 |
| Operating margin | 32% | | | | | | | | 37% |

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 30 June 2025 and 31 March 2025 were as follows:

| | Unaudited 30 June 2025 | Unaudited 31 March 2025 |
|---------------------------|---------------------------------------|-------------------------------|
| | (RMB in millions) | |
| Cash and cash equivalents | 182,057 | 205,253 |
| Term deposits and others | 286,350 | 270,772 |
| Borrowings | (261,597) | (253,230) |
| Notes payable | (132,218) | (132,566) |
| Net cash | 74,592 | 90,229 |

As at 30 June 2025, the Group had net cash of RMB74.6 billion, compared to net cash of RMB90.2 billion as at 31 March 2025. The sequential decrease was primarily due to payment of final dividends of RMB37.5 billion for the financial year 2024 during the quarter.

For the second quarter of 2025, the Group generated free cash flow of RMB43.0 billion. This was a result of net cash flow generated from operating activities of RMB74.4 billion, partially offset by payments for capital expenditures of RMB22.9 billion primarily to support our AI-related initiatives, along with payments for media content of RMB6.3 billion and payments for lease liabilities of RMB2.2 billion.

As at 30 June 2025, the fair value of our shareholdings⁵ in listed investee companies (excluding subsidiaries) was RMB714.3 billion, compared to RMB653.4 billion as at 31 March 2025. The carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was RMB342.3 billion as at 30 June 2025, compared to RMB337.9 billion as at 31 March 2025.

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

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2025

| | | Unaudited Three months ended 30 June | | Unaudited Six months ended 30 June | |
|---|------|---|-------------|---------------------------------------|-------------|
| | | 2025 | 2024 | 2025 | 2024 |
| | Note | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Revenues | | | | | |
| Value-added Services | | 91,368 | 78,822 | 183,501 | 157,451 |
| Marketing Services | | 35,762 | 29,871 | 67,615 | 56,377 |
| FinTech and Business Services | | 55,536 | 50,440 | 110,443 | 102,742 |
| Others | | 1,838 | 1,984 | 2,967 | 4,048 |
| | 2 | 184,504 | 161,117 | 364,526 | 320,618 |
| Cost of revenues | 3 | (79,491) | (75,222) | (159,020) | (150,853) |
| Gross profit | | 105,013 | 85,895 | 205,506 | 169,765 |
| Selling and marketing expenses | 3 | (9,410) | (9,156) | (17,276) | (16,692) |
| General and administrative expenses | 3 | (31,921) | (27,491) | (65,585) | (52,300) |
| Other gains/(losses), net | | (3,578) | 1,484 | (4,975) | 2,515 |
| Operating profit | | 60,104 | 50,732 | 117,670 | 103,288 |
| Net gains/(losses) from investments and others | 4 | 2,638 | (654) | 4,045 | 2 |
| Interest income | | 4,121 | 3,850 | 7,869 | 8,098 |
| Finance costs | | (3,941) | (3,112) | (7,801) | (5,938) |
| Share of profit/(loss) of associates and joint ventures, net | | 4,473 | 7,718 | 9,054 | 9,904 |
| Profit before income tax | | 67,395 | 58,534 | 130,837 | 115,354 |
| Income tax expense | 5 | (11,351) | (10,168) | (25,068) | (24,337) |
| Profit for the period | | 56,044 | 48,366 | 105,769 | 91,017 |
| Attributable to: | | | | | |
| Equity holders of the Company | | 55,628 | 47,630 | 103,449 | 89,519 |
| Non-controlling interests | | 416 | 736 | 2,320 | 1,498 |
| | | 56,044 | 48,366 | 105,769 | 91,017 |
| Earnings per share for profit attributable to equity holders of the Company (in RMB per share) | | | | | |
| – basic | 6(a) | 6.115 | 5.112 | 11.367 | 9.590 |
| – diluted | 6(b) | 5.996 | 4.994 | 11.126 | 9.377 |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2025**

| | Unaudited | | Unaudited | |
|--|----------------------------|-------------|--------------------------|-------------|
| | Three months ended 30 June | | Six months ended 30 June | |
| | 2025 | 2024 | 2025 | 2024 |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Profit for the period | 56,044 | 48,366 | 105,769 | 91,017 |
| 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 | 6 | 139 | 658 | (198) |
| Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures | (3) | 17 | (3) | (13) |
| Transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income | – | – | 1 | 1 |
| Net (losses)/gains from changes in fair value of financial assets at fair value through other comprehensive income | (85) | 12 | 21 | 22 |
| Currency translation differences | 3,323 | (242) | 5,617 | (4,171) |
| Net movement in reserves for hedges | (163) | (921) | (376) | (1,703) |
| <i>Items that will not be subsequently reclassified to profit or loss</i> | | | | |
| Share of other comprehensive income of associates and joint ventures | (31) | (379) | 491 | (499) |
| Net gains from changes in fair value of financial assets at fair value through other comprehensive income | 67,681 | 25,905 | 94,042 | 41,823 |
| Currency translation differences | 232 | 151 | 602 | (312) |
| Net movement in reserves for hedges | (60) | – | (54) | – |
| | 70,900 | 24,682 | 100,999 | 34,950 |
| Total comprehensive income for the period | 126,944 | 73,048 | 206,768 | 125,967 |
| Attributable to: | | | | |
| Equity holders of the Company | 122,756 | 71,703 | 198,614 | 123,376 |
| Non-controlling interests | 4,188 | 1,345 | 8,154 | 2,591 |
| | 126,944 | 73,048 | 206,768 | 125,967 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

| | | Unaudited | Audited |
|--|-------------|--------------------|--------------------|
| | | 30 June | 31 December |
| | | 2025 | 2024 |
| | Note | RMB'Million | RMB'Million |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 118,565 | 80,185 |
| Land use rights | | 22,693 | 23,117 |
| Right-of-use assets | | 16,952 | 17,679 |
| Construction in progress | | 14,438 | 12,302 |
| Investment properties | | 895 | 801 |
| Intangible assets | | 215,832 | 196,127 |
| Investments in associates | 8 | 307,573 | 290,343 |
| Investments in joint ventures | | 6,831 | 7,072 |
| Financial assets at fair value through profit or loss | 9 | 207,263 | 204,999 |
| Financial assets at fair value through other comprehensive income | 10 | 401,756 | 302,360 |
| Prepayments, deposits and other assets | | 31,174 | 42,828 |
| Other financial assets | | 1,413 | 1,076 |
| Deferred income tax assets | | 30,004 | 28,325 |
| Term deposits | | 92,424 | 77,601 |
| | | 1,467,813 | 1,284,815 |
| Current assets | | | |
| Inventories | | 435 | 440 |
| Accounts receivable | 11 | 51,315 | 48,203 |
| Prepayments, deposits and other assets | | 109,410 | 101,044 |
| Other financial assets | | 4,125 | 4,750 |
| Financial assets at fair value through profit or loss | 9 | 18,235 | 9,568 |
| Financial assets at fair value through other comprehensive income | 10 | 6,604 | 3,345 |
| Term deposits | | 169,423 | 192,977 |
| Restricted cash | | 3,893 | 3,334 |
| Cash and cash equivalents | | 182,057 | 132,519 |
| | | 545,497 | 496,180 |
| Total assets | | 2,013,310 | 1,780,995 |

| | | Unaudited 30 June 2025 RMB' Million | Audited 31 December 2024 RMB' Million |
|---|------|--|--|
| | Note | | |
| EQUITY | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | | — | — |
| Share premium | | 52,346 | 43,079 |
| Treasury shares | | (2,288) | (3,597) |
| Shares held for share award schemes | | (4,491) | (5,093) |
| Other reserves | | 148,880 | 47,129 |
| Retained earnings | | 920,192 | 892,030 |
| | | <u>1,114,639</u> | <u>973,548</u> |
| Non-controlling interests | | <u>88,210</u> | <u>80,348</u> |
| Total equity | | <u>1,202,849</u> | <u>1,053,896</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 14 | 202,966 | 146,521 |
| Notes payable | 15 | 119,338 | 130,586 |
| Long-term payables | | 12,801 | 10,201 |
| Other financial liabilities | | 5,627 | 4,203 |
| Deferred income tax liabilities | | 16,888 | 18,546 |
| Lease liabilities | | 13,328 | 13,897 |
| Deferred revenue | | 4,402 | 6,236 |
| | | <u>375,350</u> | <u>330,190</u> |
| Current liabilities | | | |
| Accounts payable | 13 | 130,501 | 118,712 |
| Other payables and accruals | | 76,862 | 84,032 |
| Borrowings | 14 | 58,631 | 52,885 |
| Notes payable | 15 | 12,880 | 8,623 |
| Current income tax liabilities | | 19,561 | 16,586 |
| Other tax liabilities | | 4,127 | 4,038 |
| Other financial liabilities | | 6,298 | 6,336 |
| Lease liabilities | | 5,343 | 5,600 |
| Deferred revenue | | 120,908 | 100,097 |
| | | <u>435,111</u> | <u>396,909</u> |
| Total liabilities | | <u>810,461</u> | <u>727,099</u> |
| Total equity and liabilities | | <u>2,013,310</u> | <u>1,780,995</u> |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2025

| | Unaudited | | | | | | | | |
|---|---|---------------|-----------------|-------------------------------------|----------------|-------------------|-------------|---------------------------|--------------|
| | Attributable to equity holders of the Company | | | | | | | Non-controlling interests | Total equity |
| | Share capital | Share premium | Treasury shares | Shares held for share award schemes | Other reserves | Retained earnings | Total | | |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million | RMB'Million | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Balance at 1 January 2025 | - | 43,079 | (3,597) | (5,093) | 47,129 | 892,030 | 973,548 | 80,348 | 1,053,896 |
| Comprehensive income | | | | | | | | | |
| Profit for the period | - | - | - | - | - | 103,449 | 103,449 | 2,320 | 105,769 |
| Other comprehensive income, net of tax: | | | | | | | | | |
| – share of other comprehensive income of associates and joint ventures | - | - | - | - | 1,178 | - | 1,178 | (29) | 1,149 |
| – transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures | - | - | - | - | (2) | - | (2) | (1) | (3) |
| – net gains from changes in fair value of financial assets at fair value through other comprehensive income | - | - | - | - | 89,360 | - | 89,360 | 4,703 | 94,063 |
| – transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income | - | - | - | - | 1 | - | 1 | - | 1 |
| – currency translation differences | - | - | - | - | 5,058 | - | 5,058 | 1,161 | 6,219 |
| – net movement in reserves for hedges | - | - | - | - | (430) | - | (430) | - | (430) |
| Total comprehensive income for the period | - | - | - | - | 95,165 | 103,449 | 198,614 | 8,154 | 206,768 |
| Transfer of losses on disposal and deemed disposal of financial instruments to retained earnings, net of tax | - | - | - | - | 1,804 | (1,804) | - | - | - |
| Transfer of share of other comprehensive income to retained earnings upon disposal and deemed disposal of associates and joint ventures | - | - | - | - | 5 | (6) | (1) | 1 | - |
| Share of other changes in net assets of associates and joint ventures | - | - | - | - | 1,785 | - | 1,785 | - | 1,785 |
| Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal | - | - | - | - | 1 | - | 1 | - | 1 |
| Transactions with equity holders | | | | | | | | | |
| Capital injections | - | - | - | - | - | - | - | 141 | 141 |
| Employee share option schemes: | | | | | | | | | |
| – value of employee services | - | 726 | - | - | 27 | - | 753 | 23 | 776 |
| – proceeds from shares issued, net of withholding individual income tax | - | 1,119 | - | - | - | - | 1,119 | - | 1,119 |
| Employee share award schemes: | | | | | | | | | |
| – value of employee services | - | 9,146 | - | - | 3,256 | - | 12,402 | 194 | 12,596 |
| – shares purchased/withheld for share award schemes | - | - | - | (1,122) | - | - | (1,122) | - | (1,122) |
| – vesting of awarded shares | - | (1,724) | - | 1,724 | - | - | - | - | - |
| Tax benefit from share-based payments | - | - | - | - | 148 | - | 148 | - | 148 |
| Repurchase and cancellation of shares | - | - | 3,597 | - | - | (34,956) | (31,359) | - | (31,359) |
| Repurchase of shares (to be cancelled) | - | - | (2,288) | - | - | - | (2,288) | - | (2,288) |
| Cash dividends | - | - | - | - | - | (37,665) | (37,665) | (1,868) | (39,533) |
| Non-controlling interests arising from business combinations | - | - | - | - | - | - | - | 521 | 521 |
| Acquisition of additional equity interests in non wholly-owned subsidiaries | - | - | - | - | (149) | - | (149) | (856) | (1,005) |
| Dilution of interests in subsidiaries | - | - | - | - | (642) | - | (642) | 1,442 | 800 |
| Disposal of subsidiaries | - | - | - | - | - | - | - | (7) | (7) |
| Others | - | - | - | - | 351 | (856) | (505) | 117 | (388) |
| Total transactions with equity holders in their capacity as equity holders for the period | - | 9,267 | 1,309 | 602 | 2,991 | (73,477) | (59,308) | (293) | (59,601) |
| Balance at 30 June 2025 | - | 52,346 | (2,288) | (4,491) | 148,880 | 920,192 | 1,114,639 | 88,210 | 1,202,849 |

| | Unaudited | | | | | | | | |
|---|---|------------------------------|--------------------------------|--|-------------------------------|----------------------------------|----------------------|--|-----------------------------|
| | 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 period | – | – | – | – | – | 89,519 | 89,519 | 1,498 | 91,017 |
| Other comprehensive income, net of tax: | | | | | | | | | |
| – share of other comprehensive income of associates and joint ventures | – | – | – | – | (683) | – | (683) | (14) | (697) |
| – 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 | – | – | – | – | 40,093 | – | 40,093 | 1,752 | 41,845 |
| – transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income | – | – | – | – | 1 | – | 1 | – | 1 |
| – currency translation differences | – | – | – | – | (3,854) | – | (3,854) | (629) | (4,483) |
| – net movement in reserves for hedges | – | – | – | – | (1,687) | – | (1,687) | (16) | (1,703) |
| Total comprehensive income for the period | – | – | – | – | 33,857 | 89,519 | 123,376 | 2,591 | 125,967 |
| Transfer of gains on disposal and deemed disposal of financial instruments to retained earnings, net of tax | – | – | – | – | (2,765) | 2,765 | – | – | – |
| 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 | – | – | – | – | 2,117 | – | 2,117 | – | 2,117 |
| Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal | – | – | – | – | (516) | – | (516) | – | (516) |
| Transactions with equity holders | | | | | | | | | |
| Employee share option schemes: | | | | | | | | | |
| – value of employee services | – | 1,183 | – | – | 25 | – | 1,208 | 21 | 1,229 |
| – proceeds from shares issued, net of withholding individual income tax | – | 1,014 | – | – | – | – | 1,014 | – | 1,014 |
| Employee share award schemes: | | | | | | | | | |
| – value of employee services | – | 7,554 | – | – | 820 | – | 8,374 | 171 | 8,545 |
| – shares purchased/withheld for share award schemes | – | – | – | (994) | – | – | (994) | – | (994) |
| – vesting of awarded shares | – | (2,332) | – | 2,332 | – | – | – | – | – |
| Tax benefit from share-based payments | – | – | – | – | 2 | – | 2 | – | 2 |
| Profit appropriations to statutory reserves | – | – | – | – | 17 | (17) | – | – | – |
| Appropriations of risk reserve for material money market funds | – | – | – | – | 138 | (138) | – | – | – |
| Repurchase and cancellation of shares | – | (13,681) | 4,740 | – | – | (35,083) | (44,024) | – | (44,024) |
| Repurchase of shares (to be cancelled) | – | – | (3,664) | – | – | – | (3,664) | – | (3,664) |
| Cash dividends | – | – | – | – | – | (28,924) | (28,924) | (1,351) | (30,275) |
| Non-controlling interests arising from business combinations | – | – | – | – | – | – | – | 204 | 204 |
| Acquisition of additional equity interests in non wholly-owned subsidiaries | – | – | – | – | (4,200) | – | (4,200) | (1,418) | (5,618) |
| Dilution of interests in subsidiaries | – | – | – | – | (1,143) | – | (1,143) | 1,241 | 98 |
| Disposal of subsidiaries | – | – | – | – | – | – | – | 11 | 11 |
| Changes in put option liabilities in respect of non-controlling interests | – | – | – | – | (12) | – | (12) | – | (12) |
| Recognition of put option liabilities arising from business combinations | – | – | – | – | (5) | – | (5) | – | (5) |
| Transfer of equity interests of subsidiaries to non-controlling interests | – | 1,230 | – | 307 | (2,056) | – | (519) | 356 | (163) |
| Total transactions with equity holders in their capacity as equity holders for the period | – | (5,032) | 1,076 | 1,645 | (6,414) | (64,162) | (72,887) | (765) | (73,652) |
| Balance at 30 June 2024 | – | 32,957 | (3,664) | (3,705) | (6,955) | 842,048 | 860,681 | 66,916 | 927,597 |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

| | Unaudited | |
|---|---------------------------------|--------------------|
| | Six months ended 30 June | |
| | 2025 | 2024 |
| | RMB'Million | RMB'Million |
| Net cash flows generated from operating activities | 151,265 | 126,458 |
| Net cash flows used in investing activities | (72,407) | (45,449) |
| Net cash flows used in financing activities | (30,111) | (99,781) |
| Net increase/(decrease) in cash and cash equivalents | 48,747 | (18,772) |
| Cash and cash equivalents at beginning of the period | 132,519 | 172,320 |
| Exchange gains/(losses) on cash and cash equivalents | 791 | (37) |
| Cash and cash equivalents at end of the period | 182,057 | 153,511 |

NOTES TO THE INTERIM FINANCIAL INFORMATION

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 Interim Financial Information is presented in RMB, unless otherwise stated.

The Interim Financial Information has not been audited but has been reviewed by the Auditor.

The Interim Financial Information has been prepared in accordance with IAS 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards, as set out in the 2024 annual report of the Company (the “2024 Financial Statements”).

Except as described below, the accounting policies and methods of computation used in the preparation of the Interim Financial Information are generally consistent with those used in the 2024 Financial Statements in all material aspects, which have been prepared in accordance with IFRS Accounting Standards under the historical cost convention, as modified by the revaluation of FVPL, FVOCI, certain other financial assets and liabilities, which are carried at fair values.

Taxes on income for the interim period are accrued using the estimated tax rates that would be applicable to expected total annual assessable profit.

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2025:

Amendments to IAS 21

Lack of Exchangeability

The adoption of these amendments to standards does not have significant impact on the Interim Financial Information of the Group.

2 Segment information and revenues

The Group has the following reportable segments for the three and six months ended 30 June 2025 and 2024:

- 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 three and six months ended 30 June 2025 and 2024. The revenues from external customers reported to the chief operating decision-makers are measured in a manner consistent with that applied in the condensed consolidated income statement.

The segment information provided to the chief operating decision-makers for the reportable segments for the three and six months ended 30 June 2025 and 2024 is as follows:

| Unaudited Three months ended 30 June 2025 | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | VAS | Marketing | FinTech and | Others | Total |
| | RMB'Million | Services | Business | RMB'Million | RMB'Million |
| | | RMB'Million | Services | | |
| | | | RMB'Million | | |
| Segment revenues | 91,368 | 35,762 | 55,536 | 1,838 | 184,504 |
| Gross profit | 55,223 | 20,585 | 28,952 | 253 | 105,013 |
| Cost of revenues | | | | | |
| Depreciation | 1,451 | 2,112 | 1,705 | 8 | 5,276 |
| Amortisation | 4,439 | 2,230 | 35 | 649 | 7,353 |

| Unaudited Three months ended 30 June 2024 | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | VAS | Marketing | FinTech and | Others | Total |
| | RMB'Million | Services | Business | RMB'Million | RMB'Million |
| | | RMB'Million | Services | | |
| | | | RMB'Million | | |
| Segment revenues | 78,822 | 29,871 | 50,440 | 1,984 | 161,117 |
| Gross profit | 44,965 | 16,621 | 24,013 | 296 | 85,895 |
| Cost of revenues | | | | | |
| Depreciation | 1,303 | 1,700 | 1,843 | 16 | 4,862 |
| Amortisation | 3,833 | 2,040 | 38 | 468 | 6,379 |

| Unaudited | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Six months ended 30 June 2025 | | | | | |
| | | FinTech and | | | |
| | VAS | Marketing | Business | Others | Total |
| | RMB'Million | Services | Services | | |
| | | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Segment revenues | 183,501 | 67,615 | 110,443 | 2,967 | 364,526 |
| Gross profit | 110,134 | 38,279 | 56,549 | 544 | 205,506 |
| Cost of revenues | | | | | |
| Depreciation | 2,768 | 3,812 | 3,520 | 19 | 10,119 |
| Amortisation | 9,162 | 4,479 | 70 | 957 | 14,668 |

| Unaudited | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|
| Six months ended 30 June 2024 | | | | | |
| | FinTech and | | | | |
| | VAS | Marketing | Business | Others | Total |
| | RMB'Million | Services | Services | RMB'Million | RMB'Million |
| | | RMB'Million | RMB'Million | | |
| Segment revenues | 157,451 | 56,377 | 102,742 | 4,048 | 320,618 |
| Gross profit | 89,987 | 31,141 | 47,864 | 773 | 169,765 |
| Cost of revenues | | | | | |
| Depreciation | 2,623 | 3,337 | 3,839 | 27 | 9,826 |
| Amortisation | 7,966 | 3,481 | 76 | 1,090 | 12,613 |

3 Expenses by nature

| | Unaudited | | Unaudited | |
|--|----------------------------|-------------|--------------------------|-------------|
| | Three months ended 30 June | | Six months ended 30 June | |
| | 2025 | 2024 | 2025 | 2024 |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Transaction costs (a) | 33,057 | 32,160 | 67,080 | 66,763 |
| Employee benefits expenses (b) | 30,899 | 28,317 | 64,979 | 54,349 |
| Content costs (excluding amortisation of intangible assets) | 16,803 | 16,683 | 32,939 | 32,293 |
| Amortisation of intangible assets (c) | 8,092 | 7,085 | 16,120 | 13,982 |
| Depreciation of property, plant and equipment, investment properties and right-of-use assets | 7,651 | 6,553 | 14,441 | 13,194 |
| Bandwidth and server custody fees (excluding depreciation of right-of-use assets) | 7,546 | 6,517 | 14,268 | 12,815 |
| Promotion and advertising expenses | 6,693 | 6,366 | 11,783 | 11,354 |

Note:

- (a) Transaction costs primarily consist of bank handling fees, channel and distribution costs.
- (b) During the three and six months ended 30 June 2025, the Group had incurred expenses for the purpose of R&D of approximately RMB20,251 million and RMB39,161 million, respectively (three and six months ended 30 June 2024: RMB17,277 million and RMB32,955 million, respectively), which mainly comprised employee benefits expenses of approximately RMB15,166 million and RMB30,178 million, respectively (three and six months ended 30 June 2024: RMB14,051 million and RMB27,168 million, respectively).

No significant development expenditures had been capitalised for the three and six months ended 30 June 2025 and 2024.

During the three and six months ended 30 June 2025, employee benefits expenses included share-based compensation expenses of approximately RMB7,361 million and RMB17,461 million, respectively (three and six months ended 30 June 2024: RMB6,213 million and RMB10,907 million, respectively), which contained those incurred for employees related to SSV & CPP initiatives of approximately RMB21 million and RMB33 million, respectively (three and six months ended 30 June 2024: RMB15 million and RMB30 million, respectively).

- (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 three and six months ended 30 June 2025, amortisation of media content was approximately RMB7,410 million and RMB14,782 million, respectively (three and six months ended 30 June 2024: RMB6,422 million and RMB12,702 million, respectively).

During the three and six months ended 30 June 2025, amortisation of intangible assets included amortisation of intangible assets arising from acquisitions of approximately RMB1,614 million and RMB3,129 million, respectively (three and six months ended 30 June 2024: RMB1,305 million and RMB2,554 million, respectively).

- (d) During the three and six months ended 30 June 2025, expenses incurred which were related to SSV & CPP initiatives (excluding share-based compensation expenses) were approximately RMB169 million and RMB308 million, respectively (three and six months ended 30 June 2024: RMB190 million and RMB310 million, respectively).

4 Net gains/(losses) from investments and others

| | Unaudited | | Unaudited | |
|--|----------------------------|--------------|--------------------------|-------------|
| | Three months ended 30 June | | Six months ended 30 June | |
| | 2025 | 2024 | 2025 | 2024 |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Net gains on disposals and deemed disposals of investee companies (a) | 94 | 3,161 | 251 | 8,220 |
| Net fair value gains/(losses) on FVPL ((b) and Note 9) | 2,001 | 631 | 1,378 | (2,223) |
| Other net fair value (losses)/gains (c) | (237) | (114) | 409 | (1,148) |
| Impairment (provisions)/reversals for investments in associates (Note 8(b)) | (601) | (3,365) | 355 | (4,152) |
| Impairment reversals/(provisions) for investments in joint ventures and others | 1,509 | (106) | 1,509 | (147) |
| Impairment provisions for goodwill and other intangible assets arising from acquisitions | (310) | (35) | (310) | (70) |
| Donations (d) | (640) | (1,145) | (698) | (1,172) |
| Dividend income | 762 | 234 | 1,008 | 524 |
| Others | 60 | 85 | 143 | 170 |
| | <u>2,638</u> | <u>(654)</u> | <u>4,045</u> | <u>2</u> |

Note:

- (a) The net disposal and deemed disposal gains of approximately RMB251 million recognised during the six months ended 30 June 2025 comprised the following:
- aggregate net losses of approximately RMB6 million (six months ended 30 June 2024: net gains of approximately RMB1,257 million) on disposals and partial disposals of investee companies of the Group;
 - aggregate net gains of approximately RMB1,332 million (six months ended 30 June 2024: RMB4,523 million) on deemed disposals of investee companies of the Group; and
 - aggregate net losses of approximately RMB1,075 million (six months ended 30 June 2024: net gains of approximately RMB2,440 million) (Note 8) on dilution of the Group's equity interests in certain associates due to new equity interests being issued by these associates.
- (b) During the three and six months ended 30 June 2025, the net fair value gains on FVPL mainly comprised net gains of approximately RMB1,701 million and RMB958 million, respectively, as a result of changes in valuations of certain investee companies (three and six months ended 30 June 2024: net gains of approximately RMB536 million and net losses of approximately RMB2,465 million, respectively).
- (c) During the three and six months ended 30 June 2025, the other net fair value (losses)/gains mainly included net losses of approximately RMB197 million and net gains of approximately RMB531 million on other investment-related financial assets and liabilities, respectively (three and six months ended 30 June 2024: net losses of approximately RMB116 million and RMB1,157 million, respectively).
- (d) During the three and six months ended 30 June 2025, donations mainly included approximately RMB582 million and RMB603 million for SSV & CPP initiatives of the Group, respectively (three and six months ended 30 June 2024: RMB835 million and RMB847 million, respectively).

5 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 three and six months ended 30 June 2025 and 2024.

(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 three and six months ended 30 June 2025 and 2024.

(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 profits of entities within the Group established in the Mainland of China for the three and six months ended 30 June 2025 and 2024. The general PRC CIT rate was 25% for the three and six months ended 30 June 2025 and 2024.

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 three and six months ended 30 June 2025 and 2024.

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 profits arising from other jurisdictions, including the North America, Europe, Asia and South America, had been calculated on the estimated assessable profits for the three and six months ended 30 June 2025 and 2024 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 Mainland of China, 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 for the three and six months ended 30 June 2025 and 2024 is analysed as follows:

| | Unaudited | | Unaudited | |
|---------------------|-----------------------------------|----------------------|---------------------------------|----------------------|
| | Three months ended 30 June | | Six months ended 30 June | |
| | 2025 | 2024 | 2025 | 2024 |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| Current income tax | 12,317 | 9,196 | 24,713 | 21,183 |
| Deferred income tax | (966) | 972 | 355 | 3,154 |
| | <u>11,351</u> | <u>10,168</u> | <u>25,068</u> | <u>24,337</u> |

6 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 period.

| | Unaudited | | Unaudited | |
|--|-----------------------------------|----------------------|---------------------------------|----------------------|
| | Three months ended 30 June | | Six months ended 30 June | |
| | 2025 | 2024 | 2025 | 2024 |
| Profit attributable to equity holders of the Company (RMB'Million) | <u>55,628</u> | <u>47,630</u> | <u>103,449</u> | <u>89,519</u> |
| Weighted average number of ordinary shares in issue excluding shares held for share award schemes and treasury shares (million shares) | <u>9,097</u> | <u>9,318</u> | <u>9,101</u> | <u>9,335</u> |
| Basic EPS (RMB per share) | <u>6.115</u> | <u>5.112</u> | <u>11.367</u> | <u>9.590</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.

| | Unaudited Three months ended 30 June | | Unaudited Six months ended 30 June | |
|--|---|---------------|---------------------------------------|---------------|
| | 2025 | 2024 | 2025 | 2024 |
| Profit attributable to equity holders of the Company (RMB' Million) | 55,628 | 47,630 | 103,449 | 89,519 |
| Dilution effect arising from share-based awards granted by non wholly-owned subsidiaries and associates (RMB' Million) | <u>(180)</u> | <u>(465)</u> | <u>(500)</u> | <u>(750)</u> |
| Profit attributable to equity holders of the Company for the calculation of diluted EPS (RMB' Million) | <u>55,448</u> | <u>47,165</u> | <u>102,949</u> | <u>88,769</u> |
| Weighted average number of ordinary shares in issue excluding shares held for share award schemes and treasury shares (million shares) | 9,097 | 9,318 | 9,101 | 9,335 |
| Adjustments for share options and awarded shares (million shares) | <u>150</u> | <u>127</u> | <u>152</u> | <u>131</u> |
| Weighted average number of ordinary shares for the calculation of diluted EPS (million shares) | <u>9,247</u> | <u>9,445</u> | <u>9,253</u> | <u>9,466</u> |
| Diluted EPS (RMB per share) | <u>5.996</u> | <u>4.994</u> | <u>11.126</u> | <u>9.377</u> |

7 Dividends

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 approved by the shareholders at the 2025 AGM. Such dividend amounted to approximately HKD40,966 million (2024: HKD31,743 million) was paid during the six months ended 30 June 2025.

The Board did not declare any interim dividend for the six months ended 30 June 2025 and 2024.

8 Investments in associates

| | Unaudited 30 June 2025 RMB'Million | Audited 31 December 2024 RMB'Million |
|---------------------------|---|---|
| Investments in associates | | |
| – Listed entities (Note) | 165,323 | 149,557 |
| – Unlisted entities | 142,250 | 140,786 |
| | <u>307,573</u> | <u>290,343</u> |

Note:

As at 30 June 2025, the fair value of the investments in associates consisting of directly and indirectly held listed equity interests was approximately RMB340,187 million (31 December 2024: RMB280,088 million).

Movement of investments in associates is analysed as follows:

| | Unaudited Six months ended 30 June 2025 RMB'Million | 2024 RMB'Million |
|---|--|-----------------------|
| At beginning of period | 290,343 | 253,696 |
| Additions (a) | 9,984 | 2,009 |
| Transfers | (175) | 1,070 |
| Dilution (losses)/gains on deemed disposals (Note 4(a)) | (1,075) | 2,440 |
| Share of profit/(loss) of associates, net | 8,803 | 9,676 |
| Share of other comprehensive income of associates | 1,152 | (699) |
| Share of other changes in net assets of associates | 1,782 | 2,112 |
| Dividends | (3,281) | (1,746) |
| Disposals | (76) | (1,202) |
| Impairment reversals/(provisions), net ((b) and Note 4) | 355 | (4,152) |
| Currency translation differences | (239) | (243) |
| At end of period | <u>307,573</u> | <u>262,961</u> |

Note:

- (a) During the six months ended 30 June 2025, the Group's additions mainly comprised new investments and additional investments in certain investee companies which are principally engaged in music and entertainment, outdoor equipment, games development, and other Internet-related businesses.

- (b) During the six months ended 30 June 2025, an aggregate impairment reversal of approximately RMB355 million (six months ended 30 June 2024: an aggregate impairment provision of approximately RMB4,152 million) had been recognised for investments in associates, and the majority of these investments' recoverable amounts were determined using fair value less costs of disposal.

9 Financial assets at fair value through profit or loss

FVPL include the following:

| | Unaudited 30 June 2025 RMB'Million | Audited 31 December 2024 RMB'Million |
|--|---|---|
| Included in non-current assets: | | |
| Investments in listed entities | 5,897 | 8,655 |
| Investments in unlisted entities | 181,685 | 178,824 |
| Treasury investments and others | 19,681 | 17,520 |
| | <u>207,263</u> | <u>204,999</u> |
| Included in current assets: | | |
| Treasury investments and others | 18,235 | 9,568 |
| | <u>225,498</u> | <u>214,567</u> |

Movement of FVPL is analysed as follows:

| | Unaudited Six months ended 30 June 2025 RMB'Million | 2024 RMB'Million |
|----------------------------------|--|-----------------------------|
| At beginning of period | 214,567 | 226,048 |
| Additions and transfers (a) | 70,698 | 14,235 |
| Changes in fair value (Note 4) | 1,378 | (2,223) |
| Disposals and others | (60,924) | (23,226) |
| Currency translation differences | (221) | 878 |
| At end of period | <u>225,498</u> | <u>215,712</u> |

Note:

- (a) During the six months ended 30 June 2025, the Group's additions and transfers mainly comprised certain new investments and additional investments with an aggregate amount of approximately RMB71,190 million in treasury investments, as well as investee companies which are principally engaged in investment funds, FinTech, games development, healthcare, and others.

10 Financial assets at fair value through other comprehensive income

FVOCI include the following:

| | Unaudited 30 June 2025 RMB'Million | Audited 31 December 2024 RMB'Million |
|---|---|---|
| Included in non-current assets: | | |
| Equity investments in listed entities | 379,008 | 285,134 |
| Equity investments in unlisted entities | 16,690 | 13,963 |
| Treasury investments | 6,058 | 3,263 |
| | <u>401,756</u> | <u>302,360</u> |
| Included in current assets: | | |
| Treasury investments | 6,604 | 3,345 |
| | <u>408,360</u> | <u>305,705</u> |

Movement of FVOCI is analysed as follows:

| | Unaudited Six months ended 30 June 2025 RMB'Million | 2024 RMB'Million |
|----------------------------------|--|---------------------|
| At beginning of period | 305,705 | 213,951 |
| Additions and transfers (a) | 45,446 | 9,333 |
| Changes in fair value | 96,218 | 41,386 |
| Disposals | (38,051) | (11,501) |
| Currency translation differences | (958) | 1,117 |
| At end of period | <u>408,360</u> | <u>254,286</u> |

Note:

- (a) During the six months ended 30 June 2025, the Group's additions and transfers mainly comprised certain new investments and additional investments with an aggregate amount of approximately RMB43,473 million in treasury investments, as well as investee companies which are principally engaged in local life service platform, games development, FinTech and other Internet-related businesses.

11 Accounts receivable

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

| | Unaudited 30 June 2025 RMB'Million | Audited 31 December 2024 RMB'Million |
|--------------|---|---|
| 0 ~ 30 days | 27,640 | 26,156 |
| 31 ~ 60 days | 12,482 | 12,273 |
| 61 ~ 90 days | 6,087 | 6,056 |
| Over 90 days | 5,106 | 3,718 |
| | 51,315 | 48,203 |

Accounts receivable balances as at 30 June 2025 and 31 December 2024 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.

12 Share-based payments

(a) Share option schemes

The Company had one share option scheme which remained valid and effective during the six months ended 30 June 2025, namely, 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 Post-IPO Option Scheme II expired on 16 May 2017 and no further options could be granted under this scheme, but the options granted prior to such expiry continued to be valid and exercisable in accordance with the provisions of the scheme.

The Company allowed certain of the grantees under the Post-IPO Option Scheme II 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.

As at 30 June 2025, the Company did not have any outstanding share options exercisable under any share option scheme other than the 2023 Share Option Scheme.

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

| | Unaudited | |
|---------------------------------------|---------------------------------|---------------------|
| | 2023 Share Option Scheme | |
| | Average | Number |
| | exercise price | of options |
| At 1 January 2025 | HKD349.18 | 109,221,125 |
| Granted | HKD526.90 | 6,663,390 |
| Exercised | HKD355.24 | (24,189,201) |
| Lapsed/forfeited | HKD380.52 | (294,554) |
| At 30 June 2025 | HKD360.43 | 91,400,760 |
| Exercisable as at 30 June 2025 | HKD355.24 | 58,887,276 |

| | Post-IPO Option | | Unaudited | | |
|---------------------------------------|-----------------|--------------|--------------------------|-------------|--------------|
| | Scheme II | | 2023 Share Option Scheme | | Total |
| | Average | Number | Average | Number | Number |
| | exercise price | of options | exercise price | of options | of options |
| At 1 January 2024 | HKD185.65 | 17,318,327 | HKD353.11 | 105,292,749 | 122,611,076 |
| Granted | – | – | HKD291.20 | 10,679,485 | 10,679,485 |
| Exercised | HKD185.65 | (17,208,952) | HKD243.78 | (2,878,482) | (20,087,434) |
| Lapsed/forfeited/waived | HKD185.65 | (109,375) | HKD477.24 | (1,399,780) | (1,509,155) |
| At 30 June 2024 | – | – | HKD348.45 | 111,693,972 | 111,693,972 |
| Exercisable as at 30 June 2024 | – | – | HKD352.95 | 73,220,169 | 73,220,169 |

During the six months ended 30 June 2025 and 2024, no options were granted to any director of the Company.

(b) Share award schemes

As at 30 June 2025, 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 six months ended 30 June 2025 and 2024 are as follows:

| | Unaudited | |
|---|---------------------------------|--------------|
| | Number of awarded shares | |
| | Six months ended 30 June | |
| | 2025 | 2024 |
| At beginning of period | 125,329,046 | 132,989,249 |
| Granted | 17,261,799 | 29,839,111 |
| Vested and transferred | (17,429,610) | (35,575,526) |
| Lapsed/forfeited | (2,392,665) | (3,361,868) |
| At end of period | 122,768,570 | 123,890,966 |
| Vested but not transferred as at end of period | 79,479 | 21,622 |

During the six months ended 30 June 2025, 59,280 awarded shares were granted to five independent non-executive directors of the Company (six months ended 30 June 2024: 105,760 awarded shares were granted to five independent non-executive directors of the Company).

13 Accounts payable

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

| | Unaudited | Audited |
|--------------|--------------------|--------------------|
| | 30 June | 31 December |
| | 2025 | 2024 |
| | RMB'Million | RMB'Million |
| 0 ~ 30 days | 119,536 | 107,893 |
| 31 ~ 60 days | 8,212 | 8,264 |
| 61 ~ 90 days | 499 | 842 |
| Over 90 days | 2,254 | 1,713 |
| | 130,501 | 118,712 |

14 Borrowings

| | Unaudited 30 June 2025 RMB'Million | Audited 31 December 2024 RMB'Million |
|---|---|---|
| Included in non-current liabilities: | | |
| Non-current portion of long-term RMB bank borrowings, unsecured (a) | 133,425 | 48,655 |
| Non-current portion of long-term USD bank borrowings, unsecured (a) | 49,394 | 92,012 |
| Non-current portion of long-term HKD bank borrowings, unsecured (a) | 11,313 | 5,837 |
| Non-current portion of long-term EUR bank borrowings, unsecured (a) | 8,823 | — |
| Non-current portion of long-term JPY bank borrowings, unsecured (a) | 10 | 14 |
| Non-current portion of long-term EUR bank borrowings, secured (a) | 1 | 3 |
| | <u>202,966</u> | <u>146,521</u> |
| Included in current liabilities: | | |
| RMB bank borrowings, unsecured (b) | 38,905 | 28,039 |
| USD bank borrowings, unsecured (b) | 16,107 | 20,487 |
| HKD bank borrowings, unsecured (b) | 3,465 | — |
| RMB bank borrowings, secured (b) | 100 | — |
| Current portion of long-term RMB bank borrowings, unsecured (a) | 40 | 28 |
| Current portion of long-term JPY bank borrowings, unsecured (a) | 12 | 12 |
| Current portion of long-term EUR bank borrowings, secured (a) | 2 | 3 |
| Current portion of long-term USD bank borrowings, unsecured (a) | — | 4,313 |
| Current portion of long-term EUR bank borrowings, unsecured (a) | — | 3 |
| | <u>58,631</u> | <u>52,885</u> |
| | <u><u>261,597</u></u> | <u><u>199,406</u></u> |

Note:

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

| | Unaudited 30 June 2025 | | Audited 31 December 2024 | |
|---------------------|---------------------------|---------------------------------|-----------------------------|------------------------------|
| | Amount (Million) | Interest rate (per annum) | Amount (Million) | Interest rate (per annum) |
| RMB bank borrowings | RMB72,664 | 2.52% ~ 3.90% | RMB48,683 | 2.55% ~ 3.90% |
| RMB bank borrowings | RMB60,801 | 1-Year LPR - 0.65% ~ + 0.15% | — | — |
| USD bank borrowings | USD6,900 | SOFR + CAS + 0.80% | USD13,400 | SOFR + CAS + 0.80% |
| JPY bank borrowings | JPY248 | 0.11% ~ 1.73% | JPY334 | 0.11% ~ 1.73% |
| JPY bank borrowings | JPY190 | TIBOR + 1.70% | JPY246 | TIBOR + 1.70% |
| EUR bank borrowings | — | — | EUR1 | 1.00% ~ 2.10% |
| EUR bank borrowings | EUR1,050 | EURIBOR + 0.70% ~ 0.75% | — | — |
| HKD bank borrowings | HKD12,402 | HIBOR + 0.25% ~ 0.60% | HKD6,202 | HIBOR + 0.25% |

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

| | Unaudited 30 June 2025 | | Audited 31 December 2024 | |
|---------------------|---------------------------|------------------------------|-----------------------------|------------------------------|
| | Amount (Million) | Interest rate (per annum) | Amount (Million) | Interest rate (per annum) |
| RMB bank borrowings | RMB39,174 | 1.03% ~ 4.00% | RMB28,088 | 0.61% ~ 2.82% |
| USD bank borrowings | USD2,250 | SOFR + 0.30% ~ 0.40% | USD2,850 | SOFR + 0.30% ~ 0.50% |
| HKD bank borrowings | HKD3,800 | HIBOR + 0.15% | — | — |

15 Notes payable

| | Unaudited 30 June 2025 RMB'Million | Audited 31 December 2024 RMB'Million |
|--|---|---|
| Included in non-current liabilities: | | |
| Non-current portion of long-term USD notes payable | <u>119,338</u> | <u>130,586</u> |
| Included in current liabilities: | | |
| Current portion of long-term USD notes payable | <u>12,880</u> | <u>8,623</u> |
| | <u>132,218</u> | <u>139,209</u> |

Note:

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

| | Unaudited 30 June 2025 | | Audited 31 December 2024 | |
|-------------------|---------------------------|------------------------------|-----------------------------|------------------------------|
| | Amount (Million) | Interest rate (per annum) | Amount (Million) | Interest rate (per annum) |
| USD notes payable | USD18,550 | 1.375% ~ 4.700% | USD19,450 | 1.375% ~ 4.700% |

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

During the six months ended 30 June 2025, a tranche of notes payable issued in February 2015 with an aggregate principal amount of USD900 million, reached its maturity and was repaid in full by the Group.

16 Business combinations

During the six months ended 30 June 2025, the Group completed the acquisition of a game company by acquiring 100% of its equity interest at a cash consideration of approximately USD1.2 billion (equivalent to approximately RMB8.8 billion), which was accounted for as a subsidiary of the Group upon the completion of the transaction.

The fair value of total identifiable net assets (including identifiable intangible assets) was approximately RMB3.6 billion.

Goodwill of approximately RMB5.2 billion was recognised as a result of the transaction. It was mainly attributable to the operating synergies and economies of scale expected to be derived from combining the operations. None of the goodwill was expected to be deductible for income tax purpose.

The Group's revenue and results for the six months ended 30 June 2025 would not be materially different should the acquisition had occurred on 1 January 2025.

The related transaction costs of the transaction recognised in the Group's consolidated income statement were not material.

17 Subsequent events

There were no material subsequent events during the period from 1 July 2025 to the approval date of the Interim Financial Information by the Board on 13 August 2025.

OTHER INFORMATION

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

During the six months ended 30 June 2025, the Company repurchased a total of 81,867,000 shares on the Stock Exchange for an aggregate consideration of approximately HKD36.5 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 the six months ended 30 June 2025 | No. of shares purchased | Purchase consideration per share | | Aggregate consideration paid HKD |
|--|-------------------------------|-------------------------------------|-----------------------------|---|
| | | Highest price paid HKD | Lowest price paid HKD | |
| January | 37,060,000 | 424.60 | 364.80 | 14,117,031,503.00 |
| March | 5,924,000 | 517.50 | 495.00 | 3,003,627,164.10 |
| April | 8,430,000 | 510.50 | 419.60 | 3,905,420,932.80 |
| May | 9,784,000 | 524.00 | 496.20 | 5,004,217,423.60 |
| June | 20,669,000 | 520.50 | 490.00 | 10,509,720,949.40 |
| Total | <u>81,867,000</u> | | | <u>36,540,017,972.90</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 six months ended 30 June 2025.

Employee and Remuneration Policies

As at 30 June 2025, the Group had 111,221 employees (30 June 2024: 105,506). 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 six months ended 30 June 2025 was RMB65.0 billion (for the six months ended 30 June 2024: RMB54.3 billion).

Audit Committee

The Audit Committee, together with the Auditor, has reviewed the Group's unaudited Interim Financial Information for the three and six months ended 30 June 2025. 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.

Compliance with the Corporate Governance Code

Code provision B.2.2 of the CG Code provides that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. According to the Articles of Association, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation, provided that the chairman of the Board shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. In compliance with the provisions in the Articles of Association, Messrs Li Dong Sheng and Yang Siu Shun retired and were re-elected at the 2025 AGM. As the re-election of Mr Ian Charles Stone, who was re-elected in 2022, was not considered at the 2025 AGM, there is a deviation from code provision B.2.2 of the CG Code. Considering that the re-election of Mr Ian Charles Stone will be considered at the subsequent annual general meeting, the Board believes that such deviation from code provision B.2.2 of the CG Code does not have a material impact on the operation of the Company as a whole.

Save as disclosed above and those disclosed in the corporate governance report in the 2024 annual report of the Company, none of the directors of the Company is aware of any information which would reasonably indicate that the Company has not complied with the code provisions as set out in the CG Code during the period from 1 January 2025 to 30 June 2025.

As to 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, 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.

APPRECIATION

On behalf of the Board, I would like to thank our professional staff and management team for their unwavering dedication and continuous innovation in driving the Company's success and resilience. I would also like to extend our sincere gratitude to our shareholders and stakeholders for their steadfast support and trust in the Company.

We remain committed to our core principle of “Value for User, Tech for Good” and continue to deliver meaningful impact through technology. We will continue to drive innovation, adapt to the evolving needs of our communities, and contribute to a more inclusive and sustainable future for all.

By Order of the Board
Ma Huateng
Chairman

Hong Kong, 13 August 2025

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

Executive Director:
Ma Huateng;

Non-Executive Directors:
Jacobus Petrus (Koos) 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 held on 14 May 2025 |
| “AI” | artificial intelligence |
| “Articles of Association” | the fourth amended and restated articles of association of the Company adopted by special resolution passed on 14 May 2024 |
| “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 |
| “DAU” | daily active user accounts |

| Term | Definition |
|---------------------------------------|--|
| “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 the European Union |
| “EURIBOR” | Euro Interbank Offered Rate |
| “FinTech” | financial technology |
| “FVOCI” | financial assets at fair value through other comprehensive income |
| “FVPL” | financial assets at fair value through profit or loss |
| “GPU” | graphics processing unit |
| “Group” | the Company and its subsidiaries |
| “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 |
| “IFRS” or “IFRS Accounting Standards” | International Financial Reporting Standards as issued by the International Accounting Standards Board |
| “Interim Financial Information” | the condensed consolidated interim financial statements for the six months ended 30 June 2025 |
| “International Games” | for the purpose of preparing financial and operating information, International Games refers to our games business other than our Domestic Games business |

| Term | Definition |
|-----------------------------|---|
| “IPO” | initial public offering |
| “IT” | information technology |
| “JPY” | the lawful currency of Japan |
| “LIBOR” | London InterBank Offered Rate |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “LPR” | Loan Prime Rate |
| “MAU” | monthly active user accounts |
| “PC” | personal computer |
| “Post-IPO Option Scheme II” | the Post-IPO Share Option Scheme adopted by the Company on 16 May 2007 |
| “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” |
| “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 |
| “TIBOR” | Tokyo InterBank Offered Rate |
| “United States” | the United States of America |
| “USD” | the lawful currency of the United States |
| “VAS” | value-added services |