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+RQJ .RQJ ([FKJXVW – Tencent Holdings Limited (the "Company", together with its subsidiaries, the "Group", "we" or "our"), a leading provider of all-around internet value-added services in China, announced its unaudited consolidated results for the second quarter and six months ended 30 June 2023 (the "2Q23" and "1H23", respectively).

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- 7RWDO UHYHQXHV RI RMB149.2 billion (US$20.6 billion) in 2Q23, up 1% YoY
- 2Q DQ,)56 EDVLV is intended to exclude certain one-off gains and non-cash items:
  - 2SHUDWLQJ SURILW RI RMB61.1 billion (US$8.4 billion), increased 7% YoY. Operating margin increased 3 percentage points to 41% from last year
  - 3URILW IRU WKH SHULRG DWWULEXWDEOH WR (TXLW\ KROGHUV RI RMB51.8 billion (US$7.1 billion), increased 3% YoY. Net margin increased 2 percentage points to 35% from last year.
  - 3URILW DWWULEXWDEOH WR HTXLW\ KROGHUV RI RMB51.8 billion (US$7.1 billion), increased 8% YoY.
  - %DVLF HDUQLQJV SHU 3HUPLWWHG HDUQLQJV SHU 6KDUH
- 2Q DQ ,)56 :EDVLV
  - Operating profit of RMB61.1 billion (US$8.4 billion), increased 4% YoY. Operating margin increased 2 percentage points to 41% from last year
  - Profit for the period attributable to equity holders of the Company of RMB51.8 billion (US$7.1 billion), increased 1% YoY. Net margin increased to 18% from 14% last year
  - Profit attributable to equity holders of the Company before share-based payment expenses and investment impairment of RMB53.0 billion (US$7.3 billion), increased 1% YoY
  - Basic earnings per share RMB5.29 (US$0.73). Diluted earnings per share RMB5.15

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- 7RWDO UHYHQXHV RI RMB299.1 billion (US$41.1 billion), increased 11% over the first half of 2022 ("YoY")
- 2Q DQ,)56 EDVLV is intended to reflect certain one-off gains and non-cash items:
  - 2SHUDWLQJ SURILW RI RMB113.6 billion (US$15.6 billion), increased 13% YoY. Operating margin increased to 38% from 27% last year
  - 3URILW IRU WKH SHULRG DWWULEXWDEOH WR (TXLW\ KROGHUV RI RMB101.1 billion (US$13.8 billion), increased 8% YoY. Net m

[1] Non-IFRS adjustments include share-based payment expenses, fair value changes of investments in listed companies, amortisation of intangible assets recognised in business combinations and impairment of investments

[2] Figures stated in USD are translated from RMB at the exchange rate of USD1 to

EBITDA was 51.9 billion 34%, YoY. Adjusted 56.8 billion 27%, YoY.
Capital expenditure was 14.0 billion 3%, YoY.
Free cash flow was 29.9 billion 3%, YoY.

As Jun, 2023, net position to 7.7 billion RMB Four shareholding investee companies (excluding 4.5 billion US$ 60 billion) the car value our first investment RMB 70 billion 30 (US$ 10 billion) second quarter, Company repurchased 5.9 million shares on the Hong Kon aggregate consideration of approximately RMB

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	$VD-XQ	As 30 Jun 2022	Year on year chan	As 31 Ma 2023	Quarter-on-quar chan
		(in millions, unless spec			
Combined MAU o and WeChat		1,2	2%	1,3	1%
Mobile device		569	0.4	597	-4%
Fee-based VAS re subscriptions		235	3%	226	7%

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Communications and Social Networks

Weixin user engagement increased healthily, benefitting Mini Programs and Moments. Video Accounts-on-year. Mini Programs exceeded 1.1 billion in MAU, including Mini Games leading casual games platform in China, and which g margins and platform economics.

Digital Content

Tencent Video subscriptions year-on-year decreased 5% quarter 11 benefitting from our original animated series and d in June 2023, as TME enriched offerings in terms of

Domestic Games

Our mobile and PC game MAU each-on-year carre, as and yet harree of our

[3] Including those held via special purpose vehicles, on an attributab

from the past two years ranked among the top 10 Our b
evergreen titles also demonstrated as Naruto Mobile an
big PC games in China,[4] WhiLLoeRAoNuTr aDnodmeLsotsitc AGrakm-eosyerarve
in the second quarter due to releabseilnigevleestshihsigwhlsy
phenomenon, and that our Domestic-oGyaemaers grrewwetrhueinsht ou
of 2023.

International Games

During the quarter, we saw ongoing revenue growth f
post-pandemic dip in activity is moving behind us in
contributions from recently released games, includi

Online Advertising

We outpaced the overall whiicnhduwstrayt'tsrigbruotwetht oraenhance
systems powerdivergtiouirng platform and robust demand
Advertising spending on o-dirigpt-ayfearmsatgrefwrom a drou
category, except transportation.

FinTech Services

Our commercial payment revenue increased as consump
business expanded its users and aggregated customer
self-inspection and corresponding rectification for T
capability of our payment business bu.siWensdsoporkovfiodrivengrd
servicesunder the supportive regulatory framework.

Cloud and Other Business Services

We launched the Tencent Cloud MaaS library of mode
database-paendfohringahnce computing clusteresnteOrupriMaaS is
such as tourism and public services to develop cust

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

[4] Source: by total time spent in 2Q2023, according to QuestMobil

About Tencent

Tencent uses technology to enrich the lives of Internet users.

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

Tencent invests heavily in talent and technological innovation, actively promoting the development of the Internet industry. Tencent was founded in Shenzhen, China, in 1998. Shares of Tencent (00700.HK) are listed on the Main Board of the Stock Exchange of Hong Kong.

Investor contact: IR@tencent.com
Media contact: GC@tencent.com

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, net margin, profit attributable to equity holders of the Company, basic EPS and diluted EPS), have been presented in this press release. These unaudited non-IFRS financial measures should be considered in addition to, not as a 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-IFRS financial measures that provide investors with useful supplementary information to assess the performance of the 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 associates, or estimates made by the Company's management, certain expectations, assumptions and premises.

Forward-Looking Statements

This press release-looking statements are forward relating to the business performance, forecast business plans and Group planning. These are based on information currently available to the Company at this press release. They are based on perceived assessments, expectations or beyond our control-looking. These statements may prove to be incorrect. Underlying these forward-looking statements are a lot of other risks and uncertainties. The inclusion of forward-looking statements in this press release should be or the Company that the plans and objectives will be on such statements.

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RMB in millions, unless specified

	Unaudited		Unaudited	
	2Q2023	2Q2022	2Q2023	1Q2023
Revenues		134,(		149,9
VAS		71,6		79,3
Online Advertising		18,6		20,9
FinTech and Business Services		42,2		48,7
Others		1,5		984
Cost of revenues		(76,1		(81,8
Gross profit		57,8		68,1
Gross margin		*43%*		*45%*
Interest income		1,9		2,9
Other gains/(losses), net		4,4		944
Selling and marketing expenses		(7,9		(7,0
General and administrative expenses		(26,2		(24,6
Operating profit		30,0		40,4
Operating margin		*22%*		*27%*
Finance costs, net		(1,8		(2,6
Share of profit/(loss) of associates and joint ventures, net		(4,4		80
Profit before income tax		23,7		37,8
Income tax expense		(4,5		(11,4
Profit for the period		19,2		26,3
Net margin		14%		*18%*
Attributable to:				
Equity holders of the Company		18,6		25,8
Non-controlling interests		611		556
Non-IFRS profit attributable to equity holders of the Company		28,1		32,5
Earnings per share for profit attributable to equity holders of the Company (in RMB per share)				
- basic		1.9		2.7
- diluted		1.9		2.6

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RMB in millions, unless specified

	Unaudited	
	2Q2023	2Q2022
Profit for the period	27,023	19,230
Other comprehensive income, net of tax:		
Items that may be subsequently reclassified to profit or loss		
Share of other comprehensive income of		292
Transfer of share of other comprehens and deemed disposal of associates and		(14)
Transfer to profit or loss upon dispo other comprehensive income		2
Net gains/(losses) from changes in fair value of through other comprehensive income		(8)
Currency translation differences		6,989
Other fair value gains, net		865
Items that will not be subsequently reclassified to profit or loss		
Share of other comprehensive income of		(379)
Net losses from changes in fair value other comprehensive income		(61,581)
Currency translation differences		2,219
		(51,615)
Total comprehensive income for the period		(32,385)
Attributable to:		
Equity holders of the Company		(32,083)
Non-controlling interests		(302)

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RMB in millions, unless specified

	8QDXGLWHG		
	4	1Q20	2Q20
EBITDA (a)		52,	38,
Adjusted EBITDA		57,	44,
Adjusted EBITDA		39	33
Interest and rel		2, 8	2, 3
Net cash/(debt) / (c)		31,	(20,
Capital expendit		4, 4	3, 0

Note:

(a) *EBITDA is calculated as operating profit minus interest income and 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 video and music content, game licences and other content).*

RMB in millions, unless specified

	Unaudited As at June 30, 2023	Audited As at December 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment		53, 9
Land use rights		18, (
Right-of-use assets		22, 5
Construction in progress		9, 2
Investment properties		55
Intangible assets		161,
Investments in associates		246,
Investments in joint ventures		6, 6
Financial assets at fair value through profit or loss		206,
Financial assets at fair value through other comprehensive income		185,
Prepayments, deposits and other assets		36, 7
Other financial assets		6, 9
Deferred income tax assets		29, 8
Term deposits		28, 3
		1, 012
Current assets		
Inventories		2, 3
Accounts receivable		45, 4
Prepayments, deposits and other assets		76, 6
Other financial assets		1, 2
Financial assets at fair value through profit or loss		27, 9
Term deposits		104,
Restricted cash		2, 7
Cash and cash equivalents		156,
Assets held for distribution		147,
		565,
Total assets		1, 578

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

RMB in millions, unless specified

	Unaudited As at June 30, 2023	Audited As at December 31, 2022
EQUITY		
Equity attributable to equity holders of the Company		
Share capital		-
Share premium		62,
Treasury shares		(1, 8
Shares held for share award schemes		(4, 2
Other reserves		(40,
Retained earnings		705,
		721,
Non-controlling interests		61,
Total equity		782,
LIABILITIES		
Non-current liabilities		
Borrowings		163,
Notes payable		148,
Long-term payables		9, 0
Other financial liabilities		5, 5
Deferred income tax liabilities		12, 1
Lease liabilities		18, 4
Deferred revenue		3, 5
		361,
Current liabilities		
Accounts payable		92, 3
Other payables and accruals		61, 1
Borrowings		11, 5
Notes payable		10, 4
Current income tax liabilities		13, 4
Other tax liabilities		4, 6
Other financial liabilities		3, 9
Lease liabilities		6, 3
Deferred revenue		82, 2
Dividends payable for distribution in specie		147,
		434,
Total liabilities		795,
Total equity and liabilities		1, 578

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RMB in millions, unless specified	As reported	Adjustments: Share-based compensation (a)	Net (gains)/losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	6 6 9 & 3 3 H	2 W K H U	, Q F R F W D [H I I J	Non-IFRS
				Unaudited three months ended	June 30 , 2023				
Operating profit	40,300	5,551	(206)	1,023	82	369	3,003	-	50,122
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
Operating margin	27%								34%
Net margin	18%								26%
				Unaudited three months ended	March 31 , 2023				
Operating profit	40,429	5,844	(658)	998	241	1,526	9	–	48,389
Profit for the period	26,394	7,313	(5,224)	2,271	1,862	1,526	9	(706)	33,445
Profit attributable to equity holders	25,838	7,094	(5,224)	2,098	1,852	1,526	9	(655)	32,538
Operating margin	*27%*								*32%*
Net margin	*18%*								