For Immediate Release

TENCENT ANNOUNCES 2025 FIRST QUARTER RESULTS
Sustained High Quality Revenue Growth
Operating Leverage to Support Strategic AI Investments over Longer Term

Hong Kong, May 14, 2025 – Tencent Holdings Limited (HKEX: 00700 (HKD Counter) and 80700 (RMB Counter), "Tencent" or "the Company"), a world-leading Internet and technology company in China, today announced the unaudited consolidated results for the quarter ended 31 March 2025 ("1Q2025").

Mr. Ma Huateng, Chairman and CEO of Tencent, said, "During the first quarter of 2025, our high-quality revenue streams sustained their solid growth trajectory. AI capabilities already contributed tangibly to businesses, such as performance advertising and evergreen games. We also stepped up our spending on new AI opportunities, such as the Yuanbao application and AI in Weixin. We believe the operating leverage from our existing high-quality revenue streams will help absorb the additional costs associated with these AI-related investments and contribute to healthy financial performance during this investment phase. We expect these strategic AI investments will create value for users and society, and generate substantial incremental returns for us over the longer term."

1Q2025 Financial Highlights

Revenues: +13% YoY, gross profit: +20% YoY, non-IFRS[1] operating profit: +18% YoY

Total revenues were RMB180.0 billion (USD25.1 billion[2]), up 13% over the first quarter of 2024.
Gross profit was RMB100.5 billion (USD14.0 billion), up 20% YoY.
On a non-IFRS basis, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:

- **Operating profit** was RMB69.3 billion (USD9.7 billion), up 18% YoY. Operating margin increased to 39% from 37% last year.
- **Profit for the period** was RMB 62.7 billion (USD8.7 billion), up 22% YoY.
- **Profit attributable to equity holders of the Company** for the period was RMB61.3 billion (USD8.5 billion), up 22% YoY.
- **Basic earnings per share** were RMB6.735. **Diluted earnings per share** were RMB6.583.

On an IFRS basis:

- Operating profit was RMB57.6 billion (USD8.0 billion), up 10% YoY. Operating margin decreased to 32% from 33% last year.
- Profit for the period was RMB49.7 billion (USD6.9 billion), up 17% YoY.
- Profit attributable to equity holders of the Company for the quarter was RMB47.8 billion (USD6.7 billion), up 14% YoY.
- Basic earnings per share were RMB 5.252. Diluted earnings per share were RMB5.129.

Capital expenditure was RMB27.5 billion (USD3.8 billion), up 91% YoY.
Total cash was RMB476.0 billion (USD66.3 billion) and **free cash flow** was RMB47.1 billion (USD6.6 billion), down 9% YoY. **Net cash position** totalled RMB90.2 billion (USD12.6 billion).
As at 31 March 2025, fair value of our shareholdings[3] in listed investee companies (excluding subsidiaries) totalled RMB653.4 billion (USD91.0 billion) and the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) was RMB337.9 billion (USD47.1 billion).

---

[1] Non-IFRS adjustments excludes share-based compensation, M&A related impact such as net (gains)/losses from investee companies, amortisation of intangible assets, impairment provisions/(reversals), SSV & CPP, income tax effects and others
[2] Figures stated in USD are based on USD1 to RMB7.1782
[3] Including those held via special purpose vehicles, on an attributable basis