

For Immediate Release

TENCENT ANNOUNCES 2025 SECOND QUARTER RESULTS
Revenue and Non-IFRS Operating Profit Increased Double Digit YoY
Utilising AI in Games and Marketing Services

Hong Kong, August 13, 2025 – Tencent Holdings Limited (HKEX: 00700 (HKD Counter) and 80700 (RMB Counter), “Tencent” or “the Company”), a world-leading Internet and technology company in China, today announced the unaudited consolidated results for the quarter ended 30 June 2025 (“2Q2025”).

Mr. Ma Huateng, Chairman and CEO of Tencent, said, “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.”

2Q2025 Financial Highlights

Revenues: +15% YoY, gross profit: +22% YoY, non-IFRS¹ operating profit: +18% YoY

- **Total revenues** were RMB184.5 billion, up 15% over the second quarter of 2024.
- **Gross profit** was RMB105.0 billion, up 22% YoY.
- **On a non-IFRS basis**, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:
 - **Operating profit** was RMB69.2 billion, up 18% YoY. Operating margin increased to 38% from 36% last year.
 - **Net profit** was RMB 64.8 billion, up 11% YoY.
 - **Net profit attributable to equity holders of the Company** for the period was RMB63.1 billion, up 10% YoY. Excluding non-IFRS share of profits of associates and joint ventures in both the current quarter and the same quarter last year, non-IFRS profit attributable to equity holders of the Company would have increased by 20% year-on-year to RMB56.8 billion.
 - **Basic earnings per share** were RMB6.931. **Diluted earnings per share** were RMB6.793.
- **On an IFRS basis:**
 - Operating profit was RMB60.1 billion, up 18% YoY. Operating margin increased to 33% from 31% last year.
 - Net profit was RMB56.0 billion, up 16% YoY.
 - Net profit attributable to equity holders of the Company for the quarter was RMB55.6 billion, up 17% YoY.
 - Basic earnings per share were RMB6.115. Diluted earnings per share were RMB5.996.
- **Capital expenditure** was RMB19.1 billion, up 119% YoY.
- **Total cash** was RMB468.4 billion and **free cash flow** was RMB43.0 billion, up 7% YoY. **Net cash position** totalled RMB74.6 billion.
- The fair value of our shareholdings² in listed investee companies (excluding subsidiaries) totalled RMB714.3 billion as at 30 June 2025, compared to RMB653.4 billion as at 31 March 2025. The carrying

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

² Including those held via special purpose vehicles, on an attributable basis

book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was RMB342.3 billion as at 30 Jun 2025, compared to RMB337.9 billion as at 31 March 2025.

- During the second quarter of 2025, the Company repurchased approximately 38.9 million shares on the Hong Kong Stock Exchange for an aggregate consideration of approximately HKD19.4 billion.

2Q2025 Business Review and Outlook

- 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 2025³.
- 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 million⁴ video subscribers. Tencent Music sustained its leading position in the music streaming market with 124 million⁵ 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 first⁶ 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.

³ Company data, QuestMobile, Sensor Tower

⁴ The average daily number of paying users for the second quarter of 2025

⁵ The average number of paying users as of the last day of each month during the second quarter of 2025

⁶ Published on <https://huggingface.co/spaces/3DTopia/3DGen-Leaderboard>, August 2025

Operating Metrics

	As at 30 June 2025	As at 30 June 2024 (in millions, unless specified)	Year- on-year change	As at 31 March 2025	Quarter- on-quarter change
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%

2Q2025 Management Discussion and Analysis

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, 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 Services⁷ 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.

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



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⁷ Starting third quarter of 2024, we have renamed this revenue segment from "Online Advertising" to "Marketing Services" to better represent the breadth of our marketing solutions and accompanying technology services across our online marketing properties

About Tencent

Tencent uses technology to enrich the lives of Internet users.

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

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

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Non-IFRS Financial Measures

To supplement the consolidated results of the Group ("the Company and its subsidiaries") prepared in accordance with IFRS, certain additional non-IFRS financial measures (in terms of operating profit, operating margin, profit for the period, profit attributable to equity holders of the Company, basic EPS and diluted EPS) have been presented in this press release. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The Company's management believes that the non-IFRS financial measures provide investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain non-cash items and certain impact of investment-related transactions. In addition, non-IFRS adjustments include relevant non-IFRS adjustments for the Group's major associates based on available published financials of the relevant major associates, or estimates made by the Company's management based on available information, certain expectations, assumptions and premises.

Forward-Looking Statements

This press release contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in the future. Underlying these forward-looking statements are a lot of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this press release should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.

CONDENSED CONSOLIDATED INCOME STATEMENT

RMB in millions, unless specified

Unaudited			Unaudited		
	2Q2025	2Q2024	2Q2025	1Q2025	
Revenues	184,504	161,117	184,504	180,022	
VAS	91,368	78,822	91,368	92,133	
Marketing Services	35,762	29,871	35,762	31,853	
FinTech and Business Services	55,536	50,440	55,536	54,907	
Others	1,838	1,984	1,838	1,129	
Cost of revenues	(79,491)	(75,222)	(79,491)	(79,529)	
Gross profit	105,013	85,895	105,013	100,493	
Gross margin	57%	53%	57%	56%	
Selling and marketing expenses	(9,410)	(9,156)	(9,410)	(7,866)	
General and administrative expenses	(31,921)	(27,491)	(31,921)	(33,664)	
Other gains/(losses), net	(3,578)	1,484	(3,578)	(1,397)	
Operating profit	60,104	50,732	60,104	57,566	
Operating margin	33%	31%	33%	32%	
Net gains/(losses) from investments and others	2,638	(654)	2,638	1,407	
Interest income	4,121	3,850	4,121	3,748	
Finance costs	(3,941)	(3,112)	(3,941)	(3,860)	
Share of profit/(loss) of associates and joint ventures, net	4,473	7,718	4,473	4,581	
Profit before income tax	67,395	58,534	67,395	63,442	
Income tax expense	(11,351)	(10,168)	(11,351)	(13,717)	
Profit for the period	56,044	48,366	56,044	49,725	
Attributable to:					
Equity holders of the Company	55,628	47,630	55,628	47,821	
Non-controlling interests	416	736	416	1,904	
Non-IFRS operating profit	69,248	58,443	69,248	69,320	
Non-IFRS profit attributable to equity holders of the Company	63,052	57,313	63,052	61,329	
Earnings per share for profit attributable to equity holders of the Company (in RMB per share)					
- basic	6.115	5.112	6.115	5.252	
- diluted	5.996	4.994	5.996	5.129	

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RMB in millions, unless specified

	Unaudited	
	2Q2025	2Q2024
Profit for the period	56,044	48,366
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
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	(3)	17
Transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income	-	-
Net (losses)/gains from changes in fair value of financial assets at fair value through other comprehensive income	(85)	12
Currency translation differences	3,323	(242)
Net movement in reserves for hedges	(163)	(921)
<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)
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	67,681	25,905
Currency translation differences	232	151
Net movement in reserves for hedges	(60)	-
	70,900	24,682
Total comprehensive income for the period	126,944	73,048
Attributable to:		
Equity holders of the Company	122,756	71,703
Non-controlling interests	4,188	1,345

OTHER FINANCIAL INFORMATION

RMB in millions, unless specified

	Unaudited		
	2Q2025	2Q2024	1Q2025
EBITDA (a)	79,467	62,902	73,817
Adjusted EBITDA (a)	85,122	68,518	81,559
Adjusted EBITDA margin (b)	46%	43%	45%
Interest and related expenses	3,541	2,918	3,386
Net cash/(debt)(c)	74,592	71,757	90,229
Capital expenditures (d)	19,107	8,729	27,476

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)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RMB in millions, unless specified

	Unaudited As at 30 June, 2025	Audited As at 31 December, 2024
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	307,573	290,343
Investments in joint ventures	6,831	7,072
Financial assets at fair value through profit or loss	207,263	204,999
Financial assets at fair value through other comprehensive income	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	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	18,235	9,568
Financial assets at fair value through other comprehensive income	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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

RMB in millions, unless specified

	Unaudited As at 30 June, 2025	Audited As at 31 December, 2024
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	202,966	146,521
Notes payable	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	130,501	118,712
Other payables and accruals	76,862	84,032
Borrowings	58,631	52,885
Notes payable	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>

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

RMB in millions, unless specified	As reported	Adjustments							Non-IFRS
		Share-based compensation (a)	Net (gains)/losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Others (f)	Income tax effects (g)	
Unaudited three months ended 30 June 2025									
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
Operating margin	33%								38%
Unaudited three months ended 30 June 2024									
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
Operating margin	31%								36%
Unaudited three months ended 31 March 2025									
Operating profit	57,566	10,100	—	1,515	—	139	—	—	69,320
Share of profit/(loss) of associates and joint ventures, net	4,581	968	111	1,713	267	—	—	—	7,640
Profit for the period	49,725	11,068	(31)	3,228	(689)	160	—	(769)	62,692
Profit attributable to equity holders	47,821	10,833	1,081	2,854	(719)	160	—	(701)	61,329
Operating margin	32%								39%

Note:

- (a) Including put options granted to employees of investee companies on their shares and shares to be issued under investee companies' share-based incentive plans which can be acquired by the Group, and other incentives
- (b) Including net (gains)/losses on deemed disposals/disposals of investee companies, fair value changes arising from investee companies, and other expenses in relation to equity transactions of investee companies
- (c) Amortisation of intangible assets resulting from acquisitions
- (d) Mainly including impairment provisions/(reversals) for associates, joint ventures, goodwill and other intangible assets arising from acquisitions
- (e) Mainly including donations and expenses incurred for the Group's Sustainable Social Value and Common Prosperity Programme ("SSV & CPP") initiatives
- (f) 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