

# 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

# 2024

Interim Report

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# 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

## 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](http://www.tencent.com)

## STOCK CODES

HKD counter 700

RMB counter 80700

# Financial Performance Highlights

## SECOND QUARTER OF 2024

	30 June 2024	Unaudited Three months ended			Quarter- on-quarter change
		30 June 2023	Year- on-year change	31 March 2024	
		(RMB in millions, unless specified)			
Revenues	<b>161,117</b>	149,208	8%	159,501	1%
Gross profit	<b>85,895</b>	70,840	21%	83,870	2%
Operating profit	<b>50,732</b>	36,283*	40%	52,556	-3%
Profit for the period	<b>48,366</b>	27,023	79%	42,651	13%
Profit attributable to equity holders of the Company	<b>47,630</b>	26,171	82%	41,889	14%
EPS (RMB per share)					
– basic	<b>5.112</b>	2.761	85%	4.479	14%
– diluted	<b>4.994</b>	2.695	85%	4.386	14%
Non-IFRS operating profit	<b>58,443</b>	46,055*	27%	58,619	-0.3%
Non-IFRS profit attributable to equity holders of the Company	<b>57,313</b>	37,548	53%	50,265	14%
Non-IFRS EPS (RMB per share)					
– basic	<b>6.151</b>	3.962	55%	5.375	14%
– diluted	<b>6.014</b>	3.875	55%	5.263	14%

\* Since the fourth quarter of 2023, certain items have been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly. Please refer to Note 3(a) in the notes to the Interim Financial Information for details.

# Financial Performance Highlights

## FIRST HALF OF 2024

	<b>Unaudited</b>		Year- on-year change
	<b>Six months ended</b>		
	<b>30 June 2024</b>	30 June 2023	
(RMB in millions, unless specified)			
Revenues	<b>320,618</b>	299,194	7%
Gross profit	<b>169,765</b>	139,022	22%
Operating profit	<b>103,288</b>	74,325*	39%
Profit for the period	<b>91,017</b>	53,417	70%
Profit attributable to equity holders of the Company	<b>89,519</b>	52,009	72%
EPS (RMB per share)			
– basic	<b>9.590</b>	5.486	75%
– diluted	<b>9.377</b>	5.334	76%
Non-IFRS operating profit	<b>117,062</b>	91,083*	29%
Non-IFRS profit attributable to equity holders of the Company	<b>107,578</b>	70,086	53%
Non-IFRS EPS (RMB per share)			
– basic	<b>11.524</b>	7.393	56%
– diluted	<b>11.275</b>	7.236	56%

\* Since the fourth quarter of 2023, certain items have been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly. Please refer to Note 3(a) in the notes to the Interim Financial Information for details.



## Chairman’s Statement

I am pleased to present our interim report for the three and six months ended 30 June 2024 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 2024 increased by 82% and 72% on a year-on-year basis to RMB47,630 million and RMB89,519 million, respectively. Basic EPS for the three and six months ended 30 June 2024 were RMB5.112 and RMB9.590, respectively. Diluted EPS for the three and six months ended 30 June 2024 were RMB4.994 and RMB9.377, respectively.

The Group’s non-IFRS profit attributable to equity holders of the Company for the three and six months ended 30 June 2024 increased by 53% and 53% on a year-on-year basis to RMB57,313 million and RMB107,578 million, respectively. Non-IFRS basic EPS for the three and six months ended 30 June 2024 were RMB6.151 and RMB11.524, respectively. Non-IFRS diluted EPS for the three and six months ended 30 June 2024 were RMB6.014 and RMB11.275, respectively.

### OPERATING INFORMATION

	<b>As at 30 June 2024</b>	As at 30 June 2023	Year- on-year change	As at 31 March 2024	Quarter- on-quarter change
(in millions, unless specified)					
Combined MAU of Weixin and WeChat	<b>1,371</b>	1,327	3%	1,359	0.9%
Mobile device MAU of QQ	<b>571</b>	571	stable	553	3%
Fee-based VAS registered subscriptions <sup>#</sup>	<b>263</b>	234	12%	260	1%

<sup>#</sup> Adjusted as the average daily number of subscriptions during the quarter, since the first quarter of 2024

### BUSINESS REVIEW AND OUTLOOK

Our second quarter 2024 results demonstrated the strengths of our platform plus content strategy. Our Domestic Games revenue resumed growth, and our International Games revenue accelerated growth, due to increased user engagement at several of our evergreen titles, and the successful launches of certain new games. Tencent Video achieved notable audience and subscriber growth with drama series developed from China Literature IP and produced internally. Looking forward, we continue to invest in our platforms and technologies including AI, enabling us to create new business value and better serve user needs.

Below are some highlights from our key products and services from recent months:

- Video Accounts’ total user time spent substantially increased year-on-year, as we enhanced recommendation algorithms and provided more local content. We are strengthening our transaction capabilities in a systematic way, in order to deliver seamless shopping experiences to users and drive sales for merchants.

## Chairman's Statement

- Mini Programs' total user time spent increased over 20% year-on-year, benefitting from their robust commerce and content ecosystem. GMV facilitated by Mini Programs grew at a double-digit percentage rate year-on-year. Total gross receipts of Mini Games increased over 30% year-on-year.
- We upgraded and rebranded Tencent Channels, a community-based platform which grew out of QQ, enabling moderators to manage their channels via customisable tools, and users to interact via text, image and live streaming. Users can now join Tencent Channels from Weixin and from game apps, as well as from QQ.
- Tencent Video released several popular drama series, driving long-form video subscriptions growth of 13% year-on-year to 117 million<sup>1</sup>. For example, "Joy of Life 2" (慶餘年第二季) and "The Legend of Shen Li" (與鳳行) were the first and second most watched drama series on China online video platforms during the first half of 2024<sup>2</sup>. Both drama series were based on China Literature's web novel IPs, produced by New Classics Media, and broadcast on Tencent Video.
- Tencent Music strengthened cooperation with labels and artists, released original soundtracks for Tencent Video popular drama series, and provided live music experiences through offline events and concert tours. Music subscriptions increased 18% year-on-year to 117 million<sup>3</sup>.
- We revitalised our flagship Domestic Games, Honour of Kings and Peacekeeper Elite, which each resumed year-on-year growth in gross receipts in the second quarter of 2024. Naruto Mobile reached a new milestone of 10 million monthly average DAU in May 2024. DnF Mobile, a newly released game, reactivated millions of IP fans and is retaining players well, positioning it to become our next evergreen major hit.
- Brawl Stars achieved a historical high quarterly average DAU and ranked third internationally among all mobile games measured by DAU<sup>4</sup>, benefitting from frequent content updates and social features. The game's gross receipts grew more than tenfold year-on-year.
- We upgraded our advertising technology platform to analyse user interests over a longer time horizon and process signals more frequently, enabling us to gain deeper user insights and provide more relevant advertising recommendations.
- Leveraging our top-tier foundation model, Tencent Hunyuan, we released our AI assistant application, Yuanbao, to the public. Yuanbao possesses competitive strengths including accurate image understanding, advanced natural language processing, and AI search enhanced by our unique content ecosystem.

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<sup>1</sup> The average daily number of subscriptions for the second quarter of 2024; year-on-year growth rate was calculated based on restated comparative figure

<sup>2</sup> By video views across all online platforms in China for the first half of 2024, according to Enlightent

<sup>3</sup> The average number of subscriptions as of the last day of each month during the second quarter of 2024

<sup>4</sup> By average DAU in the second quarter of 2024, according to Sensor Tower



# Chairman's Statement

## DIVIDEND

The Board did not declare any interim dividend for the six months ended 30 June 2024 (for the six months ended 30 June 2023: Nil).

## APPRECIATION

On behalf of the Board, I would like to express our profound appreciation to our entire staff and management team for their dedicated efforts in contributing to our ongoing success. I would also like to extend our sincere gratitude to our shareholders and stakeholders for their unwavering support and confidence in the Company.

Our commitment to our core principle of “Value for Users, Tech for Good” remains resolute. We will strive to continuously create value for our shareholders and society while actively promoting innovations, addressing community needs and contributing to a sustainable future for all.

**Ma Huateng**

*Chairman*

Hong Kong, 14 August 2024



# Management Discussion and Analysis

## SECOND QUARTER OF 2024 COMPARED TO SECOND QUARTER OF 2023

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

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	30 June
	<b>2024</b>	2023
	(RMB in millions)	
Revenues	<b>161,117</b>	149,208
Cost of revenues	<b>(75,222)</b>	(78,368)
Gross profit	<b>85,895</b>	70,840
Selling and marketing expenses	<b>(9,156)</b>	(8,310)
General and administrative expenses	<b>(27,491)</b>	(25,419)
Other gains/(losses), net	<b>1,484</b>	(828)*
Operating profit	<b>50,732</b>	36,283*
Net gains/(losses) from investments and others	<b>(654)</b>	598*
Interest income	<b>3,850</b>	3,419*
Finance costs	<b>(3,112)</b>	(3,291)
Share of profit/(loss) of associates and joint ventures, net	<b>7,718</b>	1,159
Profit before income tax	<b>58,534</b>	38,168
Income tax expense	<b>(10,168)</b>	(11,145)
Profit for the period	<b>48,366</b>	27,023
Attributable to:		
Equity holders of the Company	<b>47,630</b>	26,171
Non-controlling interests	<b>736</b>	852
	<b>48,366</b>	27,023
Non-IFRS operating profit	<b>58,443</b>	46,055*
Non-IFRS profit attributable to equity holders of the Company	<b>57,313</b>	37,548

\* Since the fourth quarter of 2023, certain items have been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly. Please refer to Note 3(a) in the notes to the Interim Financial Information for details.

## Management Discussion and Analysis

*Revenues.* Revenues increased by 8% year-on-year to RMB161.1 billion for the second quarter of 2024. The following table sets forth revenues of the Group and its segments for the second quarter of 2024 and the second quarter of 2023:

	<b>Unaudited</b>				
	<b>Three months ended</b>				
	<b>30 June</b>	30 June	Year-	<b>30 June</b>	30 June
	<b>2024</b>	2023	on-year	<b>2024</b>	2023
	<b>Revenues</b>			<b>% of total revenues</b>	
	(RMB in millions, unless specified)				
VAS	<b>78,822</b>	74,211	6%	<b>49%</b>	50%
Online Advertising	<b>29,871</b>	25,003	19%	<b>19%</b>	17%
FinTech and Business Services	<b>50,440</b>	48,635	4%	<b>31%</b>	32%
Others	<b>1,984</b>	1,359	46%	<b>1%</b>	1%
The Group	<b>161,117</b>	149,208	8%	<b>100%</b>	100%

- Revenues from VAS increased by 6% year-on-year to RMB78.8 billion for the second quarter of 2024. International Games revenues were RMB13.9 billion, up by 9% in both reported and constant currency terms, primarily driven by a strong performance from PUBG Mobile and enhanced popularity for Supercell’s games. Gross receipts for International Games grew at a substantially faster rate than revenues. Domestic Games revenues resumed year-on-year growth, up by 9% to RMB34.6 billion, driven by increased revenue from VALORANT and the successful launch of DnF Mobile. Gross receipts growth for Domestic Games outpaced revenue growth. Social Networks revenues were RMB30.3 billion, up 2% year-on-year, supported by growth in music and long-form video subscription revenues, Mini Games platform service fees and app-based game virtual item sales, partially offset by a decline in music-related and games-related live streaming revenues.
- Revenues from Online Advertising were RMB29.9 billion for the second quarter of 2024, up 19% year-on-year, primarily driven by increased revenues from Video Accounts and long-form video. Revenue from our mobile ad network declined year-on-year, due to reduced advertising budgets from certain Internet services companies.
- Revenues from FinTech and Business Services increased by 4% year-on-year to RMB50.4 billion for the second quarter of 2024. FinTech Services revenue growth decelerated to a low single-digit percentage rate, impacted by further moderation in commercial payment revenue growth that reflected slow consumption spending, alongside a decline in consumer loan services revenue due to stronger risk control measures, while wealth management services revenues experienced double-digit percentage growth. Business Services revenues achieved a teens growth rate, driven by a rise in cloud services revenues, which included improved monetisation of WeCom, as well as higher eCommerce technology service fees within Video Accounts.

## Management Discussion and Analysis

*Cost of revenues.* Cost of revenues for the second quarter of 2024 decreased by 4% year-on-year to RMB75.2 billion, due to lower long-form video content costs and live streaming revenue sharing costs, as well as optimised cloud project deployment costs.

*Gross profit.* Gross profit for the second quarter of 2024 rose by 21% year-on-year to RMB85.9 billion, driven by growth in high-margin revenue streams such as Domestic Games revenues, Video Accounts advertising revenues, Mini Games platform service fees, and eCommerce technology service fees within Video Accounts. Improved gross profit in our long-form video and cloud services businesses also contributed to overall gross profit growth. Gross margin expanded to 53%, up from 47% 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 2024 and the second quarter of 2023:

	<b>Unaudited</b>				
	<b>Three months ended</b>				
	<b>30 June</b>	30 June	Year-	<b>30 June</b>	30 June
	<b>2024</b>	2023	on-year	<b>2024</b>	2023
	<b>Gross profit/(loss)</b>			<b>Gross margin</b>	
	(RMB in millions, unless specified)				
VAS	<b>44,965</b>	40,045	12%	<b>57%</b>	54%
Online Advertising	<b>16,621</b>	12,236	36%	<b>56%</b>	49%
FinTech and Business Services	<b>24,013</b>	18,665	29%	<b>48%</b>	38%
Others	<b>296</b>	(106)	NA	<b>15%</b>	(8%)
The Group	<b>85,895</b>	70,840	21%	<b>53%</b>	47%

- Gross profit for VAS grew by 12% year-on-year to RMB45.0 billion, due primarily to increased Domestic Games revenues and Mini Games platform service fees. Gross margin improved to 57%, up from 54% in the same period last year.
- Gross profit for Online Advertising increased by 36% year-on-year to RMB16.6 billion, driven by revenue growth from Video Accounts and long-form video. Gross margin rose to 56% from 49% in the same period last year.
- Gross profit for FinTech and Business Services increased by 29% year-on-year to RMB24.0 billion, supported by higher revenue contributions from wealth management services and eCommerce technology service fees within Video Accounts, improved monetisation of WeCom and other business services, and enhanced cost efficiency in cloud services. Gross margin rose to 48% from 38% in the same period last year.



## Management Discussion and Analysis

*Selling and marketing expenses.* Selling and marketing expenses grew by 10% year-on-year to RMB9.2 billion for the second quarter of 2024, reflecting increased promotional and advertising efforts to support new content releases. As a percentage of revenues, selling and marketing expenses remained broadly stable at 6% compared to the same quarter of 2023.

*General and administrative expenses.* General and administrative expenses rose by 8% year-on-year to RMB27.5 billion for the second quarter of 2024 due to increased R&D expenses, as well as higher staff costs, including performance-based rewards.

*Interest income.* Interest income increased by 13% year-on-year to RMB3.9 billion for the second quarter of 2024 driven by growth in cash reserves.

*Finance costs.* Finance costs decreased by 5% year-on-year to RMB3.1 billion for the second quarter of 2024 due to a reduced debt level.

*Share of profit/(loss) of associates and joint ventures, net.* We recorded share of profits of associates and joint ventures of RMB7.7 billion for the second quarter of 2024, an increase from share of profits of RMB1.2 billion in the same period last year. Non-IFRS share of profits of associates and joint ventures increased to RMB9.9 billion, up from share of profits of RMB3.9 billion in the same period last year. This growth was driven by improved performance at certain domestic associates and at certain overseas game studio associates.

*Income tax expense.* Income tax expense decreased by 9% year-on-year to RMB10.1 billion, primarily due to the high base in the same quarter last year resulting from an overseas subsidiary's deferred tax adjustment. Domestic corporate income tax expense in the second quarter of 2024 increased year-on-year.

*Profit attributable to equity holders of the Company.* Profit attributable to equity holders of the Company increased by 82% year-on-year to RMB47.6 billion for the second quarter of 2024. Non-IFRS profit attributable to equity holders of the Company increased by 53% year-on-year to RMB57.3 billion for the second quarter of 2024.

# Management Discussion and Analysis

## SECOND QUARTER OF 2024 COMPARED TO FIRST QUARTER OF 2024

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

	<b>Unaudited</b>	
	<b>Three months ended</b>	
	<b>30 June</b>	31 March
	<b>2024</b>	2024
	(RMB in millions)	
Revenues	<b>161,117</b>	159,501
Cost of revenues	<b>(75,222)</b>	(75,631)
Gross profit	<b>85,895</b>	83,870
Selling and marketing expenses	<b>(9,156)</b>	(7,536)
General and administrative expenses	<b>(27,491)</b>	(24,809)
Other gains/(losses), net	<b>1,484</b>	1,031
Operating profit	<b>50,732</b>	52,556
Net gains/(losses) from investments and others	<b>(654)</b>	656
Interest income	<b>3,850</b>	4,248
Finance costs	<b>(3,112)</b>	(2,826)
Share of profit/(loss) of associates and joint ventures, net	<b>7,718</b>	2,186
Profit before income tax	<b>58,534</b>	56,820
Income tax expense	<b>(10,168)</b>	(14,169)
Profit for the period	<b>48,366</b>	42,651
Attributable to:		
Equity holders of the Company	<b>47,630</b>	41,889
Non-controlling interests	<b>736</b>	762
	<b>48,366</b>	42,651
Non-IFRS operating profit	<b>58,443</b>	58,619
Non-IFRS profit attributable to equity holders of the Company	<b>57,313</b>	50,265

## Management Discussion and Analysis

*Revenues.* Revenues for the second quarter of 2024 increased by 1% to RMB161.1 billion on a quarter-on-quarter basis.

- Revenues from VAS remained broadly stable quarter-on-quarter at RMB78.8 billion. International Games revenues were RMB13.9 billion, up 2% quarter-on-quarter, driven by Supercell's games. Domestic Games revenues were RMB34.6 billion, stable quarter-on-quarter, with a new contribution from DnF Mobile and growth in Honour of Kings offsetting several other titles' declines due to post Chinese New Year seasonality. Social Networks revenues decreased by 0.6% quarter-on-quarter to RMB30.3 billion due to lower revenues from music-related and games-related live streaming services.
- Revenues from Online Advertising rose by 13% quarter-on-quarter to RMB29.9 billion, primarily due to a seasonal uptick in advertising activity following the Chinese New Year holiday period.
- Revenues from FinTech and Business Services declined by 4% quarter-on-quarter to RMB50.4 billion, as lower revenues from FinTech Services were partially mitigated by higher revenues from Business Services.

*Cost of revenues.* Cost of revenues were RMB75.2 billion for the second quarter of 2024, down 0.5% quarter-on-quarter.

*Gross profit.* Gross profit was RMB85.9 billion for the second quarter of 2024, up 2% quarter-on-quarter driven by Online Advertising gross profit growth. Gross margin was 53%, stable quarter-on-quarter.

- Gross profit for VAS was RMB45.0 billion and gross margin was 57%, both remaining broadly stable from the previous quarter.
- Gross profit for Online Advertising rose by 14% quarter-on-quarter to RMB16.6 billion, primarily driven by the seasonal revenue upturn discussed above. Gross margin improved to 56% from 55% in the previous quarter.
- Gross profit for FinTech and Business Services increased by 0.7% quarter-on-quarter to RMB24.0 billion, with gross margin improving to 48% from 46% in the previous quarter.

## Management Discussion and Analysis

*Selling and marketing expenses.* Selling and marketing expenses rose by 21% quarter-on-quarter to RMB9.2 billion for the second quarter of 2024, due to increased promotional activities for new game launches in domestic and international markets.

*General and administrative expenses.* General and administrative expenses increased by 11% quarter-on-quarter to RMB27.5 billion for the second quarter of 2024 mainly driven by higher R&D expenses.

*Share of profit/(loss) of associates and joint ventures, net.* We recorded share of profits of associates and joint ventures of RMB7.7 billion for the second quarter of 2024, compared to share of profits of RMB2.2 billion for the previous quarter. Non-IFRS share of profits of associates and joint ventures increased to RMB9.9 billion, compared to share of profits of RMB5.5 billion for the previous quarter, due to improved performance at certain domestic associates and at certain overseas game studio associates.

*Profit attributable to equity holders of the Company.* Profit attributable to equity holders of the Company increased by 14% quarter-on-quarter to RMB47.6 billion for the second quarter of 2024. Non-IFRS profit attributable to equity holders of the Company increased by 14% quarter-on-quarter to RMB57.3 billion for the second quarter of 2024.

### OTHER FINANCIAL INFORMATION

	Unaudited			Unaudited	
	Three months ended			Six months ended	
	30 June 2024	31 March 2024	30 June 2023	30 June 2024	30 June 2023
	(RMB in millions, unless specified)				
EBITDA (a)	<b>62,902</b>	65,094	51,918	<b>127,996</b>	104,574
Adjusted EBITDA (a)	<b>68,518</b>	69,259	56,848	<b>137,777</b>	114,659
Adjusted EBITDA margin (b)	<b>43%</b>	43%	38%	<b>43%</b>	38%
Interest and related expenses	<b>2,918</b>	3,044	3,009	<b>5,962</b>	5,809
Net cash/(debt) (c)	<b>71,757</b>	92,534	17,717	<b>71,757</b>	17,717
Capital expenditures (d)	<b>8,729</b>	14,359	3,953	<b>23,088</b>	8,364

## 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, minus borrowings and notes payable.
- (d) Capital expenditures consist of additions (excluding business combinations) to property, plant and equipment, construction in progress, investment properties, land use rights and intangible assets (excluding long-form video and music content, game licences and other 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 2024	31 March 2024	30 June 2023	30 June 2024	30 June 2023
	(RMB in millions, unless specified)				
Operating profit	<b>50,732</b>	52,556	36,283*	<b>103,288</b>	74,325*
Adjustments:					
Other (gains)/losses, net	<b>(1,484)</b>	(1,031)	828*	<b>(2,515)</b>	(692)*
Depreciation of property, plant and equipment and investment properties	<b>5,056</b>	5,091	4,908	<b>10,147</b>	9,981
Depreciation of right-of-use assets	<b>1,497</b>	1,550	1,704	<b>3,047</b>	3,303
Amortisation of intangible assets and land use rights	<b>7,101</b>	6,928	8,195	<b>14,029</b>	17,657
EBITDA	<b>62,902</b>	65,094	51,918	<b>127,996</b>	104,574
Equity-settled share-based compensation	<b>5,616</b>	4,165	4,930	<b>9,781</b>	10,085
Adjusted EBITDA	<b>68,518</b>	69,259	56,848	<b>137,777</b>	114,659

\* Since the fourth quarter of 2023, certain items have been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly. Please refer to Note 3(a) in the notes to the Interim Financial Information for details.



# 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 2024 and 2023, the first quarter of 2024, as well as the first half of 2024 and 2023 to the nearest measures prepared in accordance with IFRS:

### Unaudited three months ended 30 June 2024

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

# Management Discussion and Analysis

Unaudited three months ended 31 March 2024

	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	52,556	4,694	–	1,249	–	120	–	58,619
Share of profit/(loss) of associates and joint ventures, net	2,186	1,509	(459)	1,556	699	–	–	5,491
Profit for the period	42,651	6,203	(1,476)	2,805	1,562	132	(535)	51,342
Profit attributable to equity holders	41,889	6,035	(1,449)	2,589	1,541	132	(472)	50,265
EPS (RMB per share)								
– basic	4.479							5.375
– diluted	4.386							5.263
Operating margin	33%							37%

Unaudited three months ended 30 June 2023

	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)	Others (f)	Income tax effects (g)	Non-IFRS
	(RMB in millions, unless specified)								
Operating profit (Restated)*	36,283	5,551	–	1,023	–	195	3,003	–	46,055
Share of profit/(loss) of associates and joint ventures, net	1,159	1,308	(81)	1,349	128	–	(1)	–	3,862
Profit for the period	27,023	6,859	(287)	2,372	210	369	3,002	(929)	38,619
Profit attributable to equity holders	26,171	6,661	(162)	2,187	193	369	3,002	(873)	37,548
EPS (RMB per share)									
– basic	2.761								3.962
– diluted	2.695								3.875
Operating margin (Restated)*	24%								31%

\* Since the fourth quarter of 2023, certain items have been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly. Please refer to Note 3(a) in the notes to the Interim Financial Information for details.

# Management Discussion and Analysis

Unaudited six 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)	Income tax effects (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%

Unaudited six months ended 30 June 2023

	Adjustments								Non-IFRS
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	SSV & CPP (e)	Others (f)	Income tax effects (g)	
	(RMB in millions, unless specified)								
Operating profit (Restated)*	74,325	11,395	-	2,021	-	330	3,012	-	91,083
Share of profit/(loss) of associates and joint ventures, net	1,239	2,777	(4,647)	2,622	1,749	-	(1)	-	3,739
Profit for the period	53,417	14,172	(5,511)	4,643	2,072	1,895	3,011	(1,635)	72,064
Profit attributable to equity holders	52,009	13,755	(5,386)	4,285	2,045	1,895	3,011	(1,528)	70,086
EPS (RMB per share)									
- basic	5.486								7.393
- diluted	5.334								7.236
Operating margin (Restated)*	25%								30%

\* Since the fourth quarter of 2023, certain items have been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly. Please refer to Note 3(a) in the notes to the Interim Financial Information for details.

# 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 2024, our investment portfolio amounted to approximately RMB740,180 million (31 December 2023: RMB701,664 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.

## Management Discussion and Analysis

The fair value of our shareholdings<sup>5</sup> in listed investee companies (excluding subsidiaries) amounted to RMB564.5 billion as at 30 June 2024 (31 December 2023: RMB550.7 billion), and the carrying book value of our unlisted investments was RMB327.4 billion as at 30 June 2024 (31 December 2023: RMB337.3 billion). None of the carrying value of any of our investments (including listed equity investments) constituted 5% or more of our total assets as at 30 June 2024.

There were no material changes in our significant investment portfolio during the six months ended 30 June 2024 that need to be disclosed under paragraph 32 of Appendix D2 to the Listing Rules.

Return from our investment portfolio amounted to RMB8,345 million for the six months ended 30 June 2024, with an increase of 1,108% 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	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Dividend income	234	331	524	427
Net gains on disposals and deemed disposals of investee companies	3,161	2,077	8,220	3,121
Net fair value gains/(losses)	515	(1,615)	(3,380)	(1,752)
Impairment provisions for investee companies, goodwill and other intangible assets from acquisitions, net	(3,506)	(82)	(4,369)	(323)
Share of profit/(loss) of associates and joint ventures, net	7,718	1,159	9,904	1,239
Amortisation of intangible assets resulting from acquisitions	(1,305)	(1,023)	(2,554)	(2,021)

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.

<sup>5</sup> Including those held via special purpose vehicles, on an attributable basis.

# Management Discussion and Analysis

## LIQUIDITY AND FINANCIAL RESOURCES

Our cash and debt positions as at 30 June 2024 and 31 March 2024 were as follows:

	<b>Unaudited 30 June 2024</b>	Unaudited 31 March 2024
		(RMB in millions)
Cash and cash equivalents	<b>153,511</b>	161,023
Term deposits and others	<b>261,639</b>	284,245
Borrowings	<b>(205,408)</b>	(201,191)
Notes payable	<b>(137,985)</b>	(151,543)
Net cash	<b><u>71,757</u></b>	<u>92,534</u>

As at 30 June 2024, the Group had net cash of RMB71.8 billion, compared to net cash of RMB92.5 billion as at 31 March 2024. The sequential decrease was primarily due to cash outflows associated with share repurchases and dividend payments for the year ended 31 December 2023 made during the quarter, which were largely funded by our free cash flow generation.

For the second quarter of 2024, the Group generated free cash flow of RMB40.4 billion. This was a result of net cash flow generated from operating activities of RMB54.1 billion, partially offset by payments for capital expenditures of RMB5.9 billion, payments for media content of RMB6.2 billion, and payments for lease liabilities of RMB1.6 billion.

## CHARGES

As at 30 June 2024, the Group's equity interests in an investee company at a carrying amount of approximately RMB3.1 billion were charged to a bank syndicate (as part of the collateral) against a loan extended to such investee company.

As at 30 June 2024, certain subsidiaries of the Group had pledged certain accounts receivable amounting to approximately RMB10 million in total to banks as collaterals against their bank borrowings/overdrafts.

# 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 86, 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 2024 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, 14 August 2024

# Condensed Consolidated Income Statement

For the three and six months ended 30 June 2024

	Note	Unaudited		Unaudited	
		Three months ended 30 June		Six months ended 30 June	
		2024	2023 Restated (Note 3(a)) RMB'Million	2024	2023 Restated (Note 3(a)) RMB'Million
<b>Revenues</b>					
Value-added Services		<b>78,822</b>	74,211	<b>157,451</b>	153,548
Online Advertising		<b>29,871</b>	25,003	<b>56,377</b>	45,967
FinTech and Business Services		<b>50,440</b>	48,635	<b>102,742</b>	97,336
Others		<b>1,984</b>	1,359	<b>4,048</b>	2,343
	6	<b>161,117</b>	149,208	<b>320,618</b>	299,194
Cost of revenues	7	<b>(75,222)</b>	(78,368)	<b>(150,853)</b>	(160,172)
<b>Gross profit</b>		<b>85,895</b>	70,840	<b>169,765</b>	139,022
Selling and marketing expenses	7	<b>(9,156)</b>	(8,310)	<b>(16,692)</b>	(15,328)
General and administrative expenses	7	<b>(27,491)</b>	(25,419)	<b>(52,300)</b>	(50,061)
Other gains/(losses), net	8	<b>1,484</b>	(828)	<b>2,515</b>	692
<b>Operating profit</b>		<b>50,732</b>	36,283	<b>103,288</b>	74,325
Net gains/(losses) from investments and others	9	<b>(654)</b>	598	<b>2</b>	22
Interest income		<b>3,850</b>	3,419	<b>8,098</b>	6,382
Finance costs	10	<b>(3,112)</b>	(3,291)	<b>(5,938)</b>	(5,941)
Share of profit/(loss) of associates and joint ventures, net		<b>7,718</b>	1,159	<b>9,904</b>	1,239
<b>Profit before income tax</b>		<b>58,534</b>	38,168	<b>115,354</b>	76,027
Income tax expense	11(a)	<b>(10,168)</b>	(11,145)	<b>(24,337)</b>	(22,610)
<b>Profit for the period</b>		<b>48,366</b>	27,023	<b>91,017</b>	53,417
<b>Attributable to:</b>					
Equity holders of the Company		<b>47,630</b>	26,171	<b>89,519</b>	52,009
Non-controlling interests		<b>736</b>	852	<b>1,498</b>	1,408
		<b>48,366</b>	27,023	<b>91,017</b>	53,417
<b>Earnings per share for profit attributable to equity holders of the Company (in RMB per share)</b>					
– basic	12(a)	<b>5.112</b>	2.761	<b>9.590</b>	5.486
– diluted	12(b)	<b>4.994</b>	2.695	<b>9.377</b>	5.334

The accompanying notes on pages 34 to 86 form an integral part of this interim financial information.



# Condensed Consolidated Statement of Comprehensive Income

For the three and six months ended 30 June 2024

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
<b>Profit for the period</b>	<b>48,366</b>	27,023	<b>91,017</b>	53,417
<b>Other comprehensive income, net of tax:</b>				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Share of other comprehensive income of associates and joint ventures	139	424	(198)	(238)
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	17	(23)	(13)	(9)
Transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income	–	(3)	1	(2)
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	12	17	22	39
Currency translation differences	(242)	17,560	(4,171)	16,360
Net movement in reserves for cash flow hedges	(921)	31	(1,703)	(1,120)
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Share of other comprehensive income of associates and joint ventures	(379)	(743)	(499)	(897)
Loss from changes in fair value of assets held for distribution	–	–	–	(29,991)
Net gains/(losses) from changes in fair value of financial assets at fair value through other comprehensive income	25,905	(20,673)	41,823	13,689
Currency translation differences	151	2,742	(312)	(104)
	<b>24,682</b>	(668)	<b>34,950</b>	(2,273)
<b>Total comprehensive income for the period</b>	<b>73,048</b>	26,355	<b>125,967</b>	51,144
<b>Attributable to:</b>				
Equity holders of the Company	71,703	24,416	123,376	48,028
Non-controlling interests	1,345	1,939	2,591	3,116
	<b>73,048</b>	26,355	<b>125,967</b>	51,144

The accompanying notes on pages 34 to 86 form an integral part of this interim financial information.

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	Unaudited 30 June 2024 RMB'Million	Audited 31 December 2023 RMB'Million
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	57,195	53,232
Land use rights	15	23,479	17,179
Right-of-use assets	16	18,800	20,464
Construction in progress	14	13,463	13,583
Investment properties	14	659	570
Intangible assets	14	177,621	177,727
Investments in associates	17	262,961	253,696
Investments in joint ventures		7,221	7,969
Financial assets at fair value through profit or loss	18	206,848	211,145
Financial assets at fair value through other comprehensive income	19	253,436	213,951
Prepayments, deposits and other assets	20	27,746	28,439
Other financial assets	21	1,144	2,527
Deferred income tax assets	22	31,266	29,017
Term deposits		51,490	29,301
		<b>1,133,329</b>	<b>1,058,800</b>
<b>Current assets</b>			
Inventories		4,387	456
Accounts receivable	23	52,250	46,606
Prepayments, deposits and other assets	20	92,844	88,411
Other financial assets	21	5,437	5,949
Financial assets at fair value through profit or loss	18	8,864	14,903
Financial assets at fair value through other comprehensive income	19	850	–
Term deposits		200,090	185,983
Restricted cash		3,408	3,818
Cash and cash equivalents		153,511	172,320
		<b>521,641</b>	<b>518,446</b>
<b>Total assets</b>		<b>1,654,970</b>	<b>1,577,246</b>

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	Unaudited 30 June 2024 RMB'Million	Audited 31 December 2023 RMB'Million
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	24	–	–
Share premium		32,957	37,989
Treasury shares		(3,664)	(4,740)
Shares held for share award schemes		(3,705)	(5,350)
Other reserves		(6,955)	(33,219)
Retained earnings		842,048	813,911
		<b>860,681</b>	808,591
<b>Non-controlling interests</b>		<b>66,916</b>	65,090
<b>Total equity</b>		<b>927,597</b>	873,681
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	26	152,946	155,819
Notes payable	27	131,575	137,101
Long-term payables	28	13,315	12,169
Other financial liabilities	29	7,684	8,781
Deferred income tax liabilities	22	14,223	17,635
Lease liabilities	16	14,979	16,468
Deferred revenue	32	4,825	3,435
		<b>339,547</b>	351,408

# Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Note	Unaudited 30 June 2024 RMB'Million	Audited 31 December 2023 RMB'Million
<b>Current liabilities</b>			
Accounts payable	30	121,230	100,948
Other payables and accruals	31	69,693	76,595
Borrowings	26	52,462	41,537
Notes payable	27	6,410	14,161
Current income tax liabilities		17,046	17,664
Other tax liabilities		4,258	4,372
Other financial liabilities	29	3,784	4,558
Lease liabilities	16	5,999	6,154
Deferred revenue	32	106,944	86,168
		<u>387,826</u>	<u>352,157</u>
<b>Total liabilities</b>		<u>727,373</u>	<u>703,565</u>
<b>Total equity and liabilities</b>		<u>1,654,970</u>	<u>1,577,246</u>

The accompanying notes on pages 34 to 86 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 2024

	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	
<b>Balance at 1 January 2024</b>	-	37,989	(4,740)	(5,350)	(33,219)	813,911	808,591	65,090	873,681
<b>Comprehensive income</b>									
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 cash flow hedges	-	-	-	-	(1,687)	-	(1,687)	(16)	(1,703)
<b>Total comprehensive income for the period</b>	-	-	-	-	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 2024

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Shares held			Retained earnings	Total	Non-controlling interests	Total equity
			Treasury shares	for share award schemes	Other reserves				
RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million	RMB' Million	
<b>Transactions with equity holders</b>									
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)
<b>Total transactions with equity holders in their capacity as equity holders for the period</b>	<b>-</b>	<b>(5,032)</b>	<b>1,076</b>	<b>1,645</b>	<b>(6,414)</b>	<b>(64,162)</b>	<b>(72,887)</b>	<b>(765)</b>	<b>(73,652)</b>
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>32,957</b>	<b>(3,664)</b>	<b>(3,705)</b>	<b>(6,955)</b>	<b>842,048</b>	<b>860,681</b>	<b>66,916</b>	<b>927,597</b>

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital	Share premium	Shares held			Retained earnings	Total	Non-controlling interests	Total equity
			Treasury shares	for share award schemes	Other reserves				
RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	
<b>Balance at 1 January 2023</b>	–	62,418	(1,868)	(4,226)	(40,914)	705,981	721,391	61,469	782,860
<b>Comprehensive income</b>									
Profit for the period	–	–	–	–	–	52,009	52,009	1,408	53,417
Other comprehensive income, net of tax:									
– share of other comprehensive income of associates and joint ventures	–	–	–	–	(1,121)	–	(1,121)	(14)	(1,135)
– loss from changes in fair value of assets held for distribution	–	–	–	–	(29,991)	–	(29,991)	–	(29,991)
– transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	–	–	–	–	(9)	–	(9)	–	(9)
– net gains from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	12,680	–	12,680	1,048	13,728
– transfer to profit or loss upon disposal of financial assets at fair value through other comprehensive income	–	–	–	–	(2)	–	(2)	–	(2)
– currency translation differences	–	–	–	–	15,564	–	15,564	692	16,256
– net movement in reserves for cash flow hedges	–	–	–	–	(1,102)	–	(1,102)	(18)	(1,120)
<b>Total comprehensive income for the period</b>	–	–	–	–	(3,981)	52,009	48,028	3,116	51,144
Transfer of losses on disposal and deemed disposal of financial instruments to retained earnings, net of tax	–	–	–	–	18,096	(18,141)	(45)	–	(45)
Transfer of share of other comprehensive income to retained earnings upon disposal and deemed disposal of associates and joint ventures	–	–	–	–	68	(68)	–	–	–
Share of other changes in net assets of associates and joint ventures	–	–	–	–	2,680	–	2,680	–	2,680
Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal	–	–	–	–	(116)	–	(116)	–	(116)

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	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	RMB'Million
<b>Transactions with equity holders</b>									
Capital injections/(reductions)	-	-	-	-	-	-	-	(17)	(17)
Employee share option schemes:									
- value of employee services	-	826	-	-	44	-	870	38	908
- proceeds from shares issued	-	881	-	-	-	-	881	-	881
Employee share award schemes:									
- value of employee services	-	8,266	-	-	781	-	9,047	184	9,231
- shares withheld for share award schemes	-	-	-	(1,172)	-	-	(1,172)	-	(1,172)
- vesting of awarded shares	-	(901)	-	901	-	-	-	-	-
Tax benefit from share-based payments	-	-	-	-	20	-	20	-	20
Profit appropriations to statutory reserves	-	-	-	-	108	(108)	-	-	-
Repurchase and cancellation of shares	-	(14,879)	1,868	-	-	-	(13,011)	-	(13,011)
Repurchase of shares (to be cancelled)	-	-	(2,224)	-	-	-	(2,224)	-	(2,224)
Cash dividends	-	-	-	-	-	(20,586)	(20,586)	(276)	(20,862)
Dividends under distribution in specie	-	-	-	-	-	32,169	32,169	-	32,169
Non-controlling interests arising from business combinations	-	-	-	-	-	-	-	182	182
Acquisition of additional equity interests in non wholly-owned subsidiaries	-	-	-	-	288	-	288	(1,850)	(1,562)
Dilution of interests in subsidiaries	-	-	-	-	(128)	-	(128)	190	62
Disposal of subsidiaries	-	-	-	-	-	-	-	(66)	(66)
Changes in put option liabilities in respect of non-controlling interests	-	-	-	-	(109)	-	(109)	(16)	(125)
Recognition of put option liabilities arising from business combinations	-	-	-	-	(121)	-	(121)	-	(121)
Transfer of equity interests of subsidiaries to non-controlling interests	-	-	-	-	434	-	434	(434)	-
<b>Total transactions with equity holders in their capacity as equity holders for the period</b>	-	(5,807)	(356)	(271)	1,317	11,475	6,358	(2,065)	4,293
<b>Balance at 30 June 2023</b>	-	56,611	(2,224)	(4,497)	(22,850)	751,256	778,296	62,520	840,816

The accompanying notes on pages 34 to 86 form an integral part of this interim financial information.



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'Million	RMB'Million
<b>Cash flows from operating activities</b>		
Cash generated from operations	156,764	122,867
Income tax paid	(30,306)	(19,884)
<b>Net cash flows generated from operating activities</b>	<b>126,458</b>	<b>102,983</b>
<b>Cash flows from investing activities</b>		
Payments for business combinations, net of cash acquired	(1,388)	(323)
Net inflow of cash in respect of disposals of investments in subsidiaries	–	14
Purchase of property, plant and equipment, construction in progress and investment properties	(12,552)	(6,355)
Proceeds from disposal of property, plant and equipment	100	164
Purchase of/prepayments for intangible assets	(11,846)	(11,407)
Purchase of/prepayments for land use rights	(6,617)	(526)
Payments for acquisition of investments in associates	(787)	(3,214)
Proceeds from disposal of investments in associates	2,492	3,775
Payments for acquisition of investments in joint ventures	(19)	(18)
Proceeds from disposal of investments in joint ventures	261	–
Payments for acquisition of financial assets at fair value through other comprehensive income	(3,820)	(5,973)
Proceeds from disposal of financial assets at fair value through other comprehensive income	11,395	4,225
Payments for acquisition of financial assets at fair value through profit or loss	(17,224)	(28,437)
Proceeds from disposal of financial assets at fair value through profit or loss	22,009	24,732
Payments for acquisition/settlement of other financial instruments	(1,986)	(1,428)
Net (outflow)/inflow of acquisition/settlement of other financial assets	(751)	563
Payments for loans to investees and others	(511)	(101)
Loans repayments from investees and others	385	628
Receipt from maturity of term deposits with initial terms of over three months	150,770	51,825
Placement of term deposits with initial terms of over three months	(186,507)	(117,549)
Interest received	8,862	3,791
Dividends received	2,285	890
<b>Net cash flows used in investing activities</b>	<b>(45,449)</b>	<b>(84,724)</b>

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'Million	RMB'Million
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	31,192	24,608
Repayments of short-term borrowings	(27,228)	(3,300)
Proceeds from long-term borrowings	16,684	27,140
Repayments of long-term borrowings	(13,522)	(29,501)
Repayments of notes payable	(14,213)	(10,141)
Principal elements of lease payments	(2,777)	(2,586)
Interest paid	(6,070)	(5,567)
Payments for repurchase of shares	(47,715)	(15,091)
Proceeds from issuance of ordinary shares as a result of exercise of share options	1,119	881
Payments for withholding individual income tax for share option schemes	(105)	–
Payments for shares purchased/withheld for share award schemes	(994)	(1,172)
Proceeds from issuance of additional equity interests of non wholly-owned subsidiaries	113	16
Payments for acquisition of non-controlling interests in non wholly-owned subsidiaries	(5,852)	(1,603)
Capital reductions of non-controlling interests in non wholly-owned subsidiaries	–	(20)
Dividends paid to the Company's shareholders	(28,859)	(20,983)
Dividends paid to non-controlling interests	(1,554)	(277)
	<u>(99,781)</u>	<u>(37,596)</u>
<b>Net cash flows used in financing activities</b>		
	<u>(99,781)</u>	<u>(37,596)</u>
<b>Net decrease in cash and cash equivalents</b>	(18,772)	(19,337)
Cash and cash equivalents at beginning of the period	172,320	156,739
Exchange (losses)/gains on cash and cash equivalents	(37)	2,245
	<u>(37)</u>	<u>2,245</u>
<b>Cash and cash equivalents at end of the period</b>	<u>153,511</u>	<u>139,647</u>

The accompanying notes on pages 34 to 86 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”), Online Advertising 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 2023, 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 2023 annual report of the Company (the “2023 Financial Statements”).

## 3 MATERIAL ACCOUNTING POLICY INFORMATION

Except as described below, the accounting policies and method of computation used in the preparation of the Interim Financial Information are generally consistent with those used in the 2023 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) Restatement of presentation of condensed consolidated income statement for prior periods

As disclosed in Note 2.2(a) to the 2023 Financial Statements, the Group changed the presentation of the consolidated income statement during the three months ended 31 December 2023. “Interest income” and “Net gains/(losses) from investments and others” had been reclassified from above to below the operating profit line. Historical comparative figures have been restated accordingly.

The following table shows the amounts of restatement relating to changes in the presentation of the condensed consolidated income statement for the three and six months ended 30 June 2023:

Condensed consolidated income statement (extract)	Unaudited Three months ended 30 June 2023			Unaudited Six months ended 30 June 2023		
	As originally presented	Difference	Restated	As originally presented	Difference	Restated
	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Revenues	149,208	–	149,208	299,194	–	299,194
Cost of revenues	<u>(78,368)</u>	–	<u>(78,368)</u>	<u>(160,172)</u>	–	<u>(160,172)</u>
<b>Gross profit</b>	<b>70,840</b>	–	<b>70,840</b>	<b>139,022</b>	–	<b>139,022</b>
Interest income	3,419	(3,419)	–	6,382	(6,382)	–
Selling and marketing expenses	(8,310)	–	(8,310)	(15,328)	–	(15,328)
General and administrative expenses	(25,419)	–	(25,419)	(50,061)	–	(50,061)
Other gains/(losses), net	<u>(230)</u>	<u>(598)</u>	<u>(828)</u>	<u>714</u>	<u>(22)</u>	<u>692</u>
<b>Operating profit</b>	<b>40,300</b>	<b>(4,017)</b>	<b>36,283</b>	<b>80,729</b>	<b>(6,404)</b>	<b>74,325</b>
Net gains/(losses) from investments and others	–	598	598	–	22	22
Interest income	–	3,419	3,419	–	6,382	6,382
Finance costs	(3,291)	–	(3,291)	(5,941)	–	(5,941)
Share of profit/(loss) of associates and joint ventures, net	<u>1,159</u>	–	<u>1,159</u>	<u>1,239</u>	–	<u>1,239</u>
<b>Profit before income tax</b>	<b>38,168</b>	–	<b>38,168</b>	<b>76,027</b>	–	<b>76,027</b>
Income tax expense	<u>(11,145)</u>	–	<u>(11,145)</u>	<u>(22,610)</u>	–	<u>(22,610)</u>
<b>Profit for the period</b>	<b><u>27,023</u></b>	–	<b><u>27,023</u></b>	<b><u>53,417</u></b>	–	<b><u>53,417</u></b>

# Notes to the Interim Financial Information

## 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### (b) 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 2024:

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

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

### (c) New standards and amendments to standards issued but not yet effective

The following new standards and amendments to standards have not come into effect for the financial year beginning on 1 January 2024 and have not been early adopted by the Group in preparing the Interim Financial Information. As at the date of approval of this Interim Financial Information, the Group is still in the process of assessing the effects of adopting IFRS 18, IFRS 19 and these amendments and improvements to IFRS Accounting Standards. The Group will continue to assess the effects of these new and amended standards.

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	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
IFRS 19	Subsidiaries without Public Accountability: Disclosures	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 the same as those applied to the 2023 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 2023 Financial Statements.

There were no significant changes in any material risk management policies during the six months ended 30 June 2024.

During the three and six months ended 30 June 2024, the Group reported net exchange losses of RMB194 million and net exchange gains of RMB24 million, respectively (three and six months ended 30 June 2023: net exchange losses of RMB282 million and RMB132 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:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
Borrowings (Note 26)	<b>205,408</b>	197,356
Notes payable (Note 27)	<b>137,985</b>	151,262
Total debts	<b>343,393</b>	348,618
Adjusted EBITDA (Note) for the last twelve months	<b>258,572</b>	235,454
Total debts/Adjusted EBITDA ratio	<b>1.33</b>	1.48

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 as at 30 June 2024 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
<b>As at 30 June 2024 (Unaudited)</b>				
FVPL	12,827	8,910	193,975	215,712
FVOCI	234,072	1,978	18,236	254,286
Other financial assets	–	3,891	35	3,926
Other financial liabilities	–	–	(1,349)	(1,349)
<b>As at 31 December 2023 (Audited)</b>				
FVPL	12,280	14,233	199,535	226,048
FVOCI	190,011	1,269	22,671	213,951
Other financial assets	–	6,715	26	6,741
Other financial liabilities	–	(8)	(2,977)	(2,985)

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 during the six months ended 30 June 2024 and 2023.

## Notes to the Interim Financial Information

### 5 FINANCIAL RISK MANAGEMENT (continued)

#### (c) Fair value estimation (continued)

During the six months ended 30 June 2024, there was no transfer between Level 1 and 2 for recurring fair value measurements. Transfers in and out 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 2024 and 2023:

	Financial assets		Financial liabilities	
	Unaudited		Unaudited	
	Six months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
<b>Opening balance</b>	<b>222,232</b>	216,054	<b>(2,977)</b>	(3,298)
Additions	<b>5,855</b>	6,420	–	–
Business combinations	–	5,238	<b>(29)</b>	2
Disposals/settlements	<b>(2,397)</b>	(1,126)	<b>1,680</b>	808
Transfers (Note)	<b>(12,068)</b>	(266)	–	–
Changes in fair value recognised in other comprehensive income	<b>(1,703)</b>	432	–	–
Changes in fair value recognised in profit or loss*	<b>(215)</b>	(3,284)	<b>(35)</b>	(283)
Currency translation differences	<b>542</b>	7,071	<b>12</b>	(88)
<b>Closing balance</b>	<b>212,246</b>	230,539	<b>(1,349)</b>	(2,859)
* Includes unrealised losses recognised in profit or loss attributable to balances held at the end of the reporting period	<b>(1,522)</b>	(3,626)	<b>(9)</b>	(201)

Note:

During the six months ended 30 June 2024 and 2023, transfers from Level 3 to Level 1 were mainly due to the successful Initial Public Offerings (“IPO(s)”) 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 include 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 and option pricing approach. 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 2024 are 33% ~ 82% (31 December 2023: 33% ~ 82%) and 0.04% ~ 7.05% (31 December 2023: 0.04% ~ 7.05%), 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 2024 and 2023.

# 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 2024 and 2023:

- VAS;
- Online Advertising;
- 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 2024 and 2023. The revenues from external customers reported to the chief operating decision-makers are measured in a manner consistent with that applied in the 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 2024 and 2023 is as follows:

	Unaudited				Total RMB'Million
	Three months ended 30 June 2024				
	VAS	Online	Business	Others	
	RMB'Million	Advertising RMB'Million	Services RMB'Million	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>

	Unaudited				Total RMB'Million
	Three months ended 30 June 2023				
	VAS	Online	Business	Others	
	RMB'Million	Advertising RMB'Million	Services RMB'Million	RMB'Million	RMB'Million
Segment revenues	<u>74,211</u>	<u>25,003</u>	<u>48,635</u>	<u>1,359</u>	<u>149,208</u>
Gross profit/(loss)	<u>40,045</u>	<u>12,236</u>	<u>18,665</u>	<u>(106)</u>	<u>70,840</u>
Cost of revenues					
Depreciation	1,343	1,514	2,222	17	5,096
Amortisation	<u>4,685</u>	<u>2,396</u>	<u>41</u>	<u>504</u>	<u>7,626</u>

## Notes to the Interim Financial Information

### 6 SEGMENT INFORMATION AND REVENUES (continued)

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

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

	Unaudited				Total RMB'Million
	Six months ended 30 June 2023				
	VAS RMB'Million	FinTech and		Others RMB'Million	
		Online Advertising RMB'Million	Business Services RMB'Million		
Segment revenues	<u>153,548</u>	<u>45,967</u>	<u>97,336</u>	<u>2,343</u>	<u>299,194</u>
Gross profit/(loss)	<u>82,784</u>	<u>20,975</u>	<u>35,466</u>	<u>(203)</u>	<u>139,022</u>
Cost of revenues					
Depreciation	2,746	2,958	4,541	33	10,278
Amortisation	<u>10,497</u>	<u>5,245</u>	<u>82</u>	<u>698</u>	<u>16,522</u>

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 2024 and 2023.

## 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	
	2024 RMB'Million	2023 RMB'Million	2024 RMB'Million	2023 RMB'Million
Revenues				
– VAS	<b>78,822</b>	74,211	<b>157,451</b>	153,548
<i>Games</i>	<b>48,505</b>	44,512	<b>96,629</b>	92,848
<i>Social networks</i>	<b>30,317</b>	29,699	<b>60,822</b>	60,700
– Online Advertising	<b>29,871</b>	25,003	<b>56,377</b>	45,967
<i>Social and others advertising</i>	<b>26,602</b>	22,666	<b>50,578</b>	41,587
<i>Media advertising</i>	<b>3,269</b>	2,337	<b>5,799</b>	4,380
– FinTech and Business Services	<b>50,440</b>	48,635	<b>102,742</b>	97,336
– Others	<b>1,984</b>	1,359	<b>4,048</b>	2,343
	<b>161,117</b>	149,208	<b>320,618</b>	299,194

# Notes to the Interim Financial Information

## 7 EXPENSES BY NATURE

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Transaction costs (Note (a))	<b>32,160</b>	32,561	<b>66,763</b>	65,832
Employee benefits expenses (Note (b))	<b>28,317</b>	26,770	<b>54,349</b>	54,069
Content costs (excluding amortisation of intangible assets)	<b>16,683</b>	15,732	<b>32,293</b>	31,038
Amortisation of intangible assets (Note (c) and Note 14)	<b>7,085</b>	8,175	<b>13,982</b>	17,617
Bandwidth and server custody fees (excluding depreciation of right-of-use assets)	<b>6,517</b>	5,590	<b>12,815</b>	11,856
Depreciation of property, plant and equipment, investment properties and right-of-use assets (Notes 14 and 16)	<b>6,553</b>	6,612	<b>13,194</b>	13,284
Promotion and advertising expenses	<b>6,366</b>	5,571	<b>11,354</b>	9,835

Note:

- (a) Transaction costs primarily consist of bank handling fees, channel and distribution costs.
- (b) During the three and six months ended 30 June 2024, the Group had incurred expenses for the purpose of research and development of approximately RMB17,277 million and RMB32,955 million, respectively (three and six months ended 30 June 2023: RMB16,010 million and RMB31,191 million, respectively), which mainly comprised employee benefits expenses of approximately RMB14,051 million and RMB27,168 million, respectively (three and six months ended 30 June 2023: RMB13,233 million and RMB26,284 million, respectively).

No significant development expenses had been capitalised for the three and six months ended 30 June 2024 and 2023.

During the three and six months ended 30 June 2024, employee benefits expenses included the share-based compensation expenses of approximately RMB6,213 million and RMB10,907 million, respectively (three and six months ended 30 June 2023: RMB5,551 million and RMB11,395 million, respectively), which contained those incurred for employees related to SSV & CPP of approximately RMB15 million and RMB30 million, respectively (three and six months ended 30 June 2023: RMB17 million and RMB35 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 licenses, and other content. During the three and six months ended 30 June 2024, amortisation of media content was approximately RMB6,422 million and RMB12,702 million, respectively (three and six months ended 30 June 2023: RMB7,587 million and RMB16,391 million, respectively).

During the three and six months ended 30 June 2024, amortisation of intangible assets included the amortisation of intangible assets arising from acquisitions of approximately RMB1,305 million and RMB2,554 million, respectively (three and six months ended 30 June 2023: RMB1,023 million and RMB2,021 million, respectively).

(d) During the three and six months ended 30 June 2024, expenses incurred related to SSV & CPP (excluding share-based compensation expenses) were approximately RMB190 million and RMB310 million, respectively (three and six months ended 30 June 2023: RMB195 million and RMB330 million, respectively).

(e) During the three and six months ended 30 June 2024, non-recurring compliance-related costs and expenses incurred for certain litigation settlements in total were approximately RMB3 million and RMB3 million, respectively, which were included in “General and administrative expenses” (three and six months ended 30 June 2023: except for Tenpay-related fine as disclosed in Note 8, non-recurring compliance-related costs and expenses incurred for certain litigation settlements in total were approximately RMB8 million and RMB17 million, respectively, which were included in “General and administrative expenses”).

## 8 OTHER GAINS/(LOSSES), NET

	Unaudited		Unaudited	
	Three months ended 30 June	2023	Six months ended 30 June	2023
	2024	Restated	2024	Restated
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Subsidies and tax rebates	2,364	2,854	3,417	5,594
Tenpay-related fine	–	(2,995)	–	(2,995)
Others	(880)	(687)	(902)	(1,907)
	<u>1,484</u>	<u>(828)</u>	<u>2,515</u>	<u>692</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	
	2024	2023	2024	2023
		Restated		Restated
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Net gains on disposals and deemed disposals of investee companies (Note (a))	3,161	2,077	8,220	3,121
Net fair value gains/(losses) on FVPL (Note (b) and Note 18)	631	(3,088)	(2,223)	(3,012)
Other net fair value (losses)/gains (Note (c))	(114)	1,449	(1,148)	1,241
Impairment provisions for investments in associates (Note 17(b))	(3,365)	(804)	(4,152)	(1,075)
Impairment (provisions)/reversals for investments in joint ventures and others	(106)	722	(147)	752
Impairment provisions for goodwill and other intangible assets arising from acquisitions	(35)	–	(70)	–
Donations (Note (d))	(1,145)	(174)	(1,172)	(1,600)
Dividend income	234	331	524	427
Others	85	85	170	168
	<b>(654)</b>	<b>598</b>	<b>2</b>	<b>22</b>

Note:

- (a) The net disposal and deemed disposal gains of approximately RMB8,220 million recognised during the six months ended 30 June 2024 comprised the following:
- aggregate net gains of approximately RMB1,257 million (six months ended 30 June 2023: RMB1,752 million) on disposals and partial disposals of investee companies of the Group;
  - aggregate net gains of approximately RMB4,523 million (six months ended 30 June 2023: RMB1,936 million) on deemed disposals of investee companies of the Group; and
  - aggregate net gains of approximately RMB2,440 million (six months ended 30 June 2023: net losses of approximately RMB567 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 2024, the net fair value gains/(losses) on FVPL mainly comprised net gains of approximately RMB536 million and net losses of approximately RMB2,465 million, respectively, as a result of changes in valuations of certain investee companies (three and six months ended 30 June 2023: net losses of approximately RMB3,344 million and RMB3,517 million, respectively).
- (c) During the three and six months ended 30 June 2024, the other net fair value losses mainly included net losses on other investment-related assets and liabilities of approximately RMB116 million and RMB1,157 million, respectively (three and six months ended 30 June 2023: net gains of approximately RMB1,473 million and RMB1,260 million, respectively).
- (d) During the three and six months ended 30 June 2024, donations mainly included approximately RMB835 million and RMB847 million for SSV & CPP of the Group, respectively (three and six months ended 30 June 2023: RMB174 million and RMB1,565 million, respectively).

### 10 FINANCE COSTS

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Interest and related expenses	2,918	3,009	5,962	5,809
Exchange losses/(gains), net	194	282	(24)	132
	<u>3,112</u>	<u>3,291</u>	<u>5,938</u>	<u>5,941</u>

Interest and related expenses mainly arose from the 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 2024 and 2023.

(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 2024 and 2023.

(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 profit of entities within the Group established in the Mainland of China for the three and six months ended 30 June 2024 and 2023. The general PRC CIT rate was 25% for the three and six months ended 30 June 2024 and 2023.

Certain subsidiaries of the Company in the Mainland of China were approved as High and New Technology Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the three and six months ended 30 June 2024 and 2023. Moreover, according to announcement and circular issued by relevant government authorities, a subsidiary which was qualified as National Key Software Enterprise was subject to a preferential corporate income tax rate of 10%.

In addition, certain subsidiaries of the Company were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of the Mainland of China upon fulfillment 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 profit arising from other jurisdictions, including the United States, Europe, Asia and South America, had been calculated on the estimated assessable profit for the three and six months ended 30 June 2024 and 2023 at the respective rates prevailing in the relevant jurisdictions, which were not higher than 35%.

#### (v) Withholding tax

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

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

The income tax expense of the Group for the three and six months ended 30 June 2024 and 2023 is analysed as follows:

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Current income tax	9,196	8,920	21,183	18,068
Deferred income tax (Note 22)	972	2,225	3,154	4,542
	<b>10,168</b>	11,145	<b>24,337</b>	22,610

# 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 (i))	Taxable advertising income
City construction tax	7%	Net VAT payable amount
Educational surcharge	5%	Net VAT payable amount

Note:

- (i) The rate of cultural construction fee has been reduced by 50% in certain regions during 1 July 2019 to 31 December 2024, 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 assessing its tax exposure. As at 30 June 2024, the Group mainly operates in the Mainland of China and Hong Kong, in which exposures to Pillar Two income taxes might exist in the future although the legislation is not yet substantively enacted or enacted. It is estimated that the Group’s income tax would not be materially different should such legislation had been in effect for the three and six months ended 30 June 2024 and 2023. Besides, certain subsidiaries of the Company are located in jurisdictions mainly including Luxembourg, Netherlands and Ireland where Pillar Two legislation is in effect during the three and six months ended 30 June 2024. The Group has no related current tax exposure in these jurisdictions for the three and six months ended 30 June 2024. The Group does not recognise any current tax or deferred tax in respect of Pillar Two income taxes for the three and six months ended 30 June 2024 and 2023.

# Notes to the Interim Financial Information

## 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	
	2024	2023	2024	2023
Profit attributable to equity holders of the Company (RMB’Million)	<u>47,630</u>	<u>26,171</u>	<u>89,519</u>	<u>52,009</u>
Weighted average number of ordinary shares in issue excluding shares held for share award schemes and treasury shares (million shares)	<u>9,318</u>	<u>9,478</u>	<u>9,335</u>	<u>9,481</u>
Basic EPS (RMB per share)	<u>5.112</u>	<u>2.761</u>	<u>9.590</u>	<u>5.486</u>

### (b) Diluted

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

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

## Notes to the Interim Financial Information

### 12 EARNINGS PER SHARE (continued)

#### (b) Diluted (continued)

	Unaudited		Unaudited	
	Three months ended 30 June		Six months ended 30 June	
	2024	2023	2024	2023
Profit attributable to equity holders of the Company (RMB'Million)	<b>47,630</b>	26,171	<b>89,519</b>	52,009
Dilution effect arising from share-based awards granted by non wholly-owned subsidiaries and associates (RMB'Million)	<b>(465)</b>	(234)	<b>(750)</b>	(626)
Profit attributable to equity holders of the Company for the calculation of diluted EPS (RMB'Million)	<b>47,165</b>	25,937	<b>88,769</b>	51,383
Weighted average number of ordinary shares in issue excluding shares held for share award schemes and treasury shares (million shares)	<b>9,318</b>	9,478	<b>9,335</b>	9,481
Adjustments for share options and awarded shares (million shares)	<b>127</b>	147	<b>131</b>	153
Weighted average number of ordinary shares for the calculation of diluted EPS (million shares)	<b>9,445</b>	9,625	<b>9,466</b>	9,634
Diluted EPS (RMB per share)	<b>4.994</b>	2.695	<b>9.377</b>	5.334

### 13 DIVIDENDS

A final dividend in respect of the year ended 31 December 2023 of HKD3.40 per share (2022: HKD2.40 per share) was proposed pursuant to a resolution passed by the Board on 20 March 2024 and approved by the shareholders at the 2024 annual general meeting of the Company held on 14 May 2024. Such dividend amounted to HKD31,743 million (2023: HKD22,762 million) was paid during the six months ended 30 June 2024.

The Board did not declare any interim dividend for the six months ended 30 June 2024 and 2023.



## Notes to the Interim Financial Information

### 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
<b>Net book amount at 1 January 2024</b>	<b>53,232</b>	<b>13,583</b>	<b>570</b>	<b>177,727</b>
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)
<b>Net book amount at 30 June 2024</b>	<b>57,195</b>	<b>13,463</b>	<b>659</b>	<b>177,621</b>
<b>Net book amount at 1 January 2023</b>	<b>53,978</b>	<b>9,229</b>	<b>559</b>	<b>161,802</b>
Business combinations	2	–	–	555
Additions	3,776	4,573	–	21,887
Transfers	569	(583)	14	–
Disposals	(46)	–	–	(806)
Depreciation/amortisation	(9,975)	–	(6)	(17,617)
Impairment reversals	–	–	–	3
Currency translation differences	226	41	–	6,128
<b>Net book amount at 30 June 2023</b>	<b>48,530</b>	<b>13,260</b>	<b>567</b>	<b>171,952</b>

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 2024 and 2023.

# Notes to the Interim Financial Information

## 15 LAND USE RIGHTS

	Unaudited	
	Six months ended 30 June	
	2024	2023
	RMB'Million	RMB'Million
<b>Net book amount at 1 January</b>	<b>17,179</b>	18,046
Additions	<b>6,615</b>	–
Amortisation	<b>(317)</b>	(276)
Currency translation differences	<b>2</b>	5
<b>Net book amount at 30 June</b>	<b>23,479</b>	17,775

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 25 to 50 years.

## 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	
	2024	2023
	RMB'Million	RMB'Million
<b>Net book amount at 1 January</b>	<b>20,464</b>	22,524
Business combinations	<b>33</b>	3
Additions	<b>1,801</b>	2,312
Depreciation	<b>(3,053)</b>	(3,304)
Reduction (Note)	<b>(467)</b>	(1,217)
Currency translation differences	<b>22</b>	274
<b>Net book amount at 30 June</b>	<b>18,800</b>	20,592

Note:

The reduction of right-of-use assets during the six months ended 30 June 2024 and 2023 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	
	2024	2023	2024	2023
	RMB'Million	RMB'Million	RMB'Million	RMB'Million
<b>Depreciation charge of right-of-use assets</b>				
Buildings	685	730	1,372	1,511
Computer and other operating equipment	806	967	1,664	1,778
Others	6	7	11	14
	<b>1,497</b>	<b>1,704</b>	<b>3,047</b>	<b>3,303</b>
Interest expense (included in finance costs)	216	280	443	527
Expense relating to short-term leases not included in lease liabilities (included in cost of revenues and expenses)	322	409	665	811
Expense relating to variable lease payments not included in lease liabilities (included in cost of revenues and expenses)	1,140	1,268	2,095	2,343

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 the 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 2024 were considered to be insignificant.

The total cash outflow in financing activities for leases during the six months ended 30 June 2024 was approximately RMB3,168 million (six months ended 30 June 2023: RMB2,982 million), including principal elements of lease payments of approximately RMB2,777 million (six months ended 30 June 2023: RMB2,586 million) and related interest paid of approximately RMB391 million (six months ended 30 June 2023: RMB396 million), respectively.

# Notes to the Interim Financial Information

## 17 INVESTMENTS IN ASSOCIATES

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
Investments in associates		
– Listed entities (Note)	<b>138,541</b>	132,776
– Unlisted entities	<b>124,420</b>	120,920
	<b><u>262,961</u></b>	<u>253,696</u>

Note:

As at 30 June 2024, the fair value of the investments in associates consisting of directly and indirectly held listed equity interests was approximately RMB322,778 million (31 December 2023: RMB351,594 million).

Movement of investments in associates is analysed as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>At beginning of period</b>	<b>253,696</b>	246,043
Additions (Note (a))	<b>2,009</b>	5,042
Transfers	<b>1,070</b>	(2,389)
Dilution gains/(losses) on deemed disposals (Note 9(a))	<b>2,440</b>	(567)
Share of profit/(loss) of associates, net	<b>9,676</b>	1,019
Share of other comprehensive income of associates	<b>(699)</b>	(1,138)
Share of other changes in net assets of associates	<b>2,112</b>	2,678
Dividends	<b>(1,746)</b>	(4,767)
Disposals	<b>(1,202)</b>	(1,812)
Impairment provisions, net (Note (b) and Note 9)	<b>(4,152)</b>	(1,075)
Currency translation differences	<b>(243)</b>	3,067
	<b><u>262,961</u></b>	<u>246,101</u>

# Notes to the Interim Financial Information

## 17 INVESTMENTS IN ASSOCIATES (continued)

Note:

- (a) During the six months ended 30 June 2024, the Group's additions mainly comprised new investments and additional investments in certain investee companies which are principally engaged in eCommerce, music and entertainment, 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 assessment 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 2024, an aggregate impairment loss of approximately RMB4,152 million (six months ended 30 June 2023: RMB1,075 million) had been recognised for investments in associates with impairment indicators, and the majority of these investments' recoverable amounts were determined using fair value less costs of disposal 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 RMB158,723 million and RMB18,550 million as at 30 June 2024, respectively (31 December 2023: RMB148,749 million and RMB18,960 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:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Included in non-current assets:</b>		
Investments in listed entities	11,845	11,495
Investments in unlisted entities	182,559	190,698
Treasury investments and others	12,444	8,952
	<u>206,848</u>	<u>211,145</u>
<b>Included in current assets:</b>		
Investments in listed entities	1	1
Treasury investments and others	8,863	14,902
	<u>8,864</u>	<u>14,903</u>
	<u><u>215,712</u></u>	<u><u>226,048</u></u>

Movement of FVPL is analysed as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>At beginning of period</b>	<b>226,048</b>	234,048
Additions and transfers (Note (a))	14,235	33,695
Changes in fair value (Note 9)	(2,223)	(3,012)
Disposals and others	(23,226)	(25,112)
Currency translation differences	878	6,782
<b>At end of period</b>	<u><u>215,712</u></u>	<u><u>246,401</u></u>

# 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 2024, the Group's additions and transfers mainly comprised the following:
- (i) new investments and additional investments with an aggregate amount of approximately RMB17,579 million in treasury investments, investee companies which are principally online banks and investment funds, and others; and
  - (ii) transfers mainly comprised certain investments with an aggregate amount of approximately RMB2,158 million designated as FVOCI due to the conversion of preference shares into ordinary shares upon their IPOs.

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:

	<b>Unaudited 30 June 2024 RMB'Million</b>	Audited 31 December 2023 RMB'Million
<b>Included in non-current assets:</b>		
Equity investments in listed entities	<b>233,214</b>	189,286
Equity investments in unlisted entities	<b>18,236</b>	22,671
Treasury investments	<b>1,986</b>	1,994
	<b>253,436</b>	213,951
<b>Included in current assets:</b>		
Treasury investments	<b>850</b>	–
	<b>254,286</b>	213,951

## 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	
	2024	2023
	RMB'Million	RMB'Million
<b>At beginning of period</b>	<b>213,951</b>	185,247
Additions and transfers (Note (a))	<b>9,333</b>	9,413
Changes in fair value	<b>41,386</b>	14,812
Disposals	<b>(11,501)</b>	(4,526)
Currency translation differences	<b>1,117</b>	8,143
<b>At end of period</b>	<b>254,286</b>	213,089

Note:

- (a) During the six months ended 30 June 2024, except as described in Note 18(a)(ii), the Group's additions and transfers mainly comprised certain new investments and additional investments with an aggregate amount of approximately RMB2,920 million in investee companies which are principally engaged in social media platform, sports equipment and apparel business, eCommerce and other Internet-related businesses.



# Notes to the Interim Financial Information

## 20 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Included in non-current assets:</b>		
Prepayments for media content and game licences	<b>13,902</b>	13,872
Loans to investees and investees' shareholders (Note (a))	<b>3,496</b>	3,667
Prepayments for capital transactions	<b>2,485</b>	3,201
Running royalty fees for online games (Note (b))	<b>928</b>	517
Others	<b>6,935</b>	7,182
	<b>27,746</b>	28,439
<b>Included in current assets:</b>		
Prepayments and prepaid expenses	<b>29,049</b>	27,824
Running royalty fees for online games (Note (b))	<b>20,300</b>	16,172
Receivables related to financial services (Note (c))	<b>17,336</b>	18,824
Interest receivables	<b>8,115</b>	9,101
Loans to investees and investees' shareholders (Note (a))	<b>3,050</b>	3,113
Refundable VAT	<b>2,239</b>	1,596
Lease and other deposits	<b>1,771</b>	1,715
Dividend and other investment-related receivables	<b>996</b>	1,033
Others	<b>9,988</b>	9,033
	<b>92,844</b>	88,411
	<b>120,590</b>	116,850

# Notes to the Interim Financial Information

## 20 PREPAYMENTS, DEPOSITS AND OTHER ASSETS (continued)

Note:

- (a) As at 30 June 2024, the balances of loans to investees and investees' shareholders were mainly repayable within a period of one to seven years (included in non-current assets), or within one year (included in current assets), and were interest-bearing at rates of not higher than 18.0% per annum (31 December 2023: not higher than 18.0% 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 are 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 2024 and 2023, the impairment loss on loan receivables related to financial services was immaterial.

As at 30 June 2024, loss allowance subject to the expected credit loss model made against the gross amounts of deposits and other assets amounted to RMB2,918 million (31 December 2023: RMB2,761 million).

As at 30 June 2024 and 31 December 2023, 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

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Measured at amortised cost:</b>		
Treasury investments	<u>2,655</u>	<u>1,735</u>
<b>Measured at fair value:</b>		
Interest rate swap (Note)	<b>1,688</b>	3,489
Others	<u>2,238</u>	<u>3,252</u>
	<u>3,926</u>	<u>6,741</u>
	<u>6,581</u>	<u>8,476</u>
<b>Included in:</b>		
Non-current assets	<b>1,144</b>	2,527
Current assets	<u>5,437</u>	<u>5,949</u>
	<u>6,581</u>	<u>8,476</u>

Note:

The Group's outstanding interest rate swap contracts were measured at fair value and used to hedge the exposure arising from certain borrowings carried at floating rates as at 30 June 2024. As at 30 June 2024, the aggregate notional principal amounts of outstanding interest rate swap contracts were USD10,150 million (equivalent to approximately RMB72,337 million) (31 December 2023: USD13,698 million (equivalent to approximately RMB97,019 million)).

# Notes to the Interim Financial Information

## 22 DEFERRED INCOME TAXES

Deferred income tax assets/liabilities are analysed as follows:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Gross deferred income tax assets</b>	<b>38,195</b>	35,643
Set-off of deferred income tax assets pursuant to set-off provisions	<b>(6,929)</b>	(6,626)
<b>Net deferred income tax assets</b>	<b>31,266</b>	29,017
<b>Gross deferred income tax liabilities</b>	<b>(21,152)</b>	(24,261)
Set-off of deferred income tax liabilities pursuant to set-off provisions	<b>6,929</b>	6,626
<b>Net deferred income tax liabilities</b>	<b>(14,223)</b>	(17,635)

Note:

Deferred income tax assets and liabilities are offset where: (i) there is a legally enforceable right to set off 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 deferred income tax assets/liabilities before offsetting are as follows:

	<b>Deferred</b>	<b>Unaudited</b>	
	<b>income tax</b>	<b>Deferred</b>	<b>Deferred</b>
	<b>assets</b>	<b>income tax</b>	<b>income tax,</b>
	<b>RMB'Million</b>	<b>liabilities</b>	<b>net</b>
	<b>RMB'Million</b>	<b>RMB'Million</b>	<b>RMB'Million</b>
<b>At 1 January 2024</b>	<b>35,643</b>	<b>(24,261)</b>	<b>11,382</b>
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
	<u><b>38,195</b></u>	<u><b>(21,152)</b></u>	<u><b>17,043</b></u>
<b>At 30 June 2024</b>			
<b>At 1 January 2023</b>	38,246	(20,526)	17,720
Business combinations	–	(10)	(10)
Charged to consolidated income statement (Note 11(a))	(1,108)	(3,434)	(4,542)
Withholding taxes utilised	–	2,950	2,950
Charged to consolidated statement of changes in equity	(182)	(902)	(1,084)
Transfer upon disposal and deemed disposal of financial instruments	(45)	497	452
Currency translation differences	113	(341)	(228)
	<u>37,024</u>	<u>(21,766)</u>	<u>15,258</u>
<b>At 30 June 2023</b>			

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:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
0 ~ 30 days	<b>26,125</b>	24,259
31 ~ 60 days	<b>12,560</b>	11,708
61 ~ 90 days	<b>6,142</b>	6,163
Over 90 days	<b>7,423</b>	4,476
	<b><u>52,250</u></b>	<u>46,606</u>

The majority of the Group's accounts receivable were denominated in RMB.

Accounts receivable balances as at 30 June 2024 and 31 December 2023 mainly represented amounts due from online advertising customers and agents, FinTech and cloud customers, content production related customers, and third party platform providers.

Some online advertising 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 advertising 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 2024, loss allowance against the gross amounts of accounts receivable amounted to RMB7,441 million (31 December 2023: RMB7,749 million).

As at 30 June 2024 and 31 December 2023, the carrying amounts of the accounts receivable approximated their fair values.

# Notes to the Interim Financial Information

## 24 SHARE CAPITAL

As at 30 June 2024 and 31 December 2023, 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	
	2024	2023
<b>At beginning of period</b>	<b>9,482,992,820</b>	9,568,738,935
Shares allotted for share award schemes	<b>23,004,689</b>	46,249,024
Issuance of shares under share option schemes	<b>10,549,456</b>	6,645,649
Repurchase and cancellation of shares	<b>(161,950,000)</b>	(47,616,500)
<b>At end of period</b>	<b>9,354,596,965</b>	9,574,017,108

As at 30 June 2024, the total number of issued ordinary shares of the Company included 82,863,077 shares (31 December 2023: 91,783,469 shares) held for the share award schemes.

In January 2024, the Company had cancelled 17,830,000 of its own shares which had not been cancelled as at 31 December 2023. During the six months ended 30 June 2024, the Company further 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 (six months ended 30 June 2023: the Company repurchased an aggregate number of 48,346,500 of its own shares from the market, out of which 7,170,000 had not been cancelled as at 30 June 2023).

# Notes to the Interim Financial Information

## 25 SHARE-BASED PAYMENTS

### (a) Share option schemes

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

The Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III expired on 31 December 2011, 23 March 2014, 16 May 2017 and 13 May 2019, respectively. Upon the expiry of these schemes, no further options would be granted under these schemes, but the options granted prior to such expiry continued to be valid and exercisable in accordance with provisions of the schemes. As at 30 June 2024, there were no outstanding share options exercisable under the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III.

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

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

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



## Notes to the Interim Financial Information

### 25 SHARE-BASED PAYMENTS (continued)

#### (a) Share option schemes (continued)

##### (i) Movements in share options

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

	Post-IPO Option		Unaudited		Total
	Scheme II		2023		
	Average exercise price	Number of options	Average exercise price	Number of options	
<b>At 1 January 2024</b>	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)
<b>At 30 June 2024</b>	–	–	HKD348.45	111,693,972	111,693,972
<b>Exercisable as at 30 June 2024</b>	–	–	HKD352.95	73,220,169	73,220,169

	Post-IPO Option		Unaudited		2023		Total
	Scheme II		Scheme IV		Share Option Scheme		
	Average exercise price	Number of options	Average exercise price	Number of options	Average exercise price	Number of options	
<b>At 1 January 2023</b>	HKD177.28	29,261,866	HKD354.26	90,161,910	–	–	119,423,776
Granted	–	–	HKD375.60	3,659,925	–	–	3,659,925
Exercised	HKD145.81	(6,109,141)	HKD262.55	(752,225)	HKD261.61	(45,072)	(6,906,438)
Lapsed/forfeited	–	–	HKD453.51	(276,898)	HKD425.73	(73,380)	(350,278)
Transferred	–	–	HKD355.55	(92,792,712)	HKD355.55	92,792,712	–
<b>At 30 June 2023</b>	HKD185.59	23,152,725	–	–	HKD355.54	92,674,260	115,826,985
<b>Exercisable as at 30 June 2023</b>	HKD185.59	23,043,350	–	–	HKD352.94	49,285,296	72,328,646

# Notes to the Interim Financial Information

## 25 SHARE-BASED PAYMENTS (continued)

### (a) Share option schemes (continued)

#### (i) Movements in share options (continued)

During the six months ended 30 June 2024, no options were granted to any director of the Company (six months ended 30 June 2023: Nil).

During the six months ended 30 June 2024, 20,087,434 options (six months ended 30 June 2023: 6,906,438 options) were exercised and the right to receive 9,537,978 shares (six months ended 30 June 2023: 260,789 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 HKD301.87 per share (equivalent to approximately RMB274.02 per share) (six months ended 30 June 2023: HKD366.37 per share (equivalent to approximately RMB319.39 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 2024 and 31 December 2023 are as follows:

Expiry Date	Range of exercise price	Number of share options	
		Unaudited 30 June 2024	Audited 31 December 2023
7 years commencing from the date of grant of options	HKD185.65~HKD256.06	<b>600,576</b>	20,358,477
	HKD276.01~HKD348.04	<b>71,536,177</b>	61,529,918
	HKD355.51~HKD387.16	<b>25,699,387</b>	25,754,058
	HKD433.25~HKD511.83	<b>8,837,085</b>	9,092,271
	HKD526.97~HKD533.39	<b>5,020,747</b>	5,876,352
		<b>111,693,972</b>	122,611,076

The outstanding share options as of 30 June 2024 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 period. The weighted average fair value of options granted during the six months ended 30 June 2024 was HKD103.11 per share (equivalent to approximately RMB93.53 per share) (six months ended 30 June 2023: HKD132.11 per share (equivalent to approximately RMB115.67 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	
	2024	2023
Weighted average share price at the grant date	<b>HKD291.20</b>	HKD375.60
Risk-free rate	<b>3.52%</b>	2.82%
Dividend yield	<b>0.39%</b>	0.31%
Expected volatility (Note)	<b>38%</b>	36%

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 schemes

As at 30 June 2024, the Company had only one effective share award scheme, being the 2023 Share Award Scheme (effective since 17 May 2023), which was administered by an independent trustee appointed by the Group. The vesting period of the awarded share is determined by the Board.

Movements in the number of awarded shares for the six months ended 30 June 2024 and 2023 are as follows:

	<b>Number of awarded shares</b>	
	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
<b>At beginning of period</b>	<b>132,989,249</b>	123,861,178
Granted	<b>29,839,111</b>	16,267,451
Lapsed/forfeited	<b>(3,361,868)</b>	(3,876,842)
Vested and transferred	<b>(35,575,526)</b>	(16,883,923)
<b>At end of period</b>	<b>123,890,966</b>	119,367,864
<b>Vested but not transferred as at end of period</b>	<b>21,622</b>	26,289

During the six months ended 30 June 2024, 105,760 awarded shares were granted to five independent non-executive directors of the Company (six months ended 30 June 2023: 74,542 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 date, which was to be expensed over the relevant vesting period. 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 2024 was HKD287.02 per share (equivalent to approximately RMB260.52 per share) (six months ended 30 June 2023: HKD370.43 per share (equivalent to approximately RMB324.15 per share)).

The outstanding awarded shares as of 30 June 2024 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 four EISs approved/established in 2015, 2016, 2017 and 2021 were in effect as at 30 June 2024. 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 partner 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 2024 and 2023 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). Their 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 2024, the Expected Retention Rate of the Group's wholly-owned subsidiaries was assessed to be not lower than approximately 88% (31 December 2023: not lower than approximately 89%).

## Notes to the Interim Financial Information

### 26 BORROWINGS

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Included in non-current liabilities:</b>		
Non-current portion of long-term USD bank borrowings, unsecured (Note (a))	<b>109,753</b>	109,782
Non-current portion of long-term RMB bank borrowings, unsecured (Note (a))	<b>43,170</b>	46,000
Non-current portion of long-term JPY bank borrowings, unsecured (Note (a))	<b>20</b>	26
Non-current portion of long-term JPY bank borrowings, secured (Note (a))	–	2
Non-current portion of long-term EUR bank borrowings, secured (Note (a))	<b>2</b>	6
Non-current portion of long-term EUR bank borrowings, unsecured (Note (a))	<b>1</b>	3
	<b>152,946</b>	155,819
<b>Included in current liabilities:</b>		
USD bank borrowings, unsecured (Note (b))	<b>19,242</b>	18,415
RMB bank borrowings, unsecured (Note (b))	<b>10,440</b>	7,046
RMB bank borrowings, secured (Note (b))	<b>14</b>	100
Current portion of long-term RMB bank borrowings, unsecured (Note (a))	<b>19,524</b>	15
Current portion of long-term RMB bank borrowings, secured (Note (a))	<b>14</b>	–
Current portion of long-term USD bank borrowings, unsecured (Note (a))	<b>3,207</b>	15,936
Current portion of long-term JPY bank borrowings, unsecured (Note (a))	<b>14</b>	16
Current portion of long-term JPY bank borrowings, secured (Note (a))	–	1
Current portion of long-term EUR bank borrowings, unsecured (Note (a))	<b>4</b>	4
Current portion of long-term EUR bank borrowings, secured (Note (a))	<b>3</b>	4
	<b>52,462</b>	41,537
	<b>205,408</b>	197,356

# 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 2024		Audited 31 December 2023	
	Amount (Million)	Interest rate (per annum)	Amount (Million)	Interest rate (per annum)
RMB bank borrowings	<b>RMB62,708</b>	<b>2.30% ~ 4.60%</b>	RMB46,015	2.45% ~ 4.60%
USD bank borrowings	<b>USD15,850</b>	<b>SOFR + CAS + 0.80% ~ 0.95%</b>	USD17,750	SOFR + CAS + 0.80% ~ 0.95%
JPY bank borrowings	<b>JPY433</b>	<b>0.11% ~ 1.86%</b>	JPY894	0.00% ~ 1.86%
JPY bank borrowings	<b>JPY304</b>	<b>TIBOR + 1.70%</b>	JPY21	TIBOR + 1.70%
EUR bank borrowings	<b>EUR1</b>	<b>1.00% ~ 2.10%</b>	EUR2	1.00% ~ 2.54%

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

The long-term bank borrowings are repayable as follows:

	Unaudited 30 June 2024 RMB'Million	Audited 31 December 2023 RMB'Million
Within 1 year	<b>22,766</b>	15,976
Between 1 and 2 years	<b>38,571</b>	41,643
Between 2 and 5 years	<b>109,371</b>	114,174
Over 5 years	<b>5,004</b>	2
	<b>175,712</b>	171,795

# 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 2024		Audited 31 December 2023	
	Amount (Million)	Interest rate (per annum)	Amount (Million)	Interest rate (per annum)
RMB bank borrowings	<b>RMB10,496</b>	<b>1.70% ~ 3.45%</b>	RMB7,160	1.60% ~ 3.48%
USD bank borrowings	<b>USD2,700</b>	<b>SOFR + 0.40% ~ 0.50%</b>	USD2,600	SOFR + 0.50% ~ 0.55%

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 2024 and 31 December 2023 are detailed in Note 21.

As at 30 June 2024 and 31 December 2023, 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 2024 and 2023.



# Notes to the Interim Financial Information

## 27 NOTES PAYABLE

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Included in non-current liabilities:</b>		
Non-current portion of long-term USD notes payable	<b>131,575</b>	137,101
<b>Included in current liabilities:</b>		
Current portion of long-term USD notes payable	<b>6,410</b>	14,161
	<b>137,985</b>	151,262

Note:

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

	<b>Unaudited</b>		Audited	
	<b>30 June 2024</b>		31 December 2023	
	<b>Amount</b>	<b>Interest rate</b>	Amount	Interest rate
	<b>(Million)</b>	<b>(per annum)</b>	(Million)	(per annum)
USD notes payable	–	–	USD750	Term SOFR + CAS + 0.910%
USD notes payable	<b>USD19,450</b>	<b>1.375% ~ 4.700%</b>	USD20,700	1.375% ~ 4.700%

The Group had entered into interest rate swap contracts to hedge its exposure arising from its senior notes carried at floating rates. The Group's outstanding interest rate swap contracts as at 30 June 2024 and 31 December 2023 are detailed in Note 21.

## Notes to the Interim Financial Information

### 27 NOTES PAYABLE (continued)

The notes payable are repayable as follows:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
Within 1 year	<b>6,410</b>	14,161
Between 1 and 2 years	<b>12,812</b>	8,486
Between 2 and 5 years	<b>39,107</b>	28,275
More than 5 years	<b>79,656</b>	100,340
	<b><u>137,985</u></b>	<u>151,262</u>

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

During the six months ended 30 June 2024, two tranches of notes payable issued in April 2019 with aggregate principal amounts of USD750 million and USD1,250 million, respectively, reached their maturities and were repaid in full by the Group.

As at 30 June 2024, the fair value of the notes payable amounted to approximately RMB116,995 million (31 December 2023: RMB131,247 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

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
Payables relating to media content and running royalty fee for online games	<b>5,432</b>	5,398
Cash-settled share-based compensation payables (Note 25(d))	<b>1,989</b>	1,227
Payables relating to capital transactions	<b>85</b>	85
Others	<b>5,809</b>	5,459
	<b><u>13,315</u></b>	<u>12,169</u>

# Notes to the Interim Financial Information

## 29 OTHER FINANCIAL LIABILITIES

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
<b>Measured at amortised cost:</b>		
Redemption liabilities (Note)	<b>10,119</b>	10,354
<b>Measured at fair value:</b>		
Contingent consideration	<b>1,338</b>	2,966
Others	<b>11</b>	19
	<b>1,349</b>	2,985
	<b>11,468</b>	13,339
<b>Included in:</b>		
Non-current liabilities	<b>7,684</b>	8,781
Current liabilities	<b>3,784</b>	4,558
	<b>11,468</b>	13,339

Note:

It comprised redemption liabilities arising from put option arrangements made with non-controlling shareholders of acquired subsidiaries of approximately RMB10,119 million (31 December 2023: RMB10,354 million).

## Notes to the Interim Financial Information

### 30 ACCOUNTS PAYABLE

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

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
0 ~ 30 days	<b>114,386</b>	94,537
31 ~ 60 days	<b>3,833</b>	3,099
61 ~ 90 days	<b>214</b>	528
Over 90 days	<b>2,797</b>	2,784
	<b><u>121,230</u></b>	<u>100,948</u>

### 31 OTHER PAYABLES AND ACCRUALS

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
Staff costs and welfare accruals	<b>22,744</b>	30,747
Selling and marketing expenses accruals	<b>6,107</b>	7,096
General and administrative expenses accruals	<b>4,378</b>	4,574
Purchase of land use rights, buildings and construction related costs	<b>3,425</b>	3,451
Interests payable	<b>1,441</b>	1,718
Purchase consideration payables for investee companies	<b>864</b>	1,022
Prepayments received from customers and others	<b>830</b>	669
Others (Note)	<b>29,904</b>	27,318
	<b><u>69,693</u></b>	<u>76,595</u>

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 CONTINGENCIES

The Group had no material contingent liabilities outstanding as at 30 June 2024.

## 34 COMMITMENTS

### (a) Capital commitments

Capital commitments as at 30 June 2024 and 31 December 2023 are analysed as follows:

	<b>Unaudited 30 June 2024 RMB'Million</b>	Audited 31 December 2023 RMB'Million
Contracted:		
Construction/purchase of buildings and purchase of land use rights	<b>4,048</b>	4,480
Capital investments in investees	<b>9,723</b>	9,685
Purchase of other capital assets	<b>1,654</b>	3,444
	<b>15,425</b>	17,609

## Notes to the Interim Financial Information

### 34 COMMITMENTS (continued)

#### (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:

	<b>Unaudited</b>	Audited
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'Million</b>	RMB'Million
Contracted:		
Not later than one year	<b>10,954</b>	11,404
Later than one year and not later than five years	<b>11,384</b>	12,801
Later than five years	<b>5,438</b>	5,103
	<b>27,776</b>	29,308

### 35 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 Online Advertising services, FinTech and Business Services, and other services, the revenues from which, for the six months ended 30 June 2024, amounted to RMB2,634 million, RMB22,033 million and RMB1,340 million, respectively (six months ended 30 June 2023: RMB3,630 million, RMB20,893 million and RMB592 million, respectively).

The Group has commercial arrangements with certain associates and joint ventures to purchase online game licenses 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 2024, amounted to RMB2,539 million, RMB1,887 million, RMB1,037 million and RMB866 million, respectively (six months ended 30 June 2023: RMB910 million, RMB2,622 million, RMB1,127 million and RMB599 million, respectively).

# Notes to the Interim Financial Information

## 35 RELATED PARTY TRANSACTIONS (continued)

### (b) Period end balances with related parties

As at 30 June 2024, accounts receivable and other receivables from related parties were RMB12,516 million and RMB291 million, respectively (31 December 2023: RMB9,891 million and RMB493 million, respectively).

As at 30 June 2024, accounts payable and other payables to related parties were RMB3,330 million and RMB266 million, respectively (31 December 2023: RMB2,681 million and RMB144 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 online advertising to these associates. As at 30 June 2024, contract liabilities arising from these business co-operation arrangements were RMB1,098 million (31 December 2023: RMB1,373 million).

The Group has entered into certain contracts for purchasing services or contents with certain associates or joint ventures. As at 30 June 2024, commitments in respect of these agreements amounted to RMB3,927 million (31 December 2023: RMB4,433 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 2024 and 2023, and no other material balances with related parties as at 30 June 2024 and 31 December 2023.

## 36 SUBSEQUENT EVENTS

There were no material subsequent events during the period from 1 July 2024 to the date of approval of the Interim Financial Information by the Board on 14 August 2024.

### DIRECTORS' INTERESTS IN SECURITIES

As at 30 June 2024, 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	8.60%
Li Dong Sheng	Personal*	73,604 (Note 2)	0.0008%
Ian Charles Stone	Personal* Family <sup>†</sup>	136,458 <hr/> 240,000 376,458 (Note 3)	0.004%
Yang Siu Shun	Personal*	57,141 (Note 4)	0.0006%
Ke Yang	Personal*	55,973 (Note 5)	0.0006%
Zhang Xiulan	Personal*	33,320 (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 43,131 shares and 30,473 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 Schemes”.
  3. The interest comprises 315,517 shares and 60,941 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 Schemes”.
  4. The interest comprises 2,953 shares and 54,188 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 Schemes”.
  5. The interest comprises 25,500 shares and 30,473 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 Schemes”.
  6. The interest comprises 4,427 shares and 28,893 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 Schemes”.
  7. As at 30 June 2024, the total number of issued shares of the Company was 9,354,596,965.
- \* 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 2024.



### SHARE OPTION SCHEMES

The Company has adopted six share option schemes, namely, the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II, the Post-IPO Option Scheme III, the Post-IPO Option Scheme IV and the 2023 Share Option Scheme. The Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III expired on 31 December 2011, 23 March 2014, 16 May 2017 and 13 May 2019, respectively. As at 30 June 2024, there were no outstanding share options exercisable under the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III. The Post-IPO Option Scheme IV was terminated on 17 May 2023. Please refer to the circular of the Company dated 24 April 2023 for details. In respect of the 2023 Share Option Scheme, the Board may, at its discretion, grant options to any qualifying participant to subscribe for shares of the Company, subject to the terms and conditions stipulated therein. The exercise price must be in compliance with the requirements under the Listing Rules. In addition, the option vesting period is determined by the Board provided that it is not later than the last day of a 10-year period after the date of grant of options. Movements of the share options under the Post-IPO Option Scheme II and the 2023 Share Option Scheme during the six months ended 30 June 2024 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 2024 and 30 June 2024 were 274,076,375 and 263,396,890, 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 2024 and 30 June 2024 were both 958,794.

As at 30 June 2024, there were no outstanding share options granted to any director of the Company.

## Other Information

Details of movements of share options granted to Employee Participants of the Group during the six months ended 30 June 2024 are as follows:

Date of grant	Number of share options						Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2024	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived during the period	As at 30 June 2024	Exercise		
24 Mar 2017	690,152	–	690,152	–	–	185.65	24 Mar 2018 to 23 Mar 2024 (Note 1)	
24 Mar 2017	16,628,175	–	16,518,800	109,375	–	185.65	24 Mar 2018 to 23 Mar 2024 (Note 3)	
10 Jul 2017	3,031,874	–	2,431,298	–	600,576	230.87	10 Jul 2018 to 9 Jul 2024 (Note 3)	
10 Jul 2017	3,728	–	3,728	–	–	230.89	10 Jul 2019 to 9 Jul 2024 (Note 4)	
	4,548	–	4,548	–	–	230.87		
23 Nov 2017	31,430	–	–	–	31,430	368.46	23 Nov 2018 to 22 Nov 2024 (Note 2)	
16 Jan 2018	97,915	–	–	–	97,915	387.16	16 Jan 2019 to 15 Jan 2025 (Note 2)	
9 Apr 2018	1,861,700	–	10,286	–	1,851,414	358.11	9 Apr 2019 to 8 Apr 2025 (Note 1)	
9 Apr 2018	191,555	–	–	–	191,555	358.11	9 Apr 2019 to 8 Apr 2025 (Note 2)	
9 Apr 2018	14,851,089	–	–	–	14,851,089	358.11	9 Apr 2019 to 8 Apr 2025 (Note 3)	
	4,984,470	–	11,367	22,732	4,950,371	357.86		
24 May 2018	26,390	–	–	7,035	19,355	355.51	24 May 2019 to 23 May 2025 (Note 2)	
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	1,980,404	–	51,812	30,220	1,898,372	332.87	6 Jul 2019 to 5 Jul 2025 (Note 3)	
	983,323	–	70,599	11,255	901,469	332.47		
6 Jul 2018	2,024	–	2,024	–	–	332.87	6 Jul 2020 to 5 Jul 2025 (Note 4)	
	2,013	–	2,013	–	–	332.47		
	2,013	–	2,013	–	–	331.57		

## Other Information

### Number of share options

Date of grant	As at	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived	As at	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	1 January 2024			during the period	during the period		
6 Jul 2018	647	-	-	-	647	332.87	6 Jul 2021 to 5 Jul 2025 (Note 5)
	4,532	-	-	-	4,532	332.47	
	4,533	-	-	-	4,533	331.57	
	4,534	-	-	-	4,534	331.40	
24 Aug 2018	17,780	-	5,926	-	11,854	302.78	24 Aug 2019 to 23 Aug 2025 (Note 2)
4 Apr 2019	169,028	-	1,300	-	167,728	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	669,763	-	22,151	3,884	643,728	306.21	8 Jul 2020 to 7 Jul 2026 (Note 3)
	438,259	-	13,880	1,943	422,436	305.79	
	445,027	-	19,584	1,943	423,500	304.61	
8 Jul 2019	3,000	-	-	-	3,000	306.21	8 Jul 2021 to 7 Jul 2026 (Note 4)
	3,001	-	-	-	3,001	305.79	
	3,001	-	-	-	3,001	304.61	
	3,003	-	-	-	3,003	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	

## Other Information

### Number of share options

Date of grant	As at	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived	As at	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	1 January 2024			during the period	during the period		
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	98,981	–	1,541	–	97,440	305.66	21 Jan 2021 to 19 Mar 2027 (Note 9)
	183,107	–	1,180	–	181,927	305.64	
20 Mar 2020	1,697,498	–	–	–	1,697,498	305.66	20 Mar 2021 to 19 Mar 2027 (Note 8)
	1,746,159	–	24,330	24,329	1,697,500	305.49	
	1,746,159	–	24,330	24,329	1,697,500	304.23	
	1,770,490	–	24,330	48,658	1,697,502	303.74	
22 May 2020	16,613	–	–	–	16,613	367.16	15 May 2021 to 21 May 2027 (Note 10)
	16,613	–	–	–	16,613	366.70	
	16,614	–	–	–	16,614	365.53	
10 Jul 2020	294,687	–	–	8,925	285,762	472.04	5 Jul 2021 to 9 Jul 2027 (Note 8)
	307,590	–	–	8,926	298,664	471.92	
	307,657	–	–	8,929	298,728	470.14	
	298,302	–	–	8,929	289,373	469.87	
10 Jul 2020	876	–	–	–	876	471.92	5 Jul 2022 to 9 Jul 2027 (Note 8)
	877	–	–	–	877	470.14	
	877	–	–	–	877	470.04	
	877	–	–	–	877	469.87	
21 Aug 2020	12,232	–	–	–	12,232	444.32	15 Jul 2021 to 20 Aug 2027 (Note 9)
	12,233	–	–	–	12,233	444.07	

## Other Information

### Number of share options

Date of grant	As at	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived	As at	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	1 January 2024			during the period	during the period		
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	
21 Aug 2020	488	–	–	–	488	444.32	15 Aug 2021 to 20 Aug 2027 (Note 8)
	489	–	–	–	489	444.01	
	490	–	–	–	490	443.08	
	490	–	–	–	490	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	
23 Dec 2020	7,014	–	–	7,014	–	495.23	15 Dec 2021 to 22 Dec 2027 (Note 9)
	7,014	–	–	7,014	–	494.94	
23 Dec 2020	35,069	–	–	35,069	–	495.23	15 Dec 2021 to 22 Dec 2027 (Note 10)
	35,069	–	–	35,069	–	494.94	
	35,069	–	–	35,069	–	494.22	
30 Mar 2021	518,344	–	–	5,970	512,374	533.39	8 Feb 2022 to 29 Mar 2028 (Note 9)
	518,537	–	–	5,977	512,560	533.13	

## Other Information

Date of grant	Number of share options					As at 30 June 2024	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2024	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived during the period				
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	532.35		
	763	–	–	–	763	532.24		
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		
	1,810,622	–	–	843,658	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		
10 Jun 2021	3,853	–	–	–	3,853	529.15	15 May 2022 to 9 Jun 2028 (Note 10)	
	3,854	–	–	–	3,854	528.51		
	3,854	–	–	–	3,854	527.29		

## Other Information

### Number of share options

Date of grant	As at	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived	As at	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	1 January 2024			during the period	during the period		
14 Jul 2021	1,874,281	–	–	25,051	1,849,230	478.17	5 Jul 2022 to 13 Jul 2028 (Note 8)
	1,870,023	–	–	25,059	1,844,964	477.46	
	1,855,716	–	–	25,062	1,830,654	476.52	
	1,856,034	–	–	25,070	1,830,964	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	
16 Nov 2021	5,231	–	–	–	5,231	435.86	15 Oct 2022 to 15 Nov 2028 (Note 10)
	5,231	–	–	–	5,231	434.78	
	5,232	–	–	–	5,232	433.25	
24 Mar 2022	8,769	–	–	511	8,258	343.96	5 Jul 2022 to 23 Mar 2029 (Note 8)
	6,827	–	–	511	6,316	343.22	
	8,772	–	–	511	8,261	343.21	
	6,827	–	–	511	6,316	342.87	
24 Mar 2022	786,077	–	29,411	630	756,036	343.84	27 Jan 2023 to 23 Mar 2029 (Note 9)
	787,278	–	26,696	631	759,951	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	4,583	–	86	–	4,497	343.77	15 Feb 2023 to 23 Mar 2029 (Note 8)
	4,595	–	–	–	4,595	343.06	
	4,584	–	–	–	4,584	342.81	
	4,595	–	–	–	4,595	342.50	



## Other Information

Date of grant	Number of share options					As at 30 June 2024	Exercise price HKD	Exercise period/ Performance targets (Note 18)
	As at 1 January 2024	Granted during the period (Note 14)	Exercised during the period (Note 13)	Lapsed/ forfeited/ waived during the period				
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		
18 Aug 2022	1,269,908	–	90,898	7,538	1,171,472	277.91	15 Jul 2023 to 17 Aug 2029 (Note 8)	
	1,300,846	–	–	26,301	1,274,545	277.42		
	1,301,030	–	–	26,308	1,274,722	276.81		
	1,301,252	–	–	26,314	1,274,938	276.01		
23 Mar 2023	588,526	–	3,151	100	585,275	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	–	–	–	36,883	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	1,864,852	–	–	22,795	1,842,057	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 (Notes 8 and 12)	
21 Mar 2024	–	128,633	–	–	128,633	291.20	15 Jan 2026 to 20 Mar 2031 (Notes 11 and 12)	
21 Mar 2024	–	363,656	–	–	363,656	291.20	15 Jan 2025 to 20 Mar 2031 (Notes 9 and 12)	
21 Mar 2024	–	10,186,212	–	–	10,186,212	291.20	15 Apr 2025 to 20 Mar 2031 (Notes 8 and 12)	
Total:	<u>122,611,076</u>	<u>10,679,485</u>	<u>20,087,434</u>	<u>1,509,155</u>	<u>111,693,972</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 dates as specified in the relevant grant letters, 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 dates as specified in the relevant grant letters, 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 dates as specified in the relevant grant letters, 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 dates as specified in the relevant grant letters, 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 date as specified in the relevant grant letters.
12. The closing price immediately before the date on which the options were granted on 21 March 2024 was HKD288.8 per share.
13. The weighted average closing price immediately before the dates on which the options were exercised was HKD299.95 per share.
14. The average fair value of the options granted on 21 March 2024 was HKD103.11 per share at the date of grant.
15. No options granted to the Employee Participants were cancelled during the six months ended 30 June 2024.
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 2024, 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 2024 were made without any performance targets.
19. Please refer to the Definition section for the description of Employee Participants.

## Other Information

### SHARE AWARD SCHEMES

The Company has adopted four share award schemes, namely, the 2007 Share Award Scheme, the 2013 Share Award Scheme, the 2019 Share Award Scheme and the 2023 Share Award Scheme, among which the 2007 Share Award Scheme expired on 13 December 2022 and the 2023 Share Award Scheme was adopted on 17 May 2023. All the outstanding unvested share awards under the 2013 Share Award Scheme and the 2019 Share Award Scheme had been transferred to the 2023 Share Award Scheme. As at 30 June 2024, the 2023 Share Award Scheme was the only effective share award scheme of the Company. As at 30 June 2024, there were no outstanding share awards under the 2007 Share Award Scheme.

#### 2023 Share Award Scheme

The 2023 Share Award Scheme took effect on the Adoption Date IV and is valid and effective unless and until being terminated on the earlier of: (i) the 10th anniversary date of the Adoption Date IV; 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 IV, 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 IV (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 IV.

The total number of awards available for grant under the scheme mandate of the 2023 Share Award Scheme as at 1 January 2024 and 30 June 2024 were 383,287,393 and 353,516,258, 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 2024 and 30 June 2024 were 291,360,230 and 268,363,066, 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 2024 and 30 June 2024 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 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 2024, a total of 29,839,111 Awarded Shares were granted under the 2023 Share Award Scheme and out of which, 105,760 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 Share Award Schemes during the six months ended 30 June 2024 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 2024, there were a total of 204,968 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				Vesting period
		As at 1 January 2024	Granted during the period	Vested during the period (Note 3)	As at 30 June 2024	
Ian Charles Stone	20 March 2020	4,599	–	4,599	–	20 March 2021 to 20 March 2024
	30 March 2021	7,571	–	3,785	3,786	30 March 2022 to 30 March 2025
	24 March 2022	14,175	–	4,725	9,450	24 March 2023 to 24 March 2026
	23 March 2023	21,996	–	5,499	16,497	15 April 2024 to 15 April 2027
	21 March 2024	–	31,208	–	31,208	15 April 2025 to 15 April 2028 (Notes 1 and 2)
Total:		<u>48,341</u>	<u>31,208</u>	<u>18,608</u>	<u>60,941</u>	
Li Dong Sheng	20 March 2020	2,300	–	2,300	–	20 March 2021 to 20 March 2024
	30 March 2021	3,786	–	1,892	1,894	30 March 2022 to 30 March 2025
	24 March 2022	7,088	–	2,362	4,726	24 March 2023 to 24 March 2026
	23 March 2023	10,998	–	2,749	8,249	15 April 2024 to 15 April 2027
	21 March 2024	–	15,604	–	15,604	15 April 2025 to 15 April 2028 (Notes 1 and 2)
Total:		<u>24,172</u>	<u>15,604</u>	<u>9,303</u>	<u>30,473</u>	

## Other Information

Name of director	Date of grant	Number of Awarded Shares			As at 30 June 2024	Vesting period
		As at 1 January 2024	Granted during the period	Vested during the period (Note 3)		
Yang Siu Shun	20 March 2020	4,057	–	4,057	–	20 March 2021 to 20 March 2024
	30 March 2021	6,762	–	3,378	3,384	30 March 2022 to 30 March 2025
	24 March 2022	12,600	–	4,200	8,400	24 March 2023 to 24 March 2026
	23 March 2023	19,552	–	4,888	14,664	15 April 2024 to 15 April 2027
	21 March 2024	–	27,740	–	27,740	15 April 2025 to 15 April 2028 (Notes 1 and 2)
Total:		<u>42,971</u>	<u>27,740</u>	<u>16,523</u>	<u>54,188</u>	
Ke Yang	20 March 2020	1,623	–	1,623	–	20 March 2021 to 20 March 2024
	30 March 2021	3,786	–	1,892	1,894	30 March 2022 to 30 March 2025
	24 March 2022	7,088	–	2,362	4,726	24 March 2023 to 24 March 2026
	23 March 2023	10,998	–	2,749	8,249	15 April 2024 to 15 April 2027
	21 March 2024	–	15,604	–	15,604	15 April 2025 to 15 April 2028 (Notes 1 and 2)
Total:		<u>23,495</u>	<u>15,604</u>	<u>8,626</u>	<u>30,473</u>	

## Other Information

Name of director	Date of grant	Number of Awarded Shares			As at 30 June 2024	Vesting period
		As at 1 January 2024	Granted during the period	Vested during the period (Note 3)		
Zhang Xiulan	18 August 2022	5,040	–	–	5,040	18 August 2023 to 18 August 2026
	23 March 2023	10,998	–	2,749	8,249	15 April 2024 to 15 April 2027
	21 March 2024	–	15,604	–	15,604	15 April 2025 to 15 April 2028 (Notes 1 and 2)
	Total:	16,038	15,604	2,749	28,893	
	Grand Total:	155,017	105,760	55,809	204,968	

Note:

1. The closing price immediately before the date on which the Awarded Shares were granted on 21 March 2024 was HKD288.8 per share.
2. The fair value of the Awarded Shares granted on 21 March 2024 was HKD291.2 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 2024 was HKD297.3 per share.
4. No Awarded Shares granted to the directors were lapsed or cancelled during the six months ended 30 June 2024.
5. All of the grants made during the six months ended 30 June 2024 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 2024 are as follows:

Year of grant	Number of Awarded Shares					As at 30 June 2024	Vesting period/ Performance targets (Note 9)
	As at 1 January 2024	Granted during the period	Vested during the period	Lapsed/ forfeited during the period			
<b>Employee Participants</b>			(Note 3)				
2016	7,099	–	2,834	–	4,265	Note 1	
2018	5,611	–	–	–	5,611	Note 1	
2019	16,324,185	–	9,125,946	964	7,197,275	Note 1	
2020	3,969,773	–	794,672	96,229	3,078,872	Note 1	
2021	26,038,218	–	6,998,102	663,407	18,376,709	Note 1	
2022	32,623,161	–	7,957,292	1,160,695	23,505,174	Note 1	
2023	53,120,647	–	4,243,783	1,210,337	47,666,527	Note 1	
2024	–	29,200,086	6,154,509	224,907	22,820,670	Notes 1 and 5	
Total:	<u>132,088,694</u>	<u>29,200,086</u>	<u>35,277,138</u>	<u>3,356,539</u>	<u>122,655,103</u>		
<b>Service Providers</b>			(Note 4)				
2020	6,333	–	3,517	–	2,816	Note 2	
2021	71,335	–	22,180	–	49,155	Note 2	
2022	307,426	–	31,161	5,329	270,936	Note 2	
2023	360,444	–	86,079	–	274,365	Note 2	
2024	–	533,265	99,642	–	433,623	Notes 2 and 5	
Total:	<u>745,538</u>	<u>533,265</u>	<u>242,579</u>	<u>5,329</u>	<u>1,030,895</u>		
Grand Total:	<u>132,834,232</u>	<u>29,733,351</u>	<u>35,519,717</u>	<u>3,361,868</u>	<u>123,685,998</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 2024 was HKD300.11 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 2024 was HKD299.23 per share.



## Other Information

5. The following grants were made during the six months ended 30 June 2024:

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
<b>Employee Participants</b>				
19 Jan 2024	19 Jan 2024	6,134,946	277.6	271.2
21 Mar 2024	15 Apr 2024 to 15 Apr 2026	11,726	288.8	291.2
21 Mar 2024	15 Apr 2025 to 15 Apr 2028	7,991,524	288.8	291.2
21 Mar 2024	15 Aug 2024 to 15 Aug 2025	2,342	288.8	291.2
21 Mar 2024	15 Aug 2024 to 15 Aug 2026	124,356	288.8	291.2
21 Mar 2024	15 Aug 2024 to 15 Aug 2027	1,313	288.8	291.2
21 Mar 2024	15 Aug 2025 to 15 Aug 2027	13,376	288.8	291.2
21 Mar 2024	15 Dec 2024 to 15 Dec 2025	25,057	288.8	291.2
21 Mar 2024	15 Dec 2024 to 15 Dec 2026	444,681	288.8	291.2
21 Mar 2024	15 Dec 2024 to 15 Dec 2027	2,792	288.8	291.2
21 Mar 2024	15 Dec 2025 to 15 Dec 2027	30,399	288.8	291.2
21 Mar 2024	15 Feb 2025 to 15 Feb 2026	14,110	288.8	291.2
21 Mar 2024	15 Feb 2025 to 15 Feb 2027	398,870	288.8	291.2
21 Mar 2024	15 Feb 2025 to 15 Feb 2028	122,456	288.8	291.2
21 Mar 2024	15 Feb 2026 to 15 Feb 2028	5,132	288.8	291.2

## 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
<b>Employee Participants</b>				
21 Mar 2024	15 Jan 2025 to 15 Jan 2026	9,699,528	288.8	291.2
21 Mar 2024	15 Jan 2025 to 15 Jan 2027	626,571	288.8	291.2
21 Mar 2024	15 Jan 2025 to 15 Jan 2028	1,399	288.8	291.2
21 Mar 2024	15 Jan 2026	1,495,862	288.8	291.2
21 Mar 2024	15 Jan 2026 to 15 Jan 2028	1,963	288.8	291.2
21 Mar 2024	15 Jul 2024 to 15 Jul 2026	8,664	288.8	291.2
21 Mar 2024	15 Jul 2024 to 15 Jul 2027	2,958	288.8	291.2
21 Mar 2024	15 Jun 2024 to 15 Jun 2025	2,494	288.8	291.2
21 Mar 2024	15 Jun 2024 to 15 Jun 2026	35,593	288.8	291.2
21 Mar 2024	15 Jun 2025 to 15 Jun 2027	1,351	288.8	291.2
21 Mar 2024	15 Mar 2025 to 15 Mar 2026	10,978	288.8	291.2
21 Mar 2024	15 Mar 2025 to 15 Mar 2027	234,117	288.8	291.2
21 Mar 2024	15 Mar 2025 to 15 Mar 2028	1,181	288.8	291.2
21 Mar 2024	15 May 2024 to 15 May 2026	7,314	288.8	291.2
21 Mar 2024	15 May 2025 to 15 May 2027	14,079	288.8	291.2
21 Mar 2024	15 Nov 2024 to 15 Nov 2025	34,715	288.8	291.2

## 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
<b>Employee Participants</b>				
21 Mar 2024	15 Nov 2024 to 15 Nov 2026	502,684	288.8	291.2
21 Mar 2024	15 Nov 2024 to 15 Nov 2027	60,318	288.8	291.2
21 Mar 2024	15 Nov 2025 to 15 Nov 2027	31,010	288.8	291.2
21 Mar 2024	15 Oct 2024 to 15 Oct 2025	38,760	288.8	291.2
21 Mar 2024	15 Oct 2024 to 15 Oct 2026	427,232	288.8	291.2
21 Mar 2024	15 Oct 2024 to 15 Oct 2027	28,534	288.8	291.2
21 Mar 2024	15 Oct 2025 to 15 Oct 2027	13,726	288.8	291.2
21 Mar 2024	15 Sep 2024 to 15 Sep 2025	23,275	288.8	291.2
21 Mar 2024	15 Sep 2024 to 15 Sep 2026	482,988	288.8	291.2
21 Mar 2024	15 Sep 2024 to 15 Sep 2027	15,737	288.8	291.2
21 Mar 2024	15 Sep 2025 to 15 Sep 2027	45,358	288.8	291.2
21 Mar 2024	21 Mar 2024 to 15 Oct 2025	321	288.8	291.2
21 Mar 2024	1 Jul 2024 to 1 Jul 2027	4,079	288.8	291.2
21 Mar 2024	1 Oct 2024 to 1 Oct 2027	24,217	288.8	291.2
	Total:	<u>29,200,086</u>		

## 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
<b>Service Providers</b>				
19 Jan 2024	19 Jan 2024	99,642	277.6	271.2
21 Mar 2024	15 Apr 2025 to 15 Apr 2026	17,706	288.8	291.2
21 Mar 2024	15 Apr 2025 to 15 Apr 2028	2,240	288.8	291.2
21 Mar 2024	15 Aug 2024 to 15 Aug 2027	22,439	288.8	291.2
21 Mar 2024	15 Dec 2024 to 15 Dec 2027	14,476	288.8	291.2
21 Mar 2024	15 Feb 2025 to 15 Feb 2028	42,537	288.8	291.2
21 Mar 2024	15 Jan 2025 to 15 Jan 2026	275	288.8	291.2
21 Mar 2024	15 Jan 2025 to 15 Jan 2028	90,957	288.8	291.2
21 Mar 2024	15 Jan 2026	394	288.8	291.2
21 Mar 2024	15 Jul 2024 to 15 Jul 2027	3,160	288.8	291.2
21 Mar 2024	15 Mar 2025 to 15 Mar 2026	6,535	288.8	291.2
21 Mar 2024	15 Mar 2025 to 15 Mar 2028	98,929	288.8	291.2
21 Mar 2024	15 Nov 2024 to 15 Nov 2027	58,787	288.8	291.2
21 Mar 2024	15 Oct 2024 to 15 Oct 2027	13,740	288.8	291.2
21 Mar 2024	15 Sep 2024 to 15 Sep 2027	61,448	288.8	291.2
	Total:	<u>533,265</u>		
	Grand Total:	<u><u>29,733,351</u></u>		



## Other Information

6. No Awarded Shares granted to the Employee Participants or the Service Providers were cancelled during the six months ended 30 June 2024.
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 2024, including the accounting standard and policy adopted for the Share Award Schemes, are set out in Note 25 to the Interim Financial Information.
9. All of the grants made during the six months ended 30 June 2024 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 2024 divided by the weighted average number of shares in issue for the six months ended 30 June 2024 was 0.36%.
11. Please refer to the Definition section for the description of Employee Participants and Service Providers.

### BIOGRAPHICAL DETAILS AND OTHER INFORMATION OF DIRECTORS

**Ma Huateng**, age 52, 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 30 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 RMB8,457,020 for the year 2024 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 71, 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 60, 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, and was a director of VK Company Limited (now known as VK International Public Joint-Stock Company) that is listed on the Moscow Exchange and was delisted on the London Stock Exchange on 12 September 2023 until his resignation on 4 March 2022. 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 30 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 67, 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, both of which produce consumer electronic products. Mr Li graduated from South China University of Technology in 1982 with a Bachelor degree in radio technology and has more than 29 years of experience in the information technology field. Mr Li was the Chairman and an executive director of TCL Electronics Holdings Limited, up to 9 August 2021. Mr Li is entitled to a director's fee of HKD900,000 for the year 2024, which is determined with reference to his duties and responsibilities with the Company.

**Ian Charles Stone**, age 73, 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 34 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 53 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 HKD1,200,000 for the year 2024, which is determined with reference to his duties and responsibilities with the Company.

**Yang Siu Shun**, age 68, 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 HKD1,200,000 for the year 2024, which is determined with reference to his duties and responsibilities with the Company.



## Other Information

**Ke Yang**, age 69, 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, Vice-president of China Medical Women's 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 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, and President of the Health Professional Education Committee of the Chinese Association of Higher Education. 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 HKD900,000 for the year 2024, which is determined with reference to her duties and responsibilities with the Company.

**Zhang Xiulan**, age 61, has been an independent non-executive director since August 2022. Professor Zhang is currently a consultant at the University of California, San Francisco. 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 and a member of the Healthcare Reform Advisory Committee of the State Council. 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 HKD900,000 for the year 2024, which is determined with reference to her duties and responsibilities with the Company.



## Other Information

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, 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 as recorded in the register required to be kept by the Company under section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the shares of 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)	2,285,031,300	24.43%
Advance Data Services Limited	Long position	Corporate (Note 2)	804,859,700	8.60%

Note:

1. MIH Internet Holdings B.V. is controlled by Naspers Limited and held 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 2,285,031,300 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 2024, the total number of issued shares of the Company was 9,354,596,965.

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 2024, had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2024, the Company repurchased a total of 154,730,000 shares on the Stock Exchange for an aggregate consideration of approximately HKD52.3 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 2024	No. of shares purchased	Purchase consideration per share		Aggregate consideration paid HKD
		Highest price paid HKD	Lowest price paid HKD	
January	34,110,000	304.40	271.20	9,824,604,509.00
March	16,930,000	308.60	282.80	5,010,078,160.00
April	25,860,000	317.40	303.00	8,010,247,840.00
May	27,550,000	399.80	359.80	10,445,334,088.00
June	<u>50,280,000</u>	392.00	367.40	<u>19,059,646,307.00</u>
Total:	<u><u>154,730,000</u></u>			<u><u>52,349,910,904.00</u></u>

Save as disclosed above and in the 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 2024.

### EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2024, the Group had 105,506 employees (30 June 2023: 104,503). 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 2024 was RMB54.3 billion (for the six months ended 30 June 2023: RMB54.1 billion).

## Other Information

### 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 2024. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

### 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, Mr Charles St Leger Searle and Professor Ke Yang retired and were re-elected at the 2024 AGM. As the re-election of Mr Yang Siu Shun, who was re-elected in 2021, was not considered at the 2024 AGM, there is a deviation from code provision B.2.2 of the CG Code. Considering that the re-election of Mr Yang Siu Shun 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 2023 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 2024 to 30 June 2024.

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.

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

<b>Term</b>	<b>Definition</b>
“2007 Share Award Scheme”	the share award scheme adopted by the Company on Adoption Date I, as amended
“2013 Share Award Scheme”	the share award scheme adopted by the Company on Adoption Date II, as amended
“2019 Share Award Scheme”	the share award scheme adopted by the Company on Adoption Date III, as amended
“2023 Share Award Scheme”	the share award scheme adopted by the Company on Adoption Date IV, 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
“2024 AGM”	the annual general meeting of the Company held on 14 May 2024
“Adoption Date I”	13 December 2007, being the date on which the Company adopted the 2007 Share Award Scheme
“Adoption Date II”	13 November 2013, being the date on which the Company adopted the 2013 Share Award Scheme
“Adoption Date III”	25 November 2019, being the date on which the Company adopted the 2019 Share Award Scheme
“Adoption Date IV”	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 Share Award Schemes

## Definition

<b>Term</b>	<b>Definition</b>
“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
“China Literature”	China Literature Limited, 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 Stock Exchange
“Company”	Tencent Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange
“DAU”	daily active user accounts
“DnF Mobile”	Dungeon and Fighter Mobile
“Domestic Games”	for the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding Hong Kong, the Macao Special Administrative Region and Taiwan, China
“EBITDA”	earnings before interest, tax, depreciation and amortisation
“Eligible Person(s)”	any person(s) eligible to participate in the respective Share Award Schemes
“Employee Participant(s)”	director(s) or employee(s) of any member of the Group (including person(s) who is/are granted options under the Post-IPO Option Scheme II and the 2023 Share Option Scheme or awards under the Share Award Schemes as an inducement to enter into employment contracts with these companies (as the case may be))
“EPS”	earnings per share

<b>Term</b>	<b>Definition</b>
“EUR”	the lawful currency of the European Union
“FinTech”	financial technology
“GMV”	gross merchandise value
“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
“HKD”	the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region, the PRC
“IAS”	International Accounting Standards
“IFRS”	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 2024
“International Games”	for the purpose of preparing financial and operating information, International Games refers to our games business other than our Domestic Games business
“IP”	intellectual property
“IPO”	initial public offering
“JPY”	the lawful currency of Japan
“LIBOR”	London InterBank Offered Rate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## Definition

<b>Term</b>	<b>Definition</b>
“MAU”	monthly active user accounts
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“NASDAQ”	NASDAQ Global Select Market
“New Classics Media”	New Classics Media Holdings Limited, a wholly-owned subsidiary of China Literature principally engaged in production and distribution of television series, web series and films in the PRC
“Post-IPO Option Scheme I”	the Post-IPO Share Option Scheme adopted by the Company on 24 March 2004
“Post-IPO Option Scheme II”	the Post-IPO Share Option Scheme adopted by the Company on 16 May 2007
“Post-IPO Option Scheme III”	the Post-IPO Share Option Scheme adopted by the Company on 13 May 2009
“Post-IPO Option Scheme IV”	the Post-IPO Share Option Scheme adopted by the Company on 17 May 2017
“PRC” or “China”	the People’s Republic of China
“PRC CIT”	PRC corporate income tax as defined in the “Corporate Income Tax Law of the People’s Republic of China”
“Pre-IPO Option Scheme”	the Pre-IPO Share Option Scheme adopted by the Company on 27 July 2001
“PUBG”	PlayerUnknown’s Battlegrounds
“R&D”	research and development
“RMB”	the lawful currency of the PRC
“Selected Participant(s)”	any Eligible Person(s) selected by the Board to participate in the respective Share Award Schemes

Term	Definition
“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
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share Award Schemes”	the 2013 Share Award Scheme, the 2019 Share Award Scheme and the 2023 Share Award Scheme
“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



## Definition

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



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