

Tencent 腾讯

Tencent Holdings Limited

Incorporated in the Cayman Islands with limited liability

騰訊控股有限公司

於開曼群島註冊成立的有限公司

HKD Counter Stock Code : 700

RMB Counter Stock Code : 80700

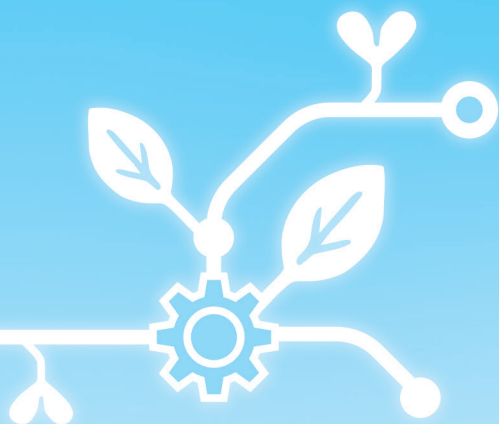


smart communication inspires

智慧溝通 靈感無限

2025

Interim Report



CONTENTS

2	Corporate Information
3	Financial Performance Highlights
5	Chairman's Statement
8	Management Discussion and Analysis
22	Report on Review of Interim Financial Information
23	Condensed Consolidated Income Statement
24	Condensed Consolidated Statement of Comprehensive Income
25	Condensed Consolidated Statement of Financial Position
28	Condensed Consolidated Statement of Changes in Equity
32	Condensed Consolidated Statement of Cash Flows
34	Notes to the Interim Financial Information
89	Other Information
116	Definition





Corporate Information

DIRECTORS

Executive Director

Ma Huateng (*Chairman*)

Non-Executive Directors

Jacobus Petrus (Koos) Bekker

Charles St Leger Searle

Independent Non-Executive Directors

Li Dong Sheng

Ian Charles Stone

Yang Siu Shun

Ke Yang

Zhang Xiulan

AUDIT COMMITTEE

Yang Siu Shun (*Chairman*)

Ian Charles Stone

Charles St Leger Searle

CORPORATE GOVERNANCE COMMITTEE

Charles St Leger Searle (*Chairman*)

Ian Charles Stone

Yang Siu Shun

Ke Yang

Zhang Xiulan

INVESTMENT COMMITTEE

Lau Chi Ping Martin (*Chairman*)

Ma Huateng

Charles St Leger Searle

NOMINATION COMMITTEE

Ma Huateng (*Chairman*)

Li Dong Sheng

Ian Charles Stone

Yang Siu Shun

Charles St Leger Searle

Ke Yang

(appointed with effect from
27 June 2025)

REMUNERATION COMMITTEE

Ian Charles Stone (*Chairman*)

Li Dong Sheng

Jacobus Petrus (Koos) Bekker

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants
and Registered Public Interest
Entity Auditor

PRINCIPAL BANKERS

Bank of China Limited

The Hongkong and Shanghai Banking
Corporation Limited

REGISTERED OFFICE

Cricket Square

Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

TENCENT GROUP HEAD OFFICE

Tencent Binhai Towers

No. 33 Haitian 2nd Road

Nanshan District

Shenzhen, 518054

The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

29/F., Three Pacific Place

No. 1 Queen's Road East

Wanchai

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D

P.O. Box 1586

Gardenia Court

Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wan Chai, Hong Kong

COMPANY WEBSITE

www.tencent.com

STOCK CODES

HKD counter 700

RMB counter 80700

Financial Performance Highlights

SECOND QUARTER OF 2025

		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%



Financial Performance Highlights

FIRST HALF OF 2025

	Unaudited Six months ended		
	30 June 2025	30 June 2024	Year- on-year change
(RMB in millions, unless specified)			
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%

Chairman's Statement

I am pleased to present our interim report for the three and six months ended 30 June 2025 to the shareholders.

RESULTS

The Group's unaudited profit attributable to equity holders of the Company for the three and six months ended 30 June 2025 increased by 17% and 16% on a year-on-year basis to RMB55,628 million and RMB103,449 million, respectively. Basic EPS for the three and six months ended 30 June 2025 were RMB6.115 and RMB11.367, respectively. Diluted EPS for the three and six months ended 30 June 2025 were RMB5.996 and RMB11.126, respectively.

The Group's non-IFRS profit attributable to equity holders of the Company for the three and six months ended 30 June 2025 increased by 10% and 16% on a year-on-year basis to RMB63,052 million and RMB124,381 million, respectively. Non-IFRS basic EPS for the three and six months ended 30 June 2025 were RMB6.931 and RMB13.667, respectively. Non-IFRS diluted EPS for the three and six months ended 30 June 2025 were RMB6.793 and RMB13.377, respectively.

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.



Chairman's Statement

- 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

Chairman's Statement

DIVIDEND

The Board did not declare any interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: Nil).

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.

Ma Huateng

Chairman

Hong Kong, 13 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

Management Discussion and Analysis

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				
			Year-		
	30 June	30 June	on-year	30 June	30 June
	2025	2024	change	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.



Management Discussion and Analysis

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 2025	30 June 2024	Year- on-year change	30 June	30 June
				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.

Management Discussion and Analysis

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.



Management Discussion and Analysis

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

Management Discussion and Analysis

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.



Management Discussion and Analysis

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			Unaudited	
	Three months ended			Six months ended	
	30 June	31 March	30 June	30 June	30 June
	2025	2025	2024	2025	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

Management Discussion and Analysis

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			Unaudited	
	Three months ended			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



Management Discussion and Analysis

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 interim report. 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	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	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%

Management Discussion and Analysis

Unaudited three months ended 31 March 2025

	Adjustments							Non-IFRS
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Income tax effects (g)	
	(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							Non-IFRS
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Others (f)	
	(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	58,444
Profit attributable to equity holders	47,630	6,981	(3,726)	2,418	3,492	1,025	3	57,313
EPS (RMB per share)								
– basic	5.112							6.151
– diluted	4.994							6.014
Operating margin	31%							36%



Management Discussion and Analysis

Unaudited six 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	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%

Unaudited six 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	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%

Management Discussion and Analysis

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

INVESTMENTS HELD

As at 30 June 2025, our investment portfolio amounted to approximately RMB948,262 million (31 December 2024: RMB817,687 million) as recorded in the condensed consolidated statement of financial position under various categories including:

- investments in associates and joint ventures which are accounted for by using equity method; and
- financial assets at fair value through profit or loss and through other comprehensive income.

Changes in respective items in the condensed consolidated statement of financial position have been disclosed in the notes to the Interim Financial Information in this interim report.

We manage our investment portfolio with a primary objective to strengthen our leading position in core businesses and complement our “Connection” strategy in various industries, particularly in social and digital content, retail and FinTech sectors. We also invest in healthcare, cloud and AI, transportation and other sectors.

The fair value of our shareholdings⁵ in listed investee companies (excluding subsidiaries) amounted to RMB714.3 billion as at 30 June 2025 (31 December 2024: RMB569.8 billion), and the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) amounted to RMB342.3 billion as at 30 June 2025 (31 December 2024: RMB335.6 billion).

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



Management Discussion and Analysis

As at 30 June 2025, we held approximately 104 million Class A ordinary shares, representing approximately 17.6% of the total outstanding shares in Sea Limited, a company whose shares are listed on the New York Stock Exchange (NYSE: SE) and is principally engaged in eCommerce, digital financial services and digital entertainment. We recognised the potential prospects of Sea Limited in these business areas. The investment is classified and accounted for as financial assets at fair value through other comprehensive income, with a carrying value of approximately RMB119.4 billion, representing approximately 5.9% of the Group's total assets as at 30 June 2025. The total cost of the investment was approximately RMB1.7 billion. During the six months ended 30 June 2025, the Group did not receive any dividends from Sea Limited; there were no realised gains recognised, and unrealised gains of approximately RMB40.3 billion arising from changes in fair value during this period are included in other reserves under equity. The Group's investment strategy is to achieve strategic benefits and financial returns on its investment over time. Save for Sea Limited, there were no other individual investments with a carrying value of 5% or more of the Group's total assets as at 30 June 2025.

Save as disclosed herein, there were no material changes in our significant investment portfolio during the six months ended 30 June 2025 that need to be disclosed under paragraph 32 of Appendix D2 to the Listing Rules.

Return from our investment portfolio amounted to RMB10,647 million for the six months ended 30 June 2025, with an increase of 28% compared to the same period last year. Details of our return from investment portfolio are as follows:

Performance of Principal Investment (Classified 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
Dividend income	762	234	1,008	524
Net gains on disposals and deemed disposals				
of investee companies	94	3,161	251	8,220
Net fair value gains/(losses)	1,804	515	1,909	(3,380)
Impairment reversals/(provisions) for				
investee companies, goodwill and				
other intangible assets from acquisitions, net	598	(3,506)	1,554	(4,369)
Share of profit/(losses) of associates				
and joint ventures, net	4,473	7,718	9,054	9,904
Amortisation of intangible assets				
resulting from acquisitions	(1,614)	(1,305)	(3,129)	(2,554)

We continue to closely monitor the performance of our investment portfolio, strategically make investments, and explore opportunities in monetising some of the existing investments if appropriate opportunities in the market arise.

Management Discussion and Analysis

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	<u>74,592</u>	<u>90,229</u>

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.

CHARGES

As at 30 June 2025, the Group's partial equity interests in certain investee companies, with a total carrying amount of approximately RMB3.5 billion, were charged to certain investment banks as security for obligations under derivative transactions entered into with those banks.

As at 30 June 2025, the Group's equity interests in an investee company at a carrying amount of approximately RMB3.3 billion were charged to a bank syndicate (as part of the collateral) against a loan extended to such investee company.

Report on Review of Interim Financial Information

TO THE BOARD OF DIRECTORS OF TENCENT HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 23 to 88, which comprises the condensed consolidated statement of financial position of Tencent Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2025 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 13 August 2025

Condensed Consolidated Income Statement

For the three and six months ended 30 June 2025

	Note	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
		2025 RMB'Million	2024 RMB'Million	2025 RMB'Million	2024 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
	6	184,504	161,117	364,526	320,618
Cost of revenues	7	(79,491)	(75,222)	(159,020)	(150,853)
Gross profit		105,013	85,895	205,506	169,765
Selling and marketing expenses	7	(9,410)	(9,156)	(17,276)	(16,692)
General and administrative expenses	7	(31,921)	(27,491)	(65,585)	(52,300)
Other gains/(losses), net	8	(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	9	2,638	(654)	4,045	2
Interest income		4,121	3,850	7,869	8,098
Finance costs	10	(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	11(a)	(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	12(a)	6.115	5.112	11.367	9.590
– diluted	12(b)	5.996	4.994	11.126	9.377

The accompanying notes on pages 34 to 88 form an integral part of this interim financial information.

Condensed Consolidated Statement of Comprehensive Income

For the three and six months ended 30 June 2025

	Unaudited Three months ended 30 June		Unaudited Six months ended 30 June	
	2025 RMB'Million	2024 RMB'Million	2025 RMB'Million	2024 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

The accompanying notes on pages 34 to 88 form an integral part of this interim financial information.

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	14	118,565	80,185
Land use rights	15	22,693	23,117
Right-of-use assets	16	16,952	17,679
Construction in progress	14	14,438	12,302
Investment properties	14	895	801
Intangible assets	14	215,832	196,127
Investments in associates	17	307,573	290,343
Investments in joint ventures		6,831	7,072
Financial assets at fair value through profit or loss	18	207,263	204,999
Financial assets at fair value through other comprehensive income	19	401,756	302,360
Prepayments, deposits and other assets	20	31,174	42,828
Other financial assets	21	1,413	1,076
Deferred income tax assets	22	30,004	28,325
Term deposits		92,424	77,601
		1,467,813	1,284,815
Current assets			
Inventories		435	440
Accounts receivable	23	51,315	48,203
Prepayments, deposits and other assets	20	109,410	101,044
Other financial assets	21	4,125	4,750
Financial assets at fair value through profit or loss	18	18,235	9,568
Financial assets at fair value through other comprehensive income	19	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

As at 30 June 2025

		Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
	Note		
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	24	–	–
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
		1,114,639	973,548
Non-controlling interests		88,210	80,348
Total equity		1,202,849	1,053,896
LIABILITIES			
Non-current liabilities			
Borrowings	26	202,966	146,521
Notes payable	27	119,338	130,586
Long-term payables	28	12,801	10,201
Other financial liabilities	29	5,627	4,203
Deferred income tax liabilities	22	16,888	18,546
Lease liabilities	16	13,328	13,897
Deferred revenue	32	4,402	6,236
		375,350	330,190

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
	Note		
Current liabilities			
Accounts payable	30	130,501	118,712
Other payables and accruals	31	76,862	84,032
Borrowings	26	58,631	52,885
Notes payable	27	12,880	8,623
Current income tax liabilities		19,561	16,586
Other tax liabilities		4,127	4,038
Other financial liabilities	29	6,298	6,336
Lease liabilities	16	5,343	5,600
Deferred revenue	32	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>

The accompanying notes on pages 34 to 88 form an integral part of this interim financial information.

On behalf of the Board

Ma Huateng
Director

Yang Siu Shun
Director

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	Shares held		Other reserves	Retained earnings	Total		
			Treasury shares	for share award schemes					
	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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Shares held		Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
			Treasury shares	for share award schemes					
	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million
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

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Treasury shares	Shares held for share award schemes	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	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)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Treasury shares	Shares held for share award schemes	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million
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

The accompanying notes on pages 34 to 88 form an integral part of this interim financial information.

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
Cash flows from operating activities		
Cash generated from operations	180,271	156,764
Income tax paid	(29,006)	(30,306)
Net cash flows generated from operating activities	151,265	126,458
Cash flows from investing activities		
Payments for business combinations, net of cash acquired	(10,019)	(1,388)
Purchase of/prepayments for property, plant and equipment, construction in progress and investment properties	(45,558)	(12,552)
Proceeds from disposal of property, plant and equipment	78	100
Purchase of/prepayments for intangible assets	(11,899)	(11,846)
Refund from/(payments for) land use rights	6	(6,617)
Payments for acquisition of investments in associates	(9,961)	(787)
Proceeds from disposal of investments in associates	81	2,492
Payments for acquisition of investments in joint ventures	–	(19)
Proceeds from disposal of investments in joint ventures	1	261
Payments for acquisition of financial assets at fair value through other comprehensive income	(43,023)	(3,820)
Proceeds from disposal of financial assets at fair value through other comprehensive income	38,139	11,395
Payments for acquisition of financial assets at fair value through profit or loss	(71,170)	(17,224)
Proceeds from disposal of financial assets at fair value through profit or loss	60,699	22,009
Payments for acquisition/settlement of other financial instruments	(1,868)	(1,986)
Net inflow/(outflow) from acquisition/settlement of other financial assets	1,079	(751)
Payments for loans to investees and others	(298)	(511)
Loans repayments from investees and others	590	385
Receipt from maturity of term deposits with initial terms of over three months	148,888	150,770
Placement of term deposits with initial terms of over three months	(140,488)	(186,507)
Interest received	8,049	8,862
Dividends received	4,267	2,285
Net cash flows used in investing activities	(72,407)	(45,449)

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
Cash flows from financing activities		
Proceeds from short-term borrowings	76,168	31,192
Repayments of short-term borrowings	(66,262)	(27,228)
Proceeds from long-term borrowings	100,230	16,684
Repayments of long-term borrowings	(48,414)	(13,522)
Repayments of notes payable	(6,456)	(14,213)
Principal elements of lease payments	(3,265)	(2,777)
Interest paid	(7,003)	(6,070)
Payments for repurchase of shares	(34,525)	(47,715)
Proceeds from issuance of ordinary shares as a result of exercise of share options	1,692	1,119
Payments for withholding individual income tax for share option schemes	(573)	(105)
Payments for shares purchased/withheld for share award schemes	(1,122)	(994)
Proceeds from issuance of additional equity interests of non wholly-owned subsidiaries	198	113
Proceeds from transfer of interests in subsidiaries to non-controlling interests	83	–
Payments for acquisition of non-controlling interests in non wholly-owned subsidiaries	(1,462)	(5,852)
Dividends paid to the Company's shareholders	(37,535)	(28,859)
Dividends paid to non-controlling interests	(1,865)	(1,554)
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

The accompanying notes on pages 34 to 88 form an integral part of this interim financial information.

Notes to the Interim Financial Information

1 GENERAL INFORMATION

Tencent Holdings Limited (the “Company”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 16 June 2004.

The Company is an investment holding company. The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the provision of Value-added Services (“VAS”), Marketing Services and FinTech and Business Services.

The Interim Financial Information is presented in Renminbi (“RMB”), unless otherwise stated.

The Interim Financial Information has not been audited but has been reviewed by the external auditor of the Company.

2 BASIS OF PREPARATION AND PRESENTATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“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 International Financial Reporting Standards issued by the International Accounting Standards Board (“IFRS Accounting Standards”), as set out in the 2024 annual report of the Company (the “2024 Financial Statements”).

3 MATERIAL ACCOUNTING POLICY INFORMATION

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 financial assets at fair value through profit or loss (“FVPL”), financial assets at fair value through other comprehensive income (“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.

Notes to the Interim Financial Information

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(a) Amendments to standards adopted by the Group

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.

(b) New standard and amendments to standards issued but not yet effective

The following issued new standard and amendments to standards have not come into effect for the financial year beginning on 1 January 2025 and have not been early adopted by the Group in preparing the Interim Financial Information. The adoption of IFRS 18 will not affect the recognition or measurement of items in the Interim Financial Information. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirements on management-defined performance measures within the Interim Financial Information. Except for IFRS 18, none of these is expected to have significant effect on the Interim Financial Information of the Group.

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

Notes to the Interim Financial Information

4 ESTIMATES

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the critical judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are materially the same as those applied to the 2024 Financial Statements.

5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk.

The Interim Financial Information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2024 Financial Statements.

There were no significant changes in any material risk management policies during the six months ended 30 June 2025.

During the three and six months ended 30 June 2025, the Group reported net exchange losses of approximately RMB400 million and RMB874 million, respectively (three and six months ended 30 June 2024: net exchange losses of RMB194 million and net exchange gains of RMB24 million, respectively) (Note 10), within "Finance costs" in the condensed consolidated income statement.

(b) Capital risk management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern and support the sustainable growth of the Group in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to enhance shareholders' value in the long term.

Capital refers to equity and external debts (including borrowings and notes payable). In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, repurchase the Company's shares or raise/repay debts.

Notes to the Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (continued)

(b) Capital risk management (continued)

The Group assesses its creditworthiness based on its business and financial risk profile and monitors its capital by regularly reviewing its total debts to adjusted earnings before interest, tax, depreciation and amortisation (“Adjusted EBITDA”) (Note) ratio, being the measure of the Group’s ability to pay off all of its debts which in turn reflects the Group’s financial health and liquidity position. The total debts/Adjusted EBITDA ratio calculated by dividing the total debts by Adjusted EBITDA is as follows:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Borrowings (Note 26)	261,597	199,406
Notes payable (Note 27)	132,218	139,209
Total debts	393,815	338,615
Adjusted EBITDA (Note) for the last twelve months	305,916	277,012
Total debts/Adjusted EBITDA ratio	1.29	1.22

Note:

Adjusted EBITDA represents operating profit less other gains/(losses), net, and adding back depreciation of property, plant and equipment, investment properties as well as right-of-use assets, amortisation of intangible assets and land use rights, and equity-settled share-based compensation expenses.

Notes to the Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation

The table below analyses the Group's financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	Level 1 RMB'Million	Level 2 RMB'Million	Level 3 RMB'Million	Total RMB'Million
As at 30 June 2025 (Unaudited)				
FVPL	6,475	20,986	198,037	225,498
FVOCI	382,989	8,681	16,690	408,360
Other financial assets	26	3,410	319	3,755
Other financial liabilities	—	(1,079)	(947)	(2,026)
As at 31 December 2024 (Audited)				
FVPL	9,290	11,645	193,632	214,567
FVOCI	286,866	4,876	13,963	305,705
Other financial assets	95	4,149	62	4,306
Other financial liabilities	—	(631)	(1,183)	(1,814)

The fair value of financial instruments traded in active markets is determined with reference to quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Notes to the Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required for evaluating the fair value of such a financial instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments mainly include:

- Dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for financial instruments.

The Group did not change any valuation techniques in determining the Level 2 and Level 3 fair values.

Notes to the Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

During the six months ended 30 June 2025, there was no transfer between Level 1 and 2 for recurring fair value measurements. Movement of Level 3 measurements are set out in the following table, which presents the changes of financial instruments in Level 3 for the six months ended 30 June 2025 and 2024:

	Financial assets		Financial liabilities	
	Unaudited		Unaudited	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Opening balance	207,657	222,232	(1,183)	(2,977)
Additions and others	9,884	5,855	(391)	–
Business combinations	–	–	–	(29)
Disposals/settlements	(1,692)	(2,397)	736	1,680
Transfers (Note)	(461)	(12,068)	–	–
Changes in fair value recognised in other comprehensive income	121	(1,703)	–	–
Changes in fair value recognised in profit or loss*	(424)	(215)	(45)	(35)
Currency translation differences	(39)	542	(64)	12
Closing balance	215,046	212,246	(947)	(1,349)
* Includes unrealised losses recognised in profit or loss attributable to balances held at the end of the reporting period	(772)	(1,522)	(86)	(9)

Note:

During the six months ended 30 June 2025 and 2024, transfers from Level 3 to Level 1 were mainly due to the successful IPOs of certain existing investees.

Notes to the Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value estimation (continued)

Valuation processes inputs and relationships to fair value (Level 3)

The Group has a team of personnel who performs valuation on these Level 3 instruments for financial reporting purposes. The team performs valuation, or necessary updates, at least once every quarter, which coincides with the Group's quarterly reporting dates. On an annual basis, the team adopts various valuation techniques to determine the fair value of the Group's Level 3 instruments. External valuation experts may also be involved and consulted when it is necessary.

The components of the Level 3 instruments mainly include investments in unlisted companies classified as FVPL or FVOCI, other financial assets, and other financial liabilities. Other financial liabilities included in Level 3 instruments mainly include contingent consideration payables related to certain business combinations. As these investments and instruments are not traded in an active market, the majority of their fair values have been determined using applicable valuation techniques including comparable companies approach, comparable transactions approach, option pricing approach and others. These valuation approaches require significant judgments, assumptions and inputs, including risk-free rates, expected volatility, and market information of recent transactions (such as recent fund-raising transactions undertaken by the investees) and other exposure, etc.

The quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of investments in unlisted companies comprises:

- For investments in unlisted companies designated as FVPL and FVOCI, the significant unobservable inputs are the expected volatility and risk-free rate, and the range of these inputs as at 30 June 2025 are 32%~82% (31 December 2024: 32%~82%) and 0.1%~6.64% (31 December 2024: 0.04%~6.64%), respectively.

For the fair value of contingent consideration payables related to business combinations, management considered that any reasonable changes in the growth rate of net profit or expected volatility would not result in a significant change in the Group's results for the six months ended 30 June 2025 and 2024.

Notes to the Interim Financial Information

6 SEGMENT INFORMATION AND REVENUES

(a) Description of segments and principal activities

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers.

The chief operating decision-makers mainly include chief executive officer and president of the Company. They review the Group's internal reporting in order to assess performance, allocate resources, and determine the operating segments based on these reports.

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.

The chief operating decision-makers assess the performance of the operating segments mainly based on segment revenues and gross profit of each operating segment. Revenues and cost of revenues are directly attributable to our operating segments, whereas other income and expenses, such as selling and marketing expenses, general and administrative expenses, interest income and finance costs (net), are managed centrally at group level due to the coherent nature of our businesses; therefore, they are not included in the measure of the operating segments' performance. Other gains/losses (net), net gains/(losses) from investments and others, share of profit/loss of associates and joint ventures (net) and income tax expense are not allocated to individual operating segment either.

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.

Other information, together with the segment information, provided to the chief operating decision-makers, is measured in a manner consistent with that applied in the Interim Financial Information. There was no segment assets or segment liabilities information provided to the chief operating decision-makers.

Notes to the Interim Financial Information

6 SEGMENT INFORMATION AND REVENUES (continued)

(a) Description of segments and principal activities (continued)

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

Notes to the Interim Financial Information

6 SEGMENT INFORMATION AND REVENUES (continued)

(a) Description of segments and principal activities (continued)

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

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

The reconciliation of gross profit to profit before income tax is shown in the condensed consolidated income statement.

All the revenues derived from any single external customer were less than 10% of the Group's total revenues during the three and six months ended 30 June 2025 and 2024.

Notes to the Interim Financial Information

6 SEGMENT INFORMATION AND REVENUES (continued)

(b) Disaggregation of revenues

In the following table, revenues of the Group are disaggregated by revenue sources. The table also includes a reconciliation to the segment information (Note 6(a)).

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Revenues				
– VAS	91,368	78,822	183,501	157,451
<i>Games</i>	59,153	48,505	118,654	96,629
<i>Social networks</i>	32,215	30,317	64,847	60,822
– 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
	<u>184,504</u>	<u>161,117</u>	<u>364,526</u>	<u>320,618</u>

Notes to the Interim Financial Information

7 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 (Note (a))	33,057	32,160	67,080	66,763
Employee benefits expenses (Note (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 (Note (c) and Note 14)	8,092	7,085	16,120	13,982
Depreciation of property, plant and equipment, investment properties and right-of-use assets (Notes 14 and 16)	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 research and development 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).

Notes to the Interim Financial Information

7 EXPENSES BY NATURE (continued)

Note: (continued)

- (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).

8 OTHER GAINS/(LOSSES), NET

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Subsidies and tax rebates	1,260	2,364	1,707	3,417
Others	(4,838)	(880)	(6,682)	(902)
	<u>(3,578)</u>	<u>1,484</u>	<u>(4,975)</u>	<u>2,515</u>

Notes to the Interim Financial Information

9 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 (Note (a))	94	3,161	251	8,220
Net fair value gains/(losses) on FVPL (Note (b) and Note 18)	2,001	631	1,378	(2,223)
Other net fair value (losses)/gains (Note (c))	(237)	(114)	409	(1,148)
Impairment (provisions)/reversals for investments in associates (Note 17(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 (Note (d))	(640)	(1,145)	(698)	(1,172)
Dividend income	762	234	1,008	524
Others	60	85	143	170
	2,638	(654)	4,045	2

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 17) on dilution of the Group's equity interests in certain associates due to new equity interests being issued by these associates.

Notes to the Interim Financial Information

9 NET GAINS/(LOSSES) FROM INVESTMENTS AND OTHERS (continued)

Note: (continued)

- (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).

10 FINANCE COSTS

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Interest and related expenses	3,541	2,918	6,927	5,962
Exchange losses/(gains), net	400	194	874	(24)
	<u>3,941</u>	<u>3,112</u>	<u>7,801</u>	<u>5,938</u>

Interest and related expenses mainly arose from borrowings, notes payable and lease liabilities as disclosed in Notes 26, 27 and 16, respectively.

Notes to the Interim Financial Information

11 TAXATION

(a) Income tax expense

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

(i) 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.

(ii) 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.

(iii) 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.

Notes to the Interim Financial Information

11 TAXATION (continued)

(a) Income tax expense (continued)

(iv) 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%.

(v) 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 (Note 22)	(966)	972	355	3,154
	<u>11,351</u>	<u>10,168</u>	<u>25,068</u>	<u>24,337</u>

Notes to the Interim Financial Information

11 TAXATION (continued)

(b) Value-added tax and other taxes

The operations of the Group are also mainly subject to the following taxes in the PRC:

Category	Tax rate	Basis of levy
Value-added tax ("VAT")	6~13%	Sales value of goods sold and services fee income, offset by VAT on purchases
Cultural construction fee	3% (Note)	Taxable advertising income
City construction tax	7%	Net VAT payable amount
Educational surcharges	5%	Net VAT payable amount

Note:

The rate of cultural construction fee has been reduced by 50% in certain regions during 1 July 2019 to 31 December 2027, and this fee was fully exempted during the period from 1 January 2020 to 31 December 2021.

(c) OECD Pillar Two model rules

The Organisation for Economic Co-operation and Development ("OECD") published Pillar Two model rules in December 2021, with the effect that a jurisdiction may enact domestic tax laws ("Pillar Two legislation") to implement the Pillar Two model rules on a globally agreed common approach. Pillar Two legislation applies to a member of a multinational group within the scope of the Pillar Two model rules, which the Group fell into. It imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%.

The Group has reviewed its corporate structure in light of the introduction of Pillar Two model rules in various jurisdictions and engaged external tax specialists in assisting the Group to continuously assess its tax exposure. The ongoing assessment of the Group takes into account the latest country-by-country reports or financial information for the Group's Interim Financial Information for the six months ended 30 June 2025.

As at 30 June 2025, the Group mainly operates in the Mainland of China and Hong Kong. Pillar Two legislation is not yet enacted or substantively enacted in the Mainland of China as at 30 June 2025.

Notes to the Interim Financial Information

11 TAXATION (continued)

(c) OECD Pillar Two model rules (continued)

Pillar Two legislation is effective in Hong Kong, Luxembourg, the Netherlands, Ireland, and certain other jurisdictions where the Group operates with immaterial current tax exposure for the six months ended 30 June 2025. While, Pillar Two legislation in certain other jurisdictions where the Group operates, will come into effect after 30 June 2025, it is estimated that the Group's income tax would not be materially different, if such legislation had been in effect for the six months ended 30 June 2025 and 2024.

The Group will continue assessing the Pillar Two tax exposure and the impacts on its consolidated financial statements accordingly.

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share ("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)	55,628	47,630	103,449	89,519
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
Basic EPS (RMB per share)	6.115	5.112	11.367	9.590

Notes to the Interim Financial Information

12 EARNINGS PER SHARE (continued)

(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)	(180)	(465)	(500)	(750)
Profit attributable to equity holders of the Company for the calculation of diluted EPS (RMB'Million)	55,448	47,165	102,949	88,769
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)	150	127	152	131
Weighted average number of ordinary shares for the calculation of diluted EPS (million shares)	9,247	9,445	9,253	9,466
Diluted EPS (RMB per share)	5.996	4.994	11.126	9.377

Notes to the Interim Financial Information

13 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.

14 PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS

	Unaudited			
	Property, plant and equipment RMB'Million	Construction in progress RMB'Million	Investment properties RMB'Million	Intangible assets RMB'Million
Net book amount at 1 January 2025	80,185	12,302	801	196,127
Business combinations	26	–	–	11,489
Additions	48,417	3,283	–	13,713
Transfers	1,159	(1,145)	108	–
Disposals	(43)	(2)	(1)	(105)
Depreciation/amortisation	(11,360)	–	(11)	(16,120)
Impairment provisions	–	–	–	(310)
Currency translation differences	181	–	(2)	11,038
Net book amount at 30 June 2025	118,565	14,438	895	215,832
Net book amount at 1 January 2024	53,232	13,583	570	177,727
Business combinations	7	–	–	3,429
Additions	11,375	2,846	1	14,120
Transfers	2,832	(2,928)	96	–
Disposals	(90)	(40)	–	(978)
Depreciation/amortisation	(10,139)	–	(8)	(13,982)
Impairment reversals/(provisions)	33	–	–	(70)
Currency translation differences	(55)	2	–	(2,625)
Net book amount at 30 June 2024	57,195	13,463	659	177,621

Notes to the Interim Financial Information

14 PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS, INVESTMENT PROPERTIES AND INTANGIBLE ASSETS (continued)

Non-financial assets that have an indefinite useful life or are not yet available for use are not subject to amortisation or depreciation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Non-financial assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

There was no indication of impairment for property, plant and equipment, construction in progress and investment properties during the six months ended 30 June 2025 and 2024.

The Group adjusted the estimated useful life of a subset of servers within the computer and other operating equipment category of property, plant and equipment from 4 years to 6 years with effect from 1 January 2025 (the “Effective Date”). This change in the estimated useful life was applied prospectively from the Effective Date, which would result in decreased depreciation charges and increased net profit for the current and future periods. For the six months ended 30 June 2025, such effects calculated based on the carrying amounts of those servers existing on the Effective Date, were considered to be immaterial.

15 LAND USE RIGHTS

	Unaudited Six months ended 30 June	
	2025 RMB'Million	2024 RMB'Million
Net book amount at 1 January	23,117	17,179
Additions	102	6,615
Transfer	(122)	–
Amortisation	(333)	(317)
Disposals	(72)	–
Currency translation differences	1	2
Net book amount at 30 June	22,693	23,479

The land use rights mainly represented prepaid operating lease payments in respect of land in the Mainland of China with remaining lease periods ranging from 24 to 50 years as at 30 June 2025.

Notes to the Interim Financial Information

16 LEASES (EXCLUDING LAND USE RIGHTS)

(a) Amounts recognised in condensed consolidated statement of financial position

Movement of right-of-use assets (excluding land use rights, disclosed in Note 15) is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'Million	RMB'Million
Net book amount at 1 January	17,679	20,464
Business combinations	73	33
Additions	2,658	1,801
Depreciation	(3,070)	(3,053)
Reduction (Note)	(480)	(467)
Currency translation differences	92	22
Net book amount at 30 June	16,952	18,800

Note:

The reduction of right-of-use assets during the six months ended 30 June 2025 and 2024 mainly arose from early termination and modification of lease contracts.

Notes to the Interim Financial Information

16 LEASES (EXCLUDING LAND USE RIGHTS) (continued)

(b) Amounts recognised in condensed consolidated income statement and condensed consolidated statement of cash flows

The condensed consolidated income statement included the following amounts relating to leases (excluding the amortisation of land use rights, disclosed in Note 15):

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Depreciation charge of right-of-use assets				
Buildings	629	685	1,272	1,372
Computer and other operating equipment	933	806	1,773	1,664
Others	13	6	25	11
	<u>1,575</u>	<u>1,497</u>	<u>3,070</u>	<u>3,047</u>
Interest expense (included in finance costs)	208	216	408	443
Expense relating to short-term leases not included in lease liabilities (included in cost of revenues and expenses)	317	322	592	665
Expense relating to variable lease payments not included in lease liabilities (included in cost of revenues and expenses)	1,023	1,140	2,057	2,095

Notes to the Interim Financial Information

16 LEASES (EXCLUDING LAND USE RIGHTS) (continued)

(b) Amounts recognised in condensed consolidated income statement and condensed consolidated statement of cash flows (continued)

Some leases of computer and other operating equipment contain variable lease payments. Variable payments are used for a variety of reasons, including managing cash outflows and minimising fixed costs. Variable lease payments that depend on usage of bandwidth are recognised in profit or loss in the period in which the conditions that trigger those payments occur. Variable lease payments relating to computer and other operating equipment leases during the six months ended 30 June 2025 were considered to be insignificant.

The total cash outflow in financing activities for leases during the six months ended 30 June 2025 was approximately RMB3,678 million (six months ended 30 June 2024: RMB3,168 million), including principal elements of lease payments of approximately RMB3,265 million (six months ended 30 June 2024: RMB2,777 million) and related interest paid of approximately RMB413 million (six months ended 30 June 2024: RMB391 million), respectively.

17 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).

Notes to the Interim Financial Information

17 INVESTMENTS IN ASSOCIATES (continued)

Movement of investments in associates is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'Million	RMB'Million
At beginning of period	290,343	253,696
Additions (Note (a))	9,984	2,009
Transfers	(175)	1,070
Dilution (losses)/gains on deemed disposals (Note 9(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 (Note (b) and Note 9)	355	(4,152)
Currency translation differences	(239)	(243)
At end of period	307,573	262,961

Notes to the Interim Financial Information

17 INVESTMENTS IN ASSOCIATES (continued)

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) Both external and internal sources of information of associates are considered in assessing whether there is any indicator that the investments may be impaired, including but not limited to information about financial position and business performance of the associates, and a significant or prolonged decline in the fair value of an investment below its carrying amount is also objective evidence of impairment. The Group carries out impairment assessments on those investments with impairment indicators, and the respective recoverable amounts of investments are determined with reference to the higher of fair value less costs of disposal and value in use.

In respect of the recoverable amount using value in use, the discounted cash flows calculations are based on cash flow projections estimated by management and the key assumptions adopted in these cash flow projections include revenue growth rates, terminal growth rates and discount rates. In respect of the recoverable amount based on fair value less costs of disposal, the amount is calculated with reference to their respective market prices for listed investments, or using certain key valuation assumptions including the selection of comparable companies, recent market transactions, liquidity discounts adopted for lack of marketability for unlisted investments.

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 where the respective fair values had been determined according to the principle set out in Note 5(c).

Management had assessed the level of influence that the Group was able to exercise on certain associates with the respective shareholding below 20% and certain associates with shareholding over 50% (voting power below 50%), with total carrying amounts of approximately RMB218,678 million and RMB2,384 million as at 30 June 2025, respectively (31 December 2024: RMB190,114 million and RMB18,782 million, respectively). Management had determined that it had significant influence thereon through the board of directors representation or other arrangements made, but it had no control or joint control over such investees since the Group had no power to direct or jointly direct relevant activities due to other arrangements made. Consequently, these investments had been classified as associates.

Notes to the Interim Financial Information

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

FVPL include the following:

Included in non-current assets:

Investments in listed entities
Investments in unlisted entities
Treasury investments and others

Included in current assets:

Treasury investments and others

Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
5,897	8,655
181,685	178,824
19,681	17,520
207,263	204,999
18,235	9,568
225,498	214,567

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 (Note (a))	70,698	14,235
Changes in fair value (Note 9)	1,378	(2,223)
Disposals and others	(60,924)	(23,226)
Currency translation differences	(221)	878
At end of period	225,498	215,712

Notes to the Interim Financial Information

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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.

Management had assessed the level of influence that the Group was able to exercise on certain FVPL with shareholding exceeding 20%. Since these investments were either held in the form of redeemable instruments or interests in limited partnerships without significant influence, these investments had been classified as FVPL.

19 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
	401,756	302,360
Included in current assets:		
Treasury investments	6,604	3,345
	408,360	305,705

Notes to the Interim Financial Information

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

Movement of FVOCI is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2025	2024
	RMB'Million	RMB'Million
At beginning of period	305,705	213,951
Additions and transfers (Note (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	408,360	254,286

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.

Notes to the Interim Financial Information

20 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Included in non-current assets:		
Prepayments for media content	10,967	12,429
Prepayments for purchase of property, plant and equipment, land use rights and other capital assets	9,638	20,183
Loans to investees and investees' shareholders (Note (a))	3,844	3,374
Running royalty fees for online games (Note (b))	786	1,294
Prepayments for capital transactions	246	9
Others	5,693	5,539
	31,174	42,828
Included in current assets:		
Prepayments and prepaid expenses	26,893	31,265
Running royalty fees for online games (Note (b))	21,415	17,335
Receivables related to financial services (Note (c))	19,321	19,838
Interest receivables	9,896	10,021
Loans to investees and investees' shareholders (Note (a))	4,345	3,175
Lease and other deposits	1,848	1,731
Dividend and other investment-related receivables	1,350	1,005
Others	24,342	16,674
	109,410	101,044
	140,584	143,872

Notes to the Interim Financial Information

20 PREPAYMENTS, DEPOSITS AND OTHER ASSETS (continued)

Note:

- (a) As at 30 June 2025, the balances of loans to investees and investees' shareholders were mainly repayable within a period of one to six years (included in non-current assets), or within one year (included in current assets), and were interest-bearing at rates of not higher than 10.0% per annum (31 December 2024: not higher than 10.0% per annum). The loan arrangements are in line with the Group's overall business strategy.
- (b) Running royalty fees for online games comprised prepaid royalty fees, unamortised running royalty fees and deferred Online Service Fees.
- (c) Loan receivables related to the Group's financial services were initially measured at fair value. Given the business models in which the loan receivables are held, they were subsequently measured at amortised cost. During the six months ended 30 June 2025 and 2024, the impairment loss on loan receivables related to financial services was immaterial.

As at 30 June 2025, loss allowance made against the gross amounts of deposits and other receivables subject to the expected credit loss model amounted to approximately RMB1,771 million (31 December 2024: RMB2,943 million).

As at 30 June 2025 and 31 December 2024, the carrying amounts of prepayments, deposits and other assets (excluding prepayments and refundable VAT) approximated their fair values.

Notes to the Interim Financial Information

21 OTHER FINANCIAL ASSETS

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Measured at amortised cost:		
Treasury investments	1,783	1,520
Measured at fair value:		
Derivative instruments and others (Note)	3,755	4,306
	5,538	5,826
Included in:		
Non-current assets	1,413	1,076
Current assets	4,125	4,750
	5,538	5,826

Note:

The Group's derivative instruments and others included outstanding interest rate swap contracts, which were measured at fair value and used to hedge the exposure arising from certain borrowings carried at floating rates as at 30 June 2025. As at 30 June 2025, the aggregate notional principal amounts of outstanding interest rate swap contracts were USD2,940 million (equivalent to approximately RMB21,046 million) (31 December 2024: USD2,150 million (equivalent to approximately RMB15,455 million)).

Notes to the Interim Financial Information

22 DEFERRED INCOME TAXES

Deferred income tax assets/liabilities are analysed as follows:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Gross deferred income tax assets	37,888	34,957
Set-off of deferred income tax assets pursuant to set-off provisions	(7,884)	(6,632)
Net deferred income tax assets	30,004	28,325
Gross deferred income tax liabilities	(24,772)	(25,178)
Set-off of deferred income tax liabilities pursuant to set-off provisions	7,884	6,632
Net deferred income tax liabilities	(16,888)	(18,546)

Note:

Deferred income tax assets and liabilities are offset where: (i) there is a legally enforceable right to offset current tax assets against current tax liabilities; and (ii) the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the Interim Financial Information

22 DEFERRED INCOME TAXES (continued)

The movements of the deferred income tax assets/liabilities before offsetting are as follows:

	Deferred income tax assets RMB'Million	Unaudited Deferred income tax liabilities RMB'Million	Deferred income tax, net RMB'Million
At 1 January 2025	34,957	(25,178)	9,779
Business combinations	–	(637)	(637)
Credited/(charged) to consolidated income statement (Note 11(a))	2,696	(3,051)	(355)
Withholding taxes utilised	–	6,532	6,532
Charged to consolidated statement of changes in equity	(68)	(2,061)	(2,129)
Transfer upon disposal and deemed disposal of financial instruments	(3)	1	(2)
Currency translation differences	306	(378)	(72)
At 30 June 2025	37,888	(24,772)	13,116
At 1 January 2024	35,643	(24,261)	11,382
Business combinations	–	(432)	(432)
Credited/(charged) to consolidated income statement (Note 11(a))	2,550	(5,704)	(3,154)
Withholding taxes utilised	–	8,623	8,623
Credited to consolidated statement of changes in equity	21	438	459
Currency translation differences	(19)	184	165
At 30 June 2024	38,195	(21,152)	17,043

Note:

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available to utilise temporary differences and tax losses.

Notes to the Interim Financial Information

23 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

As at 30 June 2025 and 31 December 2024, the majority of the Group's accounts receivable were denominated in RMB.

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.

As at 30 June 2025, loss allowance against the gross amounts of accounts receivable amounted to approximately RMB5,016 million (31 December 2024: RMB6,684 million).

As at 30 June 2025 and 31 December 2024, the carrying amounts of the accounts receivable approximated their fair values.

Notes to the Interim Financial Information

24 SHARE CAPITAL

As at 30 June 2025 and 31 December 2024, the authorised share capital of the Company comprised 50,000,000,000 ordinary shares with par value of HKD0.00002 per share.

Number of ordinary shares, issued and fully paid	Unaudited	
	Six months ended 30 June	
	2025	2024
At beginning of period	9,224,914,953	9,482,992,820
Shares allotted for share award schemes	16,975,970	23,004,689
Issuance of shares under share option schemes	9,829,699	10,549,456
Repurchase and cancellation of shares	(86,207,000)	(161,950,000)
At end of period	9,165,513,622	9,354,596,965

As at 30 June 2025, the total number of issued ordinary shares of the Company included 85,166,409 shares (31 December 2024: 82,739,793 shares) held for the share award schemes.

In January 2025, the Company had cancelled 9,250,000 of its own shares which had been purchased but not cancelled as at 31 December 2024. During the six months ended 30 June 2025, the Company repurchased an aggregate number of 81,867,000 of its own shares from the market, out of which 4,910,000 had not been cancelled as at 30 June 2025 (six months ended 30 June 2024: the Company repurchased an aggregate number of 154,730,000 of its own shares from the market, out of which 10,610,000 had not been cancelled as at 30 June 2024).

Notes to the Interim Financial Information

25 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.

Notes to the Interim Financial Information

25 SHARE-BASED PAYMENTS (continued)

(a) Share option schemes (continued)

(i) Movements in the share options

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

	Unaudited 2023 Share Option Scheme	
	Average exercise price	Number 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

	Unaudited Post-IPO Option Scheme II		Unaudited 2023 Share Option Scheme		Total
	Average exercise price	Number of options	Average exercise price	Number of options	Number 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

Notes to the Interim Financial Information

25 SHARE-BASED PAYMENTS (continued)

(a) Share option schemes (continued)

(i) Movements in the share options (continued)

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

During the six months ended 30 June 2025, 24,189,201 options (six months ended 30 June 2024: 20,087,434 options) were exercised and the right to receive 14,359,502 shares (six months ended 30 June 2024: 9,537,978 shares) was surrendered by certain grantees to set off against the exercise consideration and individual income tax payable by the grantees when they exercised their options. The weighted average price of the shares at the time these options were exercised was HKD508.93 per share (equivalent to approximately RMB469.72 per share) (six months ended 30 June 2024: HKD301.87 per share (equivalent to approximately RMB274.02 per share)).

(ii) Outstanding share options

Details of the expiry dates, exercise prices and the respective numbers of share options which remained outstanding as at 30 June 2025 and 31 December 2024 are as follows:

Expiry Date	Range of exercise price	Number of share options	
		Unaudited 30 June 2025	Audited 31 December 2024
7 years commencing from the date of grant of options	HKD276.01 ~ HKD348.04	67,120,557	70,388,222
	HKD357.86 ~ HKD387.16	4,530,593	25,335,652
	HKD433.54 ~ HKD511.83	8,112,650	8,514,761
	HKD526.90 ~ HKD533.39	11,636,960	4,982,490
		91,400,760	109,221,125

The outstanding share options as of 30 June 2025 were divided into one to four tranches at their grant dates. The first tranche can be exercised after a specified period ranging from around one month to five years from the grant date, and then the remaining tranches will become exercisable in each subsequent year.

Notes to the Interim Financial Information

25 SHARE-BASED PAYMENTS (continued)

(a) Share option schemes (continued)

(iii) Fair value of options

The directors of the Company had used the Binomial Model to determine the fair value of the options as at the respective grant dates, which was to be expensed over the relevant vesting periods. The weighted average fair value of options granted during the six months ended 30 June 2025 was HKD174.85 per share (equivalent to approximately RMB161.48 per share) (six months ended 30 June 2024: HKD103.11 per share (equivalent to approximately RMB93.53 per share)).

Other than the exercise price mentioned above, significant judgments on parameters, such as risk-free rate, dividend yield and expected volatility, were required to be made by the directors in applying the Binomial Model, which are summarised as below:

	Unaudited	
	Six months ended 30 June	
	2025	2024
Weighted average share price at the grant date	HKD519.50	HKD291.20
Risk-free rate	3.19%	3.52%
Dividend yield	0.48%	0.39%
Expected volatility (Note)	39%	38%

Note:

The expected volatility, measured as the standard deviation of expected share price returns, is determined based on the average daily trading price volatility of the shares of the Company.

Notes to the Interim Financial Information

25 SHARE-BASED PAYMENTS (continued)

(b) Share award scheme

As at 30 June 2025, the Company had 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).

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant dates, which was to be expensed over the relevant vesting periods. The expected dividends during the vesting period had been taken into account when assessing the fair value of these awarded shares.

The weighted average fair value of awarded shares granted during the six months ended 30 June 2025 was HKD519.50 per share (equivalent to approximately RMB479.77 per share) (six months ended 30 June 2024: HKD287.02 per share (equivalent to approximately RMB260.52 per share)).

The outstanding awarded shares as of 30 June 2025 were divided into one to seven tranches as at their grant dates. The first tranche can be exercised immediately or after a specified period ranging from around one month to seven years from the grant date, and the remaining tranches will become exercisable in each subsequent year.

Notes to the Interim Financial Information

25 SHARE-BASED PAYMENTS (continued)

(c) Employee investment schemes

For aligning the interests of key employees with the Group, the Group established several employees' investment plans in the form of limited liability partnerships (the "EISs"), among which the three EISs approved/established in 2015, 2017 and 2021 were in effect as at 30 June 2025. According to the terms of the EISs, the Board may, at its absolute discretion, invite any qualifying participants of the Group, excluding any director of the Company, to participate in the EISs by subscribing for the partnership interest at cash consideration. The participating employees are entitled to the economic benefits generated by the EISs, if any, after a specified vesting period under the respective EISs, ranging from four to seven years. Wholly-owned subsidiaries of the Company acting as general partners of these EISs administer and in essence, control the EISs. These EISs are therefore consolidated by the Company as structured entities.

The related share-based compensation expenses incurred for the six months ended 30 June 2025 and 2024 were insignificant to the Group.

(d) Share options and share award schemes adopted by subsidiaries

Certain subsidiaries of the Company operate their own share-based compensation plans (share options and/or share award schemes). The exercise prices of the share options, as well as the vesting periods of the share options and awarded shares are determined by the respective board of directors of these subsidiaries at their sole discretion and in accordance with the relevant rules. The share options or awarded shares of the subsidiaries granted are normally vested by several tranches. Participants of some subsidiaries have the right to request the Group to repurchase their vested equity interests of the respective subsidiaries (the "Repurchase Transaction"). The Group has discretion to settle the Repurchase Transaction either by using equity instruments of the Company or by cash. For the Repurchase Transaction where the Group has settlement options, the directors of the Company are currently of the view that some of them would be settled by equity instruments of the Company. As a result, they are accounted for using equity-settled share-based payment method. For the rest of them to be settled in cash, they are accounted for using cash-settled share-based payment method.

(e) Expected Retention Rate of grantees

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of the options and awarded shares (the "Expected Retention Rate") in order to determine the amount of share-based compensation expenses charged to the condensed consolidated income statement. As at 30 June 2025, the Expected Retention Rate of the Group's wholly-owned subsidiaries was assessed to be not lower than approximately 88% (31 December 2024: not lower than approximately 88%).

Notes to the Interim Financial Information

26 BORROWINGS

Included in non-current liabilities:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Non-current portion of long-term RMB bank borrowings, unsecured (Note (a))	133,425	48,655
Non-current portion of long-term USD bank borrowings, unsecured (Note (a))	49,394	92,012
Non-current portion of long-term HKD bank borrowings, unsecured (Note (a))	11,313	5,837
Non-current portion of long-term EUR bank borrowings, unsecured (Note (a))	8,823	–
Non-current portion of long-term JPY bank borrowings, unsecured (Note (a))	10	14
Non-current portion of long-term EUR bank borrowings, secured (Note (a))	1	3
	202,966	146,521

Included in current liabilities:

RMB bank borrowings, unsecured (Note (b))	38,905	28,039
USD bank borrowings, unsecured (Note (b))	16,107	20,487
HKD bank borrowings, unsecured (Note (b))	3,465	–
RMB bank borrowings, secured (Note (b))	100	–
Current portion of long-term RMB bank borrowings, unsecured (Note (a))	40	28
Current portion of long-term JPY bank borrowings, unsecured (Note (a))	12	12
Current portion of long-term EUR bank borrowings, secured (Note (a))	2	3
Current portion of long-term USD bank borrowings, unsecured (Note (a))	–	4,313
Current portion of long-term EUR bank borrowings, unsecured (Note (a))	–	3
	58,631	52,885
	261,597	199,406

Notes to the Interim Financial Information

26 BORROWINGS (continued)

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%

The long-term bank borrowings are repayable as follows:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Within 1 year	54	4,359
Between 1 and 2 years	1,925	45,784
Between 2 and 5 years	196,089	95,759
Over 5 years	4,952	4,978
	203,020	150,880

Notes to the Interim Financial Information

26 BORROWINGS (continued)

Note: (continued)

(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%	—	—

The Group had entered into interest rate swap contracts to hedge its exposure arising from certain long-term bank borrowings carried at floating rates. The Group's outstanding interest rate swap contracts as at 30 June 2025 and 31 December 2024 are detailed in Note 21.

As at 30 June 2025 and 31 December 2024, the carrying amounts of borrowings approximated their fair values.

The Group had complied with all of the financial covenants of its borrowing facilities for the six months ended 30 June 2025 and 2024.

Notes to the Interim Financial Information

27 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%

Notes to the Interim Financial Information

27 NOTES PAYABLE (continued)

The notes payable are repayable as follows:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Within 1 year	12,880	8,623
Between 1 and 2 years	–	10,774
Between 2 and 5 years	55,370	39,455
More than 5 years	63,968	80,357
	<u>132,218</u>	<u>139,209</u>

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.

As at 30 June 2025, the fair value of the notes payable amounted to approximately RMB115,988 million (31 December 2024: RMB119,824 million). The respective fair value was assessed based on the active market prices of these notes at the reporting date or by making reference to similar instruments traded in the observable market.

28 LONG-TERM PAYABLES

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Cash-settled share-based compensation payables (Note 25(d))	4,447	1,992
Payables relating to media content and running royalty fee for online games	2,464	2,560
Payables relating to capital transaction	72	73
Others	5,818	5,576
	<u>12,801</u>	<u>10,201</u>

Notes to the Interim Financial Information

29 OTHER FINANCIAL LIABILITIES

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Measured at amortised cost:		
Redemption liabilities (Note)	9,899	8,725
Measured at fair value:		
Contingent consideration	942	1,176
Others	1,084	638
	2,026	1,814
	11,925	10,539
Included in:		
Non-current liabilities	5,627	4,203
Current liabilities	6,298	6,336
	11,925	10,539

Note:

It comprised redemption liabilities arising from put option arrangements made with non-controlling shareholders of acquired subsidiaries of approximately RMB9,899 million (31 December 2024: RMB8,725 million).

Notes to the Interim Financial Information

30 ACCOUNTS PAYABLE

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

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 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

31 OTHER PAYABLES AND ACCRUALS

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Staff costs and welfare accruals	24,730	33,340
Selling and marketing expenses accruals	4,583	5,291
Purchase of land use rights, buildings and construction related costs	4,162	3,900
General and administrative expenses accruals	3,903	4,235
Purchase consideration payables for investee companies	2,821	2,984
Interests payable	1,332	1,409
Prepayments received from customers and others	998	1,042
Others (Note)	34,333	31,831
	76,862	84,032

Note:

Others primarily consist of deposits from third parties, reserve for platform services, sundry payables and other accruals.

Notes to the Interim Financial Information

32 DEFERRED REVENUE

The Group's deferred revenue includes contract liabilities and refundable advance payments in certain businesses. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. The Group's contract liabilities mainly comprise unamortised virtual items, prepaid subscription fees, prepaid tokens or cards, Internet traffic and other support to be offered to certain investee companies in the future periods measured at their fair value on the inception dates, and customer loyalty incentives.

33 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.

34 CONTINGENCIES

The Group had no material contingent liabilities outstanding as at 30 June 2025.

Notes to the Interim Financial Information

35 COMMITMENTS

(a) Capital commitments

Capital commitments as at 30 June 2025 and 31 December 2024 are analysed as follows:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Contracted:		
Construction/purchase of buildings	2,563	2,937
Capital investments in investees	8,820	9,298
Purchase of other capital assets	3,069	2,470
	<u>14,452</u>	<u>14,705</u>

Except for the commitments disclosed above, Tencent Music, a subsidiary of the Group has proposed to acquire one of the Group's existing investee companies accounted for as FVPL, which is one of the leading online audio platforms in China. Upon closing of the transaction, this investee company will become a wholly-owned subsidiary of the Group. The Group's aggregate consideration for the acquisition will consist of a combination of cash consideration and certain ordinary shares to be issued by Tencent Music. The closing of the transaction is subject to relevant regulatory approvals and certain other closing conditions.

(b) Other commitments

The Group's commitments under agreements mainly for bandwidth, online game licensing, media content and other technical services, which were contracted but not provided in the condensed consolidated financial statements, are as follows:

	Unaudited 30 June 2025 RMB'Million	Audited 31 December 2024 RMB'Million
Contracted:		
Not later than one year	15,459	11,799
Later than one year and not later than five years	13,022	13,612
Later than five years	5,447	5,659
	<u>33,928</u>	<u>31,070</u>

Notes to the Interim Financial Information

36 RELATED PARTY TRANSACTIONS

Except as disclosed in Note 20 (Loans to investees and investees' shareholders) and Note 25 (Share-based payments) to the Interim Financial Information, other significant transactions carried out between the Group and its related parties during the reporting periods are presented as follows. These related party transactions were carried out in the normal course of business and on terms negotiated between the Group and the respective related parties.

(a) Significant transactions with related parties

The Group has commercial arrangements with certain associates and joint ventures to provide Marketing Services, FinTech and Business Services, and other services, the revenues from which, for the six months ended 30 June 2025, amounted to approximately RMB2,197 million, RMB23,510 million and RMB2,064 million, respectively (six months ended 30 June 2024: RMB2,634 million, RMB22,033 million and RMB1,340 million, respectively).

The Group has commercial arrangements with certain associates and joint ventures to purchase online game licences and related services, media content and related services, FinTech and Business Services and others, the costs and expenses of which, for the six months ended 30 June 2025, amounted to approximately RMB2,506 million, RMB1,307 million, RMB843 million and RMB855 million, respectively (six months ended 30 June 2024: RMB2,539 million, RMB1,887 million, RMB1,037 million and RMB866 million, respectively).

(b) Period end balances with related parties

As at 30 June 2025, accounts receivable and other receivables from related parties were approximately RMB11,443 million and RMB300 million, respectively (31 December 2024: RMB10,255 million and RMB309 million, respectively).

As at 30 June 2025, accounts payable and other payables to related parties were approximately RMB2,779 million and RMB255 million, respectively (31 December 2024: RMB3,215 million and RMB296 million, respectively).

The Group has certain business co-operation arrangements with certain associates, which are engaged in various Internet businesses including eCommerce, Online-To-Offline platforms, and FinTech services, in respect of the provision of various services such as FinTech services, business services and marketing services to these associates. As at 30 June 2025, contract liabilities arising from these business co-operation arrangements were approximately RMB927 million (31 December 2024: RMB848 million).

The Group has entered into certain contracts for purchasing services or content with certain associates or joint ventures. As at 30 June 2025, commitments in respect of these agreements amounted to approximately RMB4,434 million (31 December 2024: RMB4,542 million).

Other than the transactions and balances disclosed above or elsewhere in the Interim Financial Information, the Group had no other material transactions with related parties during the six months ended 30 June 2025 and 2024, and no other material balances with related parties as at 30 June 2025 and 31 December 2024.

Notes to the Interim Financial Information

37 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.

DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2025, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(A) Long position in the shares and underlying shares of the Company

Name of director	Nature of interest	Number of shares/ underlying shares held	Approximate % of shareholding (Note 7)
Ma Huateng	Corporate (Note 1)	804,859,700	8.78%
Li Dong Sheng	Personal*	82,350 (Note 2)	0.0009%
Ian Charles Stone	Personal* Family ⁺	73,951 240,000 <hr/> 313,951 (Note 3)	0.003%
Yang Siu Shun	Personal*	50,690 (Note 4)	0.0006%
Ke Yang	Personal*	64,719 (Note 5)	0.0007%
Zhang Xiulan	Personal*	37,639 (Note 6)	0.0004%



Other Information

Note:

1. Advance Data Services Limited, a British Virgin Islands company wholly-owned by Mr Ma Huateng, holds 709,859,700 shares directly and 95,000,000 shares indirectly through its wholly-owned subsidiary, Ma Huateng Global Foundation.
2. The interest comprises 54,037 shares and 28,313 underlying shares in respect of the outstanding Awarded Shares which remained unvested under the 2023 Share Award Scheme. Details of the Awarded Shares granted to this director are set out below under “Share Award Scheme”.
3. The interest comprises 257,329 shares and 56,622 underlying shares in respect of the outstanding Awarded Shares which remained unvested under the 2023 Share Award Scheme. Details of the Awarded Shares granted to this director are set out below under “Share Award Scheme”.
4. The interest comprises 360 shares and 50,330 underlying shares in respect of the outstanding Awarded Shares which remained unvested under the 2023 Share Award Scheme. Details of the Awarded Shares granted to this director are set out below under “Share Award Scheme”.
5. The interest comprises 36,406 shares and 28,313 underlying shares in respect of the outstanding Awarded Shares which remained unvested under the 2023 Share Award Scheme. Details of the Awarded Shares granted to this director are set out below under “Share Award Scheme”.
6. The interest comprises 8,328 shares and 29,311 underlying shares in respect of the outstanding Awarded Shares which remained unvested under the 2023 Share Award Scheme. Details of the Awarded Shares granted to this director are set out below under “Share Award Scheme”.
7. As at 30 June 2025, the total number of issued shares of the Company was 9,165,513,622.

* Interests of beneficial owner

+ Interests of spouse or child under 18 as beneficial owner

(B) Long position in the shares of associated corporations of the Company

Name of director	Name of associated corporation	Nature of interest	Number of shares and class of shares held	Approximate % of shareholding
Ma Huateng	Tencent Computer	Personal	RMB35,285,705 (registered capital)	54.29%
	Shiji Kaixuan	Personal	RMB5,971,427 (registered capital)	54.29%

Save as disclosed above, none of the directors or chief executive of the Company and their associates, had interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations as at 30 June 2025.

SHARE OPTION SCHEME

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. Movements of the share options under the 2023 Share Option Scheme during the six months ended 30 June 2025 are detailed in Note 25 to the Interim Financial Information as included in this interim report.

The total number of options available for grant under the scheme mandate of the 2023 Share Option Scheme as at 1 January 2025 and 30 June 2025 were 262,443,505 and 255,780,315, respectively. The total number of options available for grant under the Service Providers sub-limit of the 2023 Share Option Scheme as at 1 January 2025 and 30 June 2025 were both 958,794.

As at 30 June 2025, no director of the Company was holding any outstanding share options under the 2023 Share Option Scheme.

Other Information

Details of movements of share options granted to the Employee Participants during the six months ended 30 June 2025 are as follows:

Date of grant	Number of share options				As at 30 June 2025	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2025	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited during the period			
16 Jan 2018	15	–	–	15	–	387.16	16 Jan 2019 to 15 Jan 2025 (Note 2)
9 Apr 2018	1,483,155	–	1,483,070	85	–	358.11	9 Apr 2019 to 8 Apr 2025 (Note 1)
9 Apr 2018	170,555	–	170,555	–	–	358.11	9 Apr 2019 to 8 Apr 2025 (Note 2)
9 Apr 2018	14,323,660	–	14,323,660	–	–	358.11	9 Apr 2019 to 8 Apr 2025 (Note 3)
	4,804,560	–	4,804,560	–	–	357.86	
22 Jun 2018	13,055	–	13,055	–	–	348.04	22 Jun 2019 to 21 Jun 2025 (Note 1)
22 Jun 2018	70,525	–	70,525	–	–	348.04	22 Jun 2019 to 21 Jun 2025 (Note 2)
6 Jul 2018	1,706,346	–	1,629,452	–	76,894	332.87	6 Jul 2019 to 5 Jul 2025 (Note 3)
	773,703	–	727,792	–	45,911	332.47	
6 Jul 2018	647	–	647	–	–	332.87	6 Jul 2021 to 5 Jul 2025 (Note 5)
	3,008	–	3,008	–	–	332.47	
	2,833	–	2,833	–	–	331.57	
	4,534	–	4,534	–	–	331.40	
24 Aug 2018	7,900	–	7,900	–	–	302.78	24 Aug 2019 to 23 Aug 2025 (Note 2)
4 Apr 2019	160,240	–	23,075	–	137,165	321.04	4 Apr 2020 to 3 Apr 2026 (Note 1)
4 Apr 2019	2,894,848	–	–	–	2,894,848	321.04	4 Apr 2020 to 3 Apr 2026 (Note 3)
	1,447,425	–	–	–	1,447,425	320.78	
	1,447,427	–	–	–	1,447,427	320.45	
4 Apr 2019	17,500,000	–	–	–	17,500,000	320.01	4 Apr 2024 to 3 Apr 2026 (Note 6)
8 Jul 2019	609,987	–	43,570	4	566,413	306.21	8 Jul 2020 to 7 Jul 2026 (Note 3)
	392,111	–	58,730	3	333,378	305.79	
	395,896	–	57,092	–	338,804	304.61	

Other Information

Date of grant	Number of share options				As at 30 June 2025	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2025	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited during the period			
8 Jul 2019	2,545	–	166	–	2,379	306.21	8 Jul 2021 to 7 Jul 2026 (Note 4)
	2,546	–	166	–	2,380	305.79	
	313	–	166	–	147	304.61	
	281	–	167	–	114	301.46	
23 Aug 2019	9,870	–	–	–	9,870	288.46	15 Aug 2020 to 22 Aug 2026 (Note 10)
23 Aug 2019	43,732	–	–	–	43,732	288.89	15 Aug 2020 to 22 Aug 2026 (Note 7)
	21,866	–	–	–	21,866	288.46	
	46,236	–	–	–	46,236	287.49	
8 Jan 2020	74,340	–	–	–	74,340	330.89	15 Dec 2020 to 7 Jan 2027 (Note 10)
	37,170	–	–	–	37,170	329.92	
20 Mar 2020	89,127	–	2,999	789	85,339	305.66	21 Jan 2021 to 19 Mar 2027 (Note 9)
	173,852	–	8,346	790	164,716	305.64	
20 Mar 2020	1,697,498	–	–	–	1,697,498	305.66	20 Mar 2021 to 19 Mar 2027 (Note 8)
	1,697,500	–	–	–	1,697,500	305.49	
	1,697,500	–	–	–	1,697,500	304.23	
	1,697,502	–	–	–	1,697,502	303.74	
10 Jul 2020	272,643	–	6,058	771	265,814	472.04	5 Jul 2021 to 9 Jul 2027 (Note 8)
	285,536	–	5,141	772	279,623	471.92	
	285,385	–	5,045	772	279,568	470.14	
	275,449	–	7,477	773	267,199	469.87	
10 Jul 2020	876	–	–	876	–	471.92	5 Jul 2022 to 9 Jul 2027 (Note 8)
	877	–	–	877	–	470.14	
	877	–	–	877	–	469.87	
21 Aug 2020	3,511	–	–	–	3,511	444.32	15 Aug 2021 to 20 Aug 2027 (Note 10)
	3,512	–	–	–	3,512	444.01	
	3,512	–	–	–	3,512	443.08	



Other Information

Date of grant	Number of share options				As at 30 June 2025	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2025	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited during the period			
21 Aug 2020	239	–	239	–	–	444.32	15 Aug 2021 to 20 Aug 2027 (Note 8)
	240	–	240	–	–	444.01	
	240	–	240	–	–	443.08	
	240	–	240	–	–	442.82	
23 Nov 2020	46,501	–	–	–	46,501	511.83	15 Oct 2021 to 22 Nov 2027 (Note 9)
	7,510	–	–	–	7,510	511.59	
23 Nov 2020	2,951	–	–	2,951	–	511.83	15 Oct 2021 to 22 Nov 2027 (Note 10)
	2,952	–	–	2,952	–	511.59	
	2,952	–	–	2,952	–	510.71	
23 Nov 2020	4,206	–	–	–	4,206	511.83	15 Nov 2021 to 22 Nov 2027 (Note 8)
	4,206	–	–	–	4,206	511.54	
	4,206	–	–	–	4,206	510.57	
	4,207	–	–	–	4,207	508.53	
30 Mar 2021	499,031	–	–	4,358	494,673	533.39	8 Feb 2022 to 29 Mar 2028 (Note 9)
	499,207	–	–	4,362	494,845	533.13	
30 Mar 2021	25,083	–	–	–	25,083	533.39	8 Feb 2022 to 29 Mar 2028 (Note 8)
	25,083	–	–	–	25,083	533.13	
	25,084	–	–	–	25,084	532.35	
	25,085	–	–	–	25,085	531.71	
30 Mar 2021	1,444	–	–	–	1,444	533.39	15 Feb 2022 to 29 Mar 2028 (Note 10)
	1,444	–	–	–	1,444	533.13	
	1,445	–	–	–	1,445	532.24	
30 Mar 2021	761	–	–	–	761	533.39	15 Feb 2022 to 29 Mar 2028 (Note 8)
	762	–	–	–	762	533.13	
	763	–	–	–	763	532.24	
	763	–	–	–	763	531.69	

Other Information

Date of grant	Number of share options				As at 30 June 2025	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2025	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited during the period			
30 Mar 2021	966,958	–	–	–	966,958	533.39	30 Mar 2022 to 29 Mar 2028 (Note 8)
	966,958	–	–	–	966,958	533.07	
	966,961	–	–	–	966,961	532.29	
	966,964	–	–	–	966,964	532.06	
10 Jun 2021	2,173	–	–	–	2,173	529.18	5 Jul 2021 to 9 Jun 2028 (Note 8)
	2,173	–	–	–	2,173	529.08	
	2,174	–	–	–	2,174	528.40	
	2,174	–	–	–	2,174	526.97	
14 Jul 2021	1,795,960	–	34,253	15,473	1,746,234	478.17	5 Jul 2022 to 13 Jul 2028 (Note 8)
	1,791,684	–	26,962	15,475	1,749,247	477.46	
	1,777,364	–	24,607	15,479	1,737,278	476.52	
	1,764,028	–	–	57,712	1,706,316	476.09	
16 Nov 2021	57,632	–	57,632	–	–	437.83	15 Sep 2022 to 15 Nov 2028 (Note 10)
	57,632	–	57,632	–	–	436.86	
	57,633	–	57,633	–	–	433.54	
24 Mar 2022	8,258	–	525	–	7,733	343.96	5 Jul 2022 to 23 Mar 2029 (Note 8)
	6,316	–	525	–	5,791	343.22	
	8,261	–	525	–	7,736	343.21	
	6,316	–	–	–	6,316	342.87	
24 Mar 2022	702,194	–	68,175	–	634,019	343.84	27 Jan 2023 to 23 Mar 2029 (Note 9)
	706,887	–	65,329	–	641,558	343.20	
24 Mar 2022	3,094	–	–	–	3,094	343.77	15 Feb 2023 to 23 Mar 2029 (Note 10)
	3,094	–	–	–	3,094	343.06	
	3,094	–	–	–	3,094	342.81	
24 Mar 2022	4,207	–	193	–	4,014	343.77	15 Feb 2023 to 23 Mar 2029 (Note 8)
	4,595	–	194	–	4,401	343.06	
	4,294	–	193	–	4,101	342.81	
	4,595	–	–	–	4,595	342.50	
24 Mar 2022	1,399,354	–	–	–	1,399,354	343.61	24 Mar 2023 to 23 Mar 2029 (Note 8)
	1,399,355	–	–	–	1,399,355	342.79	
	1,399,356	–	–	–	1,399,356	342.49	
	1,399,357	–	–	–	1,399,357	341.94	

Other Information

Date of grant	Number of share options				As at 30 June 2025	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2025	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited during the period			
18 Aug 2022	998,225	–	113,852	2,803	881,570	277.91	15 Jul 2023 to 17 Aug 2029 (Note 8)
	1,059,465	–	116,196	2,803	940,466	277.42	
	1,213,603	–	–	44,806	1,168,797	276.81	
	1,213,810	–	–	44,815	1,168,995	276.01	
23 Mar 2023	547,964	–	15,823	–	532,141	375.60	15 Jan 2024 to 22 Mar 2030 (Note 9)
23 Mar 2023	3,071,143	–	–	–	3,071,143	375.60	15 Apr 2024 to 22 Mar 2030 (Note 8)
17 Aug 2023	36,883	–	15,000	–	21,883	334.04	15 Jun 2024 to 16 Aug 2030 (Note 9)
17 Aug 2023	60,862	–	–	–	60,862	334.04	15 Jun 2024 to 16 Aug 2030 (Note 10)
17 Aug 2023	22,551	–	–	–	22,551	334.04	15 Jul 2024 to 16 Aug 2030 (Note 9)
17 Aug 2023	1,761,275	–	49,360	61,513	1,650,402	334.04	15 Jul 2024 to 16 Aug 2030 (Note 8)
17 Aug 2023	11,557,350	–	–	–	11,557,350	334.04	15 Sep 2024 to 16 Aug 2030 (Note 8)
21 Mar 2024	984	–	–	–	984	291.20	15 Jul 2024 to 20 Mar 2031 (Note 8)
21 Mar 2024	363,379	–	23,844	1,205	338,330	291.20	15 Jan 2025 to 20 Mar 2031 (Note 9)
21 Mar 2024	10,186,212	–	–	–	10,186,212	291.20	15 Apr 2025 to 20 Mar 2031 (Note 8)
21 Mar 2024	128,633	–	–	–	128,633	291.20	15 Jan 2026 to 20 Mar 2031 (Note 11)
15 Aug 2024	934,600	–	–	7,291	927,309	373.12	15 Jul 2025 to 14 Aug 2031 (Note 8)
20 Mar 2025	–	2,751	–	–	2,751	526.90	15 Jul 2025 to 19 Mar 2032 (Notes 8 and 12)
20 Mar 2025	–	384,949	–	200	384,749	526.90	15 Jan 2026 to 19 Mar 2032 (Notes 9 and 12)
20 Mar 2025	–	6,275,690	–	–	6,275,690	526.90	15 Mar 2026 to 19 Mar 2032 (Notes 8 and 12)
Total:	<u>109,221,125</u>	<u>6,663,390</u>	<u>24,189,201</u>	<u>294,554</u>	<u>91,400,760</u>		

Note:

1. For options granted with exercisable date determined based on the grant date of options, the first 50% of the total options shall be vested and become exercisable 1 year after the grant date, and the remaining 50% of the total options will be vested and become exercisable in the subsequent year.
2. For options granted with exercisable date determined based on the grant date of options, the first 33.33% (one-third) of the total options shall be vested and become exercisable 1 year after the grant date, and each 33.33% (one-third) of the total options will be vested and become exercisable in each subsequent year.
3. For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options shall be vested and become exercisable 1 year after the grant date, and each 25% of the total options will be vested and become exercisable in each subsequent year.
4. For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options shall be vested and become exercisable 2 years after the grant date, and each 25% of the total options will be vested and become exercisable in each subsequent year.
5. For options granted with exercisable date determined based on the grant date of options, the first 25% of the total options shall be vested and become exercisable 3 years after the grant date, and each 25% of the total options will be vested and become exercisable in each subsequent year.
6. For options granted with exercisable date determined based on the grant date of options, 100% of the total options shall be vested and become exercisable 5 years after the grant date.
7. Subject to the satisfaction of certain conditions, the first 25% of the total options shall be vested and become exercisable on the first date of the exercise period, and each 25% of the total options will be vested and become exercisable in each subsequent year.
8. The first 25% of the total options shall be vested and become exercisable on the first date of the exercise period, and each 25% of the total options will be vested and become exercisable in each subsequent year.
9. The first 50% of the total options shall be vested and become exercisable on the first date of the exercise period, and the remaining 50% of the total options will be vested and become exercisable in the subsequent year.
10. The first 33.33% (one-third) of the total options shall be vested and become exercisable on the first date of the exercise period, and each 33.33% (one-third) of the total options will be vested and become exercisable in each subsequent year.
11. 100% of the total options shall be vested and become exercisable on the first date of the exercise period.
12. The closing price of the shares of the Company immediately before the date on which the options were granted on 20 March 2025 was HKD540 per share.
13. The weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised during the six months ended 30 June 2025 was HKD513.68 per share.
14. The average fair value of the options granted on 20 March 2025 was HKD174.85 per share at the date of grant.
15. No options granted to the Employee Participants were cancelled during the six months ended 30 June 2025.
16. None of the participants has been granted with options and awards in excess of the 1% individual limit.
17. Details of the valuation of share options of the Company during the six months ended 30 June 2025, including the accounting standard and policy adopted for the share option schemes, are set out in Note 25 to the Interim Financial Information.
18. All of the grants made during the six months ended 30 June 2025 were made without any performance targets.
19. Please refer to the Definition section for the description of Employee Participants.



Other Information

SHARE AWARD SCHEME

The Company had one share award scheme which remained valid and effective during the six months ended 30 June 2025, namely, the 2023 Share Award Scheme. As at 30 June 2025, the Company did not have any outstanding share awards under any share award scheme other than the 2023 Share Award Scheme.

The 2023 Share Award Scheme took effect on the Adoption Date and is valid and effective unless and until being terminated on the earlier of: (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Selected Participant.

The total number of shares which may be awarded under the 2023 Share Award Scheme shall be no more than 4.5% (i.e. 431,457,460 shares) of the total number of shares in issue as at the Adoption Date, among which the total number of new shares which may be issued in respect of all awards to be granted under the 2023 Share Award Scheme shall be no more than 3.5% (i.e. 335,578,024 shares) of the total number of shares in issue as at the Adoption Date (the “Scheme Mandate Limit (New Shares Share Award)”). Among the Scheme Mandate Limit (New Shares Share Award), the total number of new shares which may be issued in respect of all awards to be granted to Service Providers under the 2023 Share Award Scheme shall be no more than 0.01% (i.e. 958,794 shares) of the total number of shares in issue as at the Adoption Date.

The total number of share awards available for grant under the scheme mandate of the 2023 Share Award Scheme as at 1 January 2025 and 30 June 2025 were 320,660,039 and 303,432,753, respectively. The total number of share awards involving new shares available for grant under the scheme mandate of the 2023 Share Award Scheme as at 1 January 2025 and 30 June 2025 were 236,715,591 and 219,860,239, respectively. The total number of share awards involving new shares available for grant under the Service Providers sub-limit of the 2023 Share Award Scheme as at 1 January 2025 and 30 June 2025 were both 958,794.

Other Information

Pursuant to the 2023 Share Award Scheme, the Board may, from time to time, at its absolute discretion select any Eligible Person to be a Selected Participant and grant to such Selected Participant Awarded Shares.

Subject to the rules of the 2023 Share Award Scheme, the vesting of the Awarded Shares is subject to the Selected Participant remaining at all times after the Grant Date and on the date of vesting as an Eligible Person. Subject to the satisfaction of all vesting conditions as prescribed in the 2023 Share Award Scheme, the Selected Participants will be entitled to receive the Awarded Shares.

During the six months ended 30 June 2025, a total of 17,261,799 Awarded Shares were granted under the 2023 Share Award Scheme and out of which, 59,280 Awarded Shares were granted to the independent non-executive directors of the Company under the 2023 Share Award Scheme. Details of the movements in the 2023 Share Award Scheme during the six months ended 30 June 2025 are set out in Note 25 to the Interim Financial Information as included in this interim report.

For the 2023 Share Award Scheme, the share awards can be satisfied by existing shares acquired by the Trustee administering the 2023 Share Award Scheme at the cost borne by the Company or new shares issued to the Trustee, which will be held in trust by the Trustee for the Selected Participants and transferred to them at no cost upon vesting.



Other Information

As at 30 June 2025, there were a total of 192,889 outstanding Awarded Shares granted to the directors of the Company, details of which are as follows:

Name of director	Date of grant	Number of Awarded Shares			As at 30 June 2025	Vesting period
		As at 1 January 2025	Granted during the period	Vested during the period (Note 3)		
Ian Charles Stone	30 March 2021	3,786	–	3,786	–	30 March 2022 to 30 March 2025
	24 March 2022	9,450	–	4,725	4,725	24 March 2023 to 24 March 2026
	23 March 2023	16,497	–	5,499	10,998	15 April 2024 to 15 April 2027
	21 March 2024	31,208	–	7,802	23,406	15 April 2025 to 15 April 2028
	20 March 2025	–	17,493	–	17,493	15 March 2026 to 15 March 2029 (Notes 1 and 2)
	Total:	60,941	17,493	21,812	56,622	
Li Dong Sheng	30 March 2021	1,894	–	1,894	–	30 March 2022 to 30 March 2025
	24 March 2022	4,726	–	2,362	2,364	24 March 2023 to 24 March 2026
	23 March 2023	8,249	–	2,749	5,500	15 April 2024 to 15 April 2027
	21 March 2024	15,604	–	3,901	11,703	15 April 2025 to 15 April 2028
	20 March 2025	–	8,746	–	8,746	15 March 2026 to 15 March 2029 (Notes 1 and 2)
	Total:	30,473	8,746	10,906	28,313	

Other Information

Name of director	Date of grant	Number of Awarded Shares			As at 30 June 2025	Vesting period
		As at 1 January 2025	Granted during the period	Vested during the period (Note 3)		
Yang Siu Shun	30 March 2021	3,384	–	3,384	–	30 March 2022 to 30 March 2025
	24 March 2022	8,400	–	4,200	4,200	24 March 2023 to 24 March 2026
	23 March 2023	14,664	–	4,888	9,776	15 April 2024 to 15 April 2027
	21 March 2024	27,740	–	6,935	20,805	15 April 2025 to 15 April 2028
	20 March 2025	–	15,549	–	15,549	15 March 2026 to 15 March 2029 (Notes 1 and 2)
	Total:	54,188	15,549	19,407	50,330	
Ke Yang	30 March 2021	1,894	–	1,894	–	30 March 2022 to 30 March 2025
	24 March 2022	4,726	–	2,362	2,364	24 March 2023 to 24 March 2026
	23 March 2023	8,249	–	2,749	5,500	15 April 2024 to 15 April 2027
	21 March 2024	15,604	–	3,901	11,703	15 April 2025 to 15 April 2028
	20 March 2025	–	8,746	–	8,746	15 March 2026 to 15 March 2029 (Notes 1 and 2)
	Total:	30,473	8,746	10,906	28,313	



Other Information

Name of director	Date of grant	Number of Awarded Shares				Vesting period
		As at 1 January 2025	Granted during the period	Vested during the period (Note 3)	As at 30 June 2025	
Zhang Xiulan	18 August 2022	3,362	–	–	3,362	18 August 2023 to 18 August 2026
	23 March 2023	8,249	–	2,749	5,500	15 April 2024 to 15 April 2027
	21 March 2024	15,604	–	3,901	11,703	15 April 2025 to 15 April 2028
	20 March 2025	–	8,746	–	8,746	15 March 2026 to 15 March 2029 (Notes 1 and 2)
	Total:	27,215	8,746	6,650	29,311	
Grand Total:		203,290	59,280	69,681	192,889	

Note:

1. The closing price of the shares of the Company immediately before the date on which the Awarded Shares were granted on 20 March 2025 was HKD540 per share.
2. The fair value of the Awarded Shares granted on 20 March 2025 was HKD519.5 per share at the date of grant.
3. The weighted average closing price of the shares of the Company immediately before the dates on which the awards were vested during the six months ended 30 June 2025 was HKD473.99 per share.
4. No Awarded Shares granted to the directors of the Company were lapsed or cancelled during the six months ended 30 June 2025.
5. All of the grants made during the six months ended 30 June 2025 were made without any performance targets.

Other Information

Details of movements of Awarded Shares of the Group (excluding directors of the Company) during the six months ended 30 June 2025 are as follows:

Year of grant	Number of Awarded Shares					Vesting period/ Performance targets (Note 9)
	As at 1 January 2025	Granted during the period	Vested during the period	Lapsed/ forfeited during the period	As at 30 June 2025	
Employee Participants			(Note 3)			
2016	401	–	–	–	401	Note 1
2019	7,160,673	–	–	–	7,160,673	Note 1
2020	16,796	–	5,305	9,280	2,211	Note 1
2021	10,336,771	–	3,206,019	149,826	6,980,926	Note 1
2022	14,800,844	–	1,959,344	385,727	12,455,773	Note 1
2023	38,747,161	–	4,038,897	655,396	34,052,868	Note 1
2024	52,936,140	–	7,837,011	1,094,655	44,004,474	Note 1
2025	–	16,977,693	80,759	94,476	16,802,458	Notes 1 and 5
Total:	<u>123,998,786</u>	<u>16,977,693</u>	<u>17,127,335</u>	<u>2,389,360</u>	<u>121,459,784</u>	
Service Providers			(Note 4)			
2021	28,103	–	22,182	–	5,921	Note 2
2022	186,169	–	20,977	–	165,192	Note 2
2023	238,361	–	86,090	1,356	150,915	Note 2
2024	674,337	–	103,345	1,635	569,357	Note 2
2025	–	224,826	–	314	224,512	Notes 2 and 5
Total:	<u>1,126,970</u>	<u>224,826</u>	<u>232,594</u>	<u>3,305</u>	<u>1,115,897</u>	
Grand Total:	<u>125,125,756</u>	<u>17,202,519</u>	<u>17,359,929</u>	<u>2,392,665</u>	<u>122,575,681</u>	

Note:

1. The Awarded Shares can either be vested immediately or over a period of up to 7 years.
2. The Awarded Shares can either be vested immediately or over a period of up to 4 years.
3. For Employee Participants, the weighted average closing price of the shares of the Company immediately before the dates on which the awards were vested during the six months ended 30 June 2025 was HKD435.59 per share.
4. For Service Providers, the weighted average closing price of the shares of the Company immediately before the dates on which the awards were vested during the six months ended 30 June 2025 was HKD473.05 per share.



Other Information

5. The following grants were made during the six months ended 30 June 2025:

Date of grant	Vesting period	Number of shares granted	Closing price of shares immediately before date of grant HKD	Fair value of awards at the date of grant per share HKD
Employee Participants				
20 Mar 2025	15 Apr 2025 to 15 Apr 2027	9,310	540	519.5
20 Mar 2025	15 Apr 2026 to 15 Apr 2028	23,105	540	519.5
20 Mar 2025	15 Aug 2025 to 15 Aug 2026	13,619	540	519.5
20 Mar 2025	15 Aug 2025 to 15 Aug 2027	256,932	540	519.5
20 Mar 2025	15 Aug 2025 to 15 Aug 2028	1,100	540	519.5
20 Mar 2025	15 Aug 2026 to 15 Aug 2028	4,663	540	519.5
20 Mar 2025	15 Dec 2025 to 15 Dec 2026	2,124	540	519.5
20 Mar 2025	15 Dec 2025 to 15 Dec 2027	242,785	540	519.5
20 Mar 2025	15 Dec 2025 to 15 Dec 2028	64,441	540	519.5
20 Mar 2025	15 Dec 2026 to 15 Dec 2028	2,891	540	519.5
20 Mar 2025	15 Feb 2026 to 15 Feb 2027	4,991	540	519.5
20 Mar 2025	15 Feb 2026 to 15 Feb 2028	242,731	540	519.5
20 Mar 2025	15 Feb 2026 to 15 Feb 2029	41,464	540	519.5
20 Mar 2025	15 Feb 2027 to 15 Feb 2029	1,446	540	519.5

Other Information

Date of grant	Vesting period	Number of shares granted	Closing price of shares immediately before date of grant HKD	Fair value of awards at the date of grant per share HKD
Employee Participants				
20 Mar 2025	15 Jan 2026 to 15 Jan 2027	9,003,801	540	519.5
20 Mar 2025	15 Jan 2026 to 15 Jan 2028	304,784	540	519.5
20 Mar 2025	15 Jan 2026 to 15 Jan 2029	132,199	540	519.5
20 Mar 2025	15 Jan 2027 to 15 Jan 2029	17,494	540	519.5
20 Mar 2025	15 Jul 2025 to 15 Jul 2026	905	540	519.5
20 Mar 2025	15 Jul 2025 to 15 Jul 2027	15,910	540	519.5
20 Mar 2025	15 Jul 2025 to 15 Jul 2028	50,929	540	519.5
20 Mar 2025	15 Jun 2025 to 15 Jun 2026	781	540	519.5
20 Mar 2025	15 Jun 2025 to 15 Jun 2027	35,589	540	519.5
20 Mar 2025	15 Mar 2026 to 15 Mar 2027	4,780	540	519.5
20 Mar 2025	15 Mar 2026 to 15 Mar 2028	61,004	540	519.5
20 Mar 2025	15 Mar 2026 to 15 Mar 2029	3,797,212	540	519.5
20 Mar 2025	15 Mar 2027 to 15 Mar 2029	2,319	540	519.5



Other Information

Date of grant	Vesting period	Number of shares granted	Closing price of shares immediately before date of grant HKD	Fair value of awards at the date of grant per share HKD
Employee Participants				
20 Mar 2025	15 Mar 2030	1,308,950	540	519.5
20 Mar 2025	15 May 2025	697	540	519.5
20 Mar 2025	15 May 2025 to 15 May 2026	1,962	540	519.5
20 Mar 2025	15 May 2025 to 15 May 2027	63,797	540	519.5
20 Mar 2025	15 Nov 2025 to 15 Nov 2026	55,221	540	519.5
20 Mar 2025	15 Nov 2025 to 15 Nov 2027	282,724	540	519.5
20 Mar 2025	15 Nov 2025 to 15 Nov 2028	3,230	540	519.5
20 Mar 2025	15 Nov 2026 to 15 Nov 2028	20,240	540	519.5
20 Mar 2025	15 Oct 2025 to 15 Oct 2026	7,690	540	519.5
20 Mar 2025	15 Oct 2025 to 15 Oct 2027	299,397	540	519.5
20 Mar 2025	15 Oct 2025 to 15 Oct 2028	5,227	540	519.5
20 Mar 2025	15 Oct 2026 to 15 Oct 2028	11,442	540	519.5
20 Mar 2025	15 Sep 2025 to 15 Sep 2026	14,041	540	519.5
20 Mar 2025	15 Sep 2025 to 15 Sep 2027	448,826	540	519.5
20 Mar 2025	15 Sep 2025 to 15 Sep 2028	7,123	540	519.5

Other Information

Date of grant	Vesting period	Number of shares granted	Closing price of shares immediately before date of grant HKD	Fair value of awards at the date of grant per share HKD
Employee Participants				
20 Mar 2025	15 Sep 2026 to 15 Sep 2028	5,869	540	519.5
20 Mar 2025	20 Mar 2025	19,417	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Aug 2026	985	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Dec 2025	1,432	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Dec 2026	10,334	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Feb 2027	15,406	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Jan 2027	18,245	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Jul 2025	620	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Jul 2026	1,859	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Mar 2027	2,926	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Nov 2026	320	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Oct 2026	321	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Sep 2025	2,057	540	519.5
20 Mar 2025	20 Mar 2025 to 15 Sep 2026	12,615	540	519.5
20 Mar 2025	1 Jul 2025 to 1 Jul 2028	5,641	540	519.5
20 Mar 2025	1 Oct 2025 to 1 Oct 2028	9,770	540	519.5
	Total:	16,977,693		

Other Information

Date of grant	Vesting period	Number of shares granted	Closing price of shares immediately before date of grant HKD	Fair value of awards at the date of grant per share HKD
Service Providers				
20 Mar 2025	15 Dec 2025 to 15 Dec 2028	19,297	540	519.5
20 Mar 2025	15 Feb 2026 to 15 Feb 2029	32,216	540	519.5
20 Mar 2025	15 Jan 2026 to 15 Jan 2027	1,996	540	519.5
20 Mar 2025	15 Jan 2026 to 15 Jan 2029	36,090	540	519.5
20 Mar 2025	15 Mar 2026 to 15 Mar 2027	14,451	540	519.5
20 Mar 2025	15 Mar 2026 to 15 Mar 2029	17,767	540	519.5
20 Mar 2025	15 Nov 2025 to 15 Nov 2028	43,857	540	519.5
20 Mar 2025	15 Oct 2025 to 15 Oct 2028	24,845	540	519.5
20 Mar 2025	15 Sep 2025 to 15 Sep 2028	34,307	540	519.5
	Total:	224,826		
	Grand Total:	17,202,519		

Other Information

6. No Awarded Shares granted to the Employee Participants or the Service Providers were cancelled during the six months ended 30 June 2025.
7. None of the participants has been granted with options and awards in excess of the 1% individual limit. None of the Service Providers has been granted with options and awards in any 12-month period in excess of 0.1% of the shares of the Company in issue.
8. Details of the valuation of share awards of the Company during the six months ended 30 June 2025, including the accounting standard and policy adopted for the 2023 Share Award Scheme, are set out in Note 25 to the Interim Financial Information.
9. All of the grants made during the six months ended 30 June 2025 were made without any performance targets.
10. The total number of shares that may be issued in respect of options and awards granted under all share schemes of the Company during the six months ended 30 June 2025 divided by the weighted average number of shares of the Company in issue for the six months ended 30 June 2025 was 0.26%.
11. Please refer to the Definition section for the description of Employee Participants and Service Providers.



Other Information

BIOGRAPHICAL DETAILS AND OTHER INFORMATION OF DIRECTORS

Ma Huateng, age 53, is an executive director, Chairman of the Board and Chief Executive Officer of the Company. Mr Ma has overall responsibilities for strategic planning and positioning and management of the Group. Mr Ma is one of the core founders and has been employed by the Group since 1999. Prior to his current employment, Mr Ma was in charge of research and development for Internet paging system development at China Motion Telecom Development Limited, a supplier of telecommunications services and products in China. Mr Ma was a deputy to the 12th and 13th National People's Congress. Mr Ma has a Bachelor of Science degree specialising in Computer and its Application obtained in 1993 from Shenzhen University and more than 31 years of experience in the telecommunications and Internet industries. He is a director of Advance Data Services Limited, which has an interest in the shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Mr Ma also serves as a director of certain subsidiaries of the Company. Mr Ma is entitled to an annual base salary of RMB8,879,900 for the year 2025 which was covered by the current service contract with the Company and the basis of determining his emoluments including the base salary and bonus as set out in the service contract remained the same.

Jacobus Petrus (Koos) Bekker, age 72, has been a non-executive director since November 2012. Koos led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder director of MTN in cellular telephony. Koos headed the MIH group in its international and Internet expansions until 1997, when he became chief executive of Naspers, which is listed on the Johannesburg Stock Exchange. He serves on the boards of other companies within the group and associates, as well as other bodies. In April 2015, he became non-executive chair. On 14 August 2019, he was appointed as non-executive chair of Prosus N.V., which is listed on Euronext Amsterdam and on the Johannesburg Stock Exchange. Academic qualifications include BA Hons and honorary doctorate in commerce (Stellenbosch University), LLB (University of the Witwatersrand) and MBA (Columbia University, New York). Koos as a non-executive director is not entitled to any director's fee or emoluments.

Charles St Leger Searle, age 61, has been a non-executive director since June 2001. Mr Searle is currently the Chief Executive Officer of Naspers Internet Listed Assets. He serves on the board of a number of companies associated with the Naspers Group. Prior to joining the Naspers Group, he held positions at Cable & Wireless plc and at Deloitte & Touche in London and Sydney. Mr Searle is a member of the Institute of Chartered Accountants in Australia and New Zealand. Mr Searle has more than 31 years of international experience in the telecommunications and Internet industries. Mr Searle also serves as a director of certain subsidiaries of the Company. Mr Searle as a non-executive director is not entitled to any director's fee or emoluments.

Other Information

Li Dong Sheng, age 68, has been an independent non-executive director since April 2004. Mr Li is the Chairman and Chief Executive Officer of TCL Technology Group Corporation that is listed on the Shenzhen Stock Exchange, and the strategic development consultant of TCL Electronics Holdings Limited that is listed on the Stock Exchange. He is also a deputy to the 14th National People's Congress and the Chairman of Council of Shenzhen General Chamber of Commerce. Mr Li was a deputy to the 16th CPC National Congress, a deputy to the 10th to 13th National People's Congress, the 12th Vice Chairman of the All-China Federation of Industry and Commerce, and the Vice Chairman of the China Chamber of International Commerce. Mr Li graduated from South China University of Technology in 1982 with a Bachelor degree in radio technology, and completed the professional doctoral program offered by the University of Minnesota in partnership with the Tsinghua University and received his Global Doctor of Business Administration (DBA) Degree in 2022. Mr Li has more than 30 years of experience in the information technology field. Mr Li is entitled to a director's fee of HKD1,000,000 for the year 2025, which is determined with reference to his duties and responsibilities with the Company.

Ian Charles Stone, age 74, has been an independent non-executive director since April 2004. Mr Stone is currently an independent advisor on Technology, Media and Telecoms after retiring from PCCW in Hong Kong in 2011. His career in the last 35 years has been primarily in leading mobile telecoms businesses, and new wireless and Internet technology, during which time he held senior roles in PCCW, SmarTone, First Pacific, Hong Kong Telecom and CSL, as Chief Executive or at Director level, primarily in Hong Kong, and also in London and Manila. Since 2011, Mr Stone has provided telecoms advisory services to telecom companies and investors in Hong Kong (China), the Mainland of China, South East Asia and the Middle East and has more than 54 years of experience in the telecom and mobile industries. Mr Stone was an independent director of Summit Healthcare Acquisition Corp. that was listed on NASDAQ, up to 16 March 2023. Mr Stone is a fellow member of The Hong Kong Institute of Directors. Mr Stone is entitled to a director's fee of HKD1,300,000 for the year 2025, which is determined with reference to his duties and responsibilities with the Company.

Yang Siu Shun, age 69, has been an independent non-executive director since July 2016. Mr Yang is currently serving as a Member of the 14th National Committee of the Chinese People's Political Consultative Conference, a Justice of the Peace in Hong Kong, a Steward of The Hong Kong Jockey Club, and an independent non-executive director of Man Wah Holdings Limited which is publicly listed on the Stock Exchange. Mr Yang was an independent non-executive director of Xinyi Glass Holdings Limited which is publicly listed on the Stock Exchange, up to 31 May 2024 and was also an independent non-executive director of Industrial and Commercial Bank of China Limited which is publicly listed on the Stock Exchange and the Shanghai Stock Exchange, up to 8 August 2024. Mr Yang retired from PricewaterhouseCoopers ("PwC") on 30 June 2015. Before his retirement, he served as the Chairman and Senior Partner of PwC Hong Kong, the Executive Chairman and Senior Partner of PwC China and Hong Kong, one of the five members of the Global Network Leadership Team of PwC and the PwC Asia Pacific Chairman. Mr Yang served as a Board Member and the Audit Committee Chairman of The Hang Seng University of Hong Kong (formerly known as Hang Seng Management College), up to 30 September 2018 and the Deputy Chairman of the Council of Hong Kong Metropolitan University ("HKMU") (formerly known as The Open University of Hong Kong), up to 19 June 2019. Mr Yang also served as a Member of the Exchange Fund Advisory Committee of the Hong Kong Monetary Authority, up to 31 August 2021. Mr Yang graduated from the London School of Economics and Political Science in 1978 and was awarded the degree of Honorary Doctor of Social Sciences by HKMU in 2019. Mr Yang is a Fellow Member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants. Mr Yang is entitled to a director's fee of HKD1,300,000 for the year 2025, which is determined with reference to his duties and responsibilities with the Company.



Other Information

Ke Yang, age 70, has been an independent non-executive director since August 2019. Professor Ke is currently the Director of Laboratory of Genetics of Peking University Cancer Hospital and an international member of the United States National Academy of Medicine. Professor Ke is also the President of the Peking University Health Science Center Alumni Association and Vice-president of Cancer Foundation of China. Professor Ke's research focus is on the upper gastrointestinal tumors, including the cloning of gastric cancer related genes and the functional study of such genes. Together with her team, she has also established the population-based cohort in esophageal cancer high incidence regions in China, studied the etiology of esophageal cancer, and evaluated the effects and economic efficacy of early screening of the disease. She has published more than 100 papers and had registered patents and been granted awards at national and provincial levels for technological and educational achievements. Professor Ke was a member of the 11th and 12th National Committee of the Chinese People's Political Consultative Conference, an executive Vice-president of Peking University and of the Peking University Health Science Center (formerly known as Beijing Medical College), a member of the Committee of Academic Degrees of the State Council, a member of the Healthcare Reform Advisory Committee of the State Council, the Chairperson of the Working Committee for Graduate Medical and Pharmaceutical Education of the Office of Academic Degrees of the State Council, Vice-president of the 24th and 25th Chinese Medical Association, Vice-chairperson of the Steering Committee of Clinical Medicine of the Committee of Academic Degrees of the State Council, Vice-president of the Peking University Alumni Association, President of the Health Professional Education Committee of the China Association of Higher Education and Vice-president of China Medical Women's Association. Professor Ke graduated from the Peking University Health Science Center in 1982. From 1985 to 1988, Professor Ke worked at the National Cancer Institute of the National Institutes of Health of the United States as a postdoctoral fellow. Professor Ke is currently an independent non-executive director of Keymed Biosciences Inc. which is publicly listed on the Stock Exchange. Professor Ke is entitled to a director's fee of HKD1,000,000 for the year 2025, which is determined with reference to her duties and responsibilities with the Company.

Zhang Xiulan, age 62, has been an independent non-executive director since August 2022. Professor Zhang is currently a member of ChinaInfo100 and a standing director of China Cloud System Pioneer Strategic Alliance. She was previously the Dean of the School of Social Development and Public Policy, Beijing Normal University. She was also a member of the 11th and 12th Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a member of the Healthcare Reform Advisory Committee of the State Council and the consultant at the University of California, San Francisco. Professor Zhang has led over 40 research projects, including national level priority social science projects, and projects funded by the Ministry of Science and Technology and the Ministry of Education. In expert capacity, Professor Zhang has also provided expert consultation to government on policy making, including the 11th National Five-Year Plan, the "Five Guarantees Regulations", the Adjustment Mechanism for Urban Minimum Living Standard, Urban and Rural Medical Assistance Policy, Social Assistance System and others. In addition, Professor Zhang has also worked on mandates from the State Council Healthcare Restructuring Office, Ministry of Education, Ministry of Health, Ford Foundation, European Union, World Bank, World Health Organization, UNICEF, Save the Children Foundation and other organizations. Professor Zhang received her Bachelor's Degree in Physical Geography, and Master's Degree in Economic Geography from the Beijing Normal University in 1985 and 1988, respectively. After graduation, she joined the "China Society", a newspaper published by the Ministry of Civil Affairs as an Editor. In 1999, she received her Doctor of Philosophy in Social Welfare from the University of California at Berkeley with her research focused on social protection, social policy, social welfare and healthcare. In the same year, Professor Zhang founded the first Institute of Social Development and Public Policy in China at the Beijing Normal University, which subsequently became the School of Social Development and Public Policy. Professor Zhang is entitled to a director's fee of HKD1,000,000 for the year 2025, which is determined with reference to her duties and responsibilities with the Company.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the following persons, other than the directors or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO, or as otherwise notified to the Company:

Long/ short position in the shares of the Company

Name of shareholder	Long/ short position	Nature of interest/ capacity	Number of shares/ underlying shares held	Approximate % of shareholding (Note 3)
MIH Internet Holdings B.V.	Long position	Corporate (Note 1)	2,112,481,500	23.05%
Advance Data Services Limited	Long position	Corporate (Note 2)	804,859,700	8.78%

Note:

1. MIH Internet Holdings B.V. is controlled by Naspers Limited through its non wholly-owned subsidiary, Prosus N.V. MIH Internet Holdings B.V. is a wholly-owned subsidiary of Prosus N.V. As such, Naspers Limited, Prosus N.V. and MIH Internet Holdings B.V. are deemed to be interested in the same block of 2,112,481,500 shares under Part XV of the SFO.
2. Advance Data Services Limited holds 709,859,700 shares directly and 95,000,000 shares indirectly through its wholly-owned subsidiary, Ma Huateng Global Foundation. As Advance Data Services Limited is wholly-owned by Mr Ma Huateng, Mr Ma has an interest in these shares as disclosed under the section of "Directors' Interests in Securities".
3. As at 30 June 2025, the total number of issued shares of the Company was 9,165,513,622.

Save as disclosed above, the Company had not been notified of any other persons (other than the directors or chief executive of the Company) who, as at 30 June 2025, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

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:	81,867,000			36,540,017,972.90

Save as disclosed above and in Note 24 to the Interim Financial Information, 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.

ADOPTION OF CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard set out in the Model Code. The Company has made specific enquiries with the directors and the directors have confirmed they have complied with the Model Code and such code of conduct throughout the accounting period covered by this interim report.

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.



Definition

In this interim report, 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 Adoption Date, 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
“Adoption Date”	17 May 2023, being the date on which the Company adopted the 2023 Share Award Scheme
“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
“Awarded Share(s)”	the share(s) of the Company awarded under the 2023 Share Award Scheme
“Board”	the board of directors of the Company
“CAS”	credit adjustment spread, which is a fixed spread adjustment incorporated to bridge the gap between LIBOR and SOFR in order to minimise the economic impact of the transfer from a LIBOR-based debt to a SOFR-based debt
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Company”	Tencent Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange

Term	Definition
“DAU”	daily active user accounts
“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
“Eligible Person(s)”	any person(s) eligible to participate in the 2023 Share Award Scheme
“Employee Participant(s)”	director(s) or employee(s) (including senior management) of any member of the Group (including person(s) who is/are granted options under the 2023 Share Option Scheme or awards under the 2023 Share Award Scheme as an inducement to enter into employment contracts with these companies (as the case may be))
“EPS”	earnings per share
“EUR”	the lawful currency of the European Union
“EURIBOR”	Euro Interbank Offered Rate
“FinTech”	financial technology
“GPU”	graphics processing unit
“Grant Date”	in relation to any Awarded Share, the date on which the Awarded Share is, was or is to be granted
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong InterBank Offered Rate
“HKD”	the lawful currency of Hong Kong



Definition

Term	Definition
“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
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“NASDAQ”	NASDAQ Global Select Market

Term	Definition
“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
“Selected Participant(s)”	any Eligible Person(s) selected by the Board to participate in the 2023 Share Award Scheme
“Service Provider(s)”	any person who, or entity which, provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group or which will contribute significantly to the growth of the Group’s financial or business performance, including independent contractors, consultants, agents, advisers and suppliers engaged to provide services in relation to research and development, engineering or technical contribution, the design or development or distribution of products/ services provided by the Group, product commercialisation, marketing, innovation upgrading, strategic/commercial planning on corporate image and investor relations in investment environment of the Group, as determined by the Board in its sole and absolute discretion, provided that any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions; and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity should not be Service Providers



Definition

Term	Definition
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Shiji Kaixuan”	Shenzhen Shiji Kaixuan Technology Company Limited
“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
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited
“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
“Trustee”	an independent trustee appointed by the Company for managing the 2023 Share Award Scheme
“United States”	the United States of America
“USD”	the lawful currency of the United States
“VAS”	value-added services

Tencent 腾讯

Website: www.tencent.com

Tencent Group Head Office

Tencent Binhai Towers, No. 33 Haitian 2nd Road
Nanshan District, Shenzhen, the PRC

Zipcode : 518054

Telephone : 86-755-86013388

Tencent Holdings Limited Hong Kong Office

29/F., Three Pacific Place
No. 1 Queen's Road East
Wanchai, Hong Kong

Telephone : 852-21795122

Weixin Official Account : TencentGlobal

