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***Notice to Hong Kong investors:** The Company confirms that the Notes (as defined below) are intended for purchase by Professional Investors (as defined in Chapter 37 of the Listing Rules) only and are listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Company confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

TENCENT HOLDINGS LIMITED

騰訊控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Codes: 700 (HKD counter) and 80700 (RMB counter))

Publication of Pricing Supplements
for the Issuance of
US$1,300,000,000 6.10% Senior Notes Due 2036
(Stock Code: 40749)
and
US$500,000,000 6.75% Senior Notes Due 2046
(Stock Code: 40773)
(collectively, the "USD Notes")
and
CNY20,000,000,000 2.40% Senior Notes Due 2036
(Stock Code: 85189)
and
CNY6,000,000,000 3.00% Senior Notes Due 2056
(Stock Code: 85190)
(collectively, the "CNY Notes")

under the Global Medium Term Note Programme of
Tencent Holdings Limited with Maximum Limit of US$30 Billion
(the "Programme")

Joint Global Coordinators and Managers for the USD Notes

J.P. Morgan	**Goldman Sachs (Asia) L.L.C.**	**HSBC**	**Morgan Stanley**

Other Managers for the USD Notes

Agricultural Bank of China	**Bank of China**	**Bank of Communications**	**BofA Securities**
China Construction Bank	**Citigroup**	**ICBC (Asia)**	**MUFG**

Joint Global Coordinators and Managers for the CNY Notes

ICBC (Asia)	**Agricultural Bank of China**	**Bank of China**	**Bank of Communications**
China Construction Bank	**CITIC Securities**	**HSBC**	**J.P. Morgan**

Other Managers for the CNY Notes

CMB Wing Lung Bank Limited	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Shanghai Pudong Development Bank Hong Kong Branch**

This announcement is issued by Tencent Holdings Limited (the "Company") pursuant to Rule 37.39A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Please refer to the offering circular dated 8 June 2026 (the "Offering Circular") (available at https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0609/2026060900199.pdf) appended to the announcement of the Company dated 9 June 2026 in relation to the Programme and the pricing supplements dated 13 October 2026 (the "Pricing Supplements") appended hereto in relation to the US$1,300,000,000 6.10% senior notes due 2036, the US$500,000,000 6.75% senior notes due 2046, the CNY20,000,000,000 2.40% senior notes due 2036 and the CNY6,000,000,000 3.00% senior notes due 2056 (collectively, the "Notes"). The Company announces that the listing of, and permission to deal in, the Notes on The Stock Exchange of Hong Kong Limited has become effective on 22 October 2026. The Pricing Supplements have been published in English only. Chinese versions of the Pricing Supplements will not be published.

The Offering Circular and the Pricing Supplements (collectively, the "Listing Documents") do not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor do the Listing Documents constitute an invitation to the public to make offers to subscribe for or purchase any securities.

The Listing Documents must not be regarded as an inducement to subscribe for or purchase any securities of the Company, and no such inducement is intended. You should consider carefully the information contained in the Listing Documents before making an investment decision.

22 October 2026

As at the date of this announcement, the directors of the Company are:

Executive Director:
Ma Huateng;

Non-Executive Directors:
Jacobus Petrus (Koos) Bekker and Charles St Leger Searle; and

Independent Non-Executive Directors:
Li Dong Sheng, Ian Charles Stone, Yang Siu Shun, Ke Yang and Zhang Xiulan.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Pricing Supplement dated 13 October 2026

Tencent Holdings Limited (the "Issuer")

Issue of US$1,300,000,000 6.10% Senior Notes due 2036 (the "Notes")
under the Global Medium Term Note Programme of Tencent Holdings Limited
with Maximum Limit of US$30 Billion (the "Programme")

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**") for the purpose of giving information with regard to the Issuer and the Issuer and its subsidiaries taken as a whole (the **"Group**"). The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on SEHK is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on SEHK on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 8 June 2026 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement (including the Schedule to this Pricing Supplement) and the Offering Circular. For the avoidance of doubt, the Issuer's unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting has been incorporated by reference into the Offering Circular.

1.	Issuer:		Tencent Holdings Limited
2.	(i)	Series Number:	33
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		United States Dollar ("**US$**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	US$1,300,000,000
	(ii)	Tranche:	US$1,300,000,000
5.	(i)	Issue Price:	99.859 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds	Approximately US$1,293,617,000 (after deducting the management and underwriting commissions but not the offering expenses)
6.	(i)	Specified Denominations:	US$200,000 and integral multiples of US$1,000 in excess thereof
	(ii)	Calculation Amount:	US$1,000
7.	(i)	Issue Date:	21 October 2026
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		21 October 2036
9.	Interest Basis:		6.10 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Not Applicable
12.	Put/Call Options:		Issuer Call (further particulars specified below)
13.	Listing:		SEHK (expected effective listing date: 22 October 2026)
14.	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	6.10 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Dates:	21 April and 21 October in each year, commencing 21 April 2027, not adjusted
	(iii)	Fixed Coupon Amount:	US$30.5 per Calculation Amount
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	30/360
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions:		Not Applicable
17.	Zero Coupon Note Provisions:		Not Applicable
18.	Index-Linked Interest Note/other variable-linked interest Note Provisions:		Not Applicable
19.	Dual Currency Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:		Applicable
	(i)	Optional Redemption Date(s):	At any time in whole or in part upon giving proper notice
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	The Optional Redemption Amount shall be equal to: • in the case of an Optional Redemption Date (Call) prior to 21 July 2036 (the date that is three months prior to the Maturity Date for the Notes), the greater of (x) 100 per cent. of the principal amount of the Notes to be redeemed and (y) the sum of (1) the present value of the principal amount of the Notes to be redeemed, assuming a scheduled repayment thereof on 21 July 2036, plus (2) the present value of the remaining scheduled payments of interest to and including 21

July 2036 (exclusive of interest accrued to the date of redemption), in each of cases (1) and (2), discounted to the Optional Redemption Date (Call) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months, and in the case of an incomplete month, the actual number of days elapsed) at the Treasury Yield plus 15 basis points, and in each of cases (x) and (y), plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call); or

- in the case of an Optional Redemption Date (Call) on or after 21 July 2036 (the date that is three months prior to the Maturity Date for the Notes), 100 per cent. of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call).

(iii) If redeemable in part:

(a)	Minimum Redemption Amount:	US$200,000 per Noteholder
(b)	Maximum Redemption Amount:	Not Applicable

(iv) Notice period: Not less than 10 nor more than 60 days' notice

21. Put Option: Not Applicable

22. Final Redemption Amount of each Note: US$1,000 per Calculation Amount

23. Early Redemption Amount

(i) Early Redemption Amount (*Tax*) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from Principal Amount

		that set out in the Conditions):	
	(ii)	Early Redemption Amount (*Triggering Event*) per Calculation Amount payable on redemption for triggering event and/or the method of calculating the same (if required or if different from that set out in the Conditions):	101 per cent. of Principal Amount
	(iii)	The Redemption Amount per Calculation Amount payable on redemption of Zero Coupon Notes prior to the Maturity Date and/or the method of calculating the same (if different from that set out in the Conditions):	Not Applicable
24.		Early Termination Amount	
		Early Termination Amount(s) per Calculation Amount payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions) :	Principal Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Registered Notes: Unrestricted Global Note Certificate exchangeable for unrestricted Individual Note Certificates in the limited circumstances described in the Unrestricted Global Note Certificate and Restricted Global Note Certificate exchangeable for restricted Individual Note Certificates in the limited circumstances described in the Restricted Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable

27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	The provisions in Condition 21 (*Further Issues*) apply
32.	Any applicable currency disruption /fallback provisions:	Not Applicable
33.	Other terms or special conditions:	Use of proceeds: General corporate purposes

DISTRIBUTION

34.	(i)	If syndicated, names of Managers:	*Joint Global Coordinators:* J.P. Morgan Securities (Asia Pacific) Limited Goldman Sachs (Asia) L.L.C. The Hongkong and Shanghai Banking Corporation Limited Morgan Stanley & Co. International plc (together, the "**Joint Global Coordinators**") *Other Managers:* ABCI Capital Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch Merrill Lynch (Asia Pacific) Limited China Construction Bank (Asia) Corporation Limited

			Citigroup Global Markets Limited Industrial and Commercial Bank of China (Asia) Limited MUFG Securities Asia Limited (together with the Joint Global Coordinators, the "**Managers**")
	(ii)	Stabilising Manager(s) (if any):	Any of the Joint Global Coordinators appointed and acting in its capacity as Stabilising Manager (or persons acting on behalf of any of them)
35.	If non-syndicated, name and address of Dealer:		Not Applicable
36.	Total commission and concession:		0.35 per cent. of the Aggregate Nominal Amount
37.	U.S. Selling Restrictions:		Reg. S Category 2 TEFRA not applicable Rule 144A Eligible
38.	Prohibition of Sales to EEA Retail Investors		Applicable
39.	Prohibition of Sales to UK Retail Investors:		Applicable
40.	Additional selling restrictions:		Not Applicable

OPERATIONAL INFORMATION

41.	ISIN Code:	Rule 144A Notes: US88032WBG06 Regulation S Notes: US88032XBG88
42.	Common Code:	Rule 144A Notes: 352061484 Regulation S Notes: 352061522
43.	CUSIP:	Rule 144A Notes: 88032WBG0 Regulation S Notes: 88032XBG8
44.	CMU Instrument Number:	Not Applicable
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU Service and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment

47. Additional Paying Agent(s) (if any): Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into United States dollars at the rate of [●], producing a sum of (for Notes not denominated in United States dollars):	Not Applicable
49.	Ratings:	The Notes have a preliminary rating of A1 and A+ from Moody's and S&P, respectively, which will be confirmed by Moody's and S&P, respectively, shortly after the Issue Date. Credit ratings are not recommendations to buy, sell or hold the Notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.

HONG KONG SFC CODE OF CONDUCT

50.	Rebates:	Not Applicable
51.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	investor.info.hk.oc.bond.deals@jpmorgan.com gs-hk-dcm-omnibus@gs.com hk_syndicate_omnibus@hsbc.com.hk omnibus_debt@morganstanley.com
52.	Marketing and Investor Targeting Strategy:	As described in the Offering Circular

For the purposes of this Pricing Supplement:

"**Business Day**" means a day other than a Saturday, Sunday or a day on which banking institutions or trust companies in The City of New York, Hong Kong or Beijing are authorized or obligated by law, regulation or executive order to remain closed.

"**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose that the Notes matured on 21 July 2036) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes .

"**Comparable Treasury Price**" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if we obtain fewer than three such Reference Treasury Dealer Quotations, the average of all quotations obtained.

"**Independent Investment Banker**" means one of the Reference Treasury Dealers appointed by us.

"**Reference Treasury Dealer**" means each of any three investment banks of recognized standing that is a primary U.S. government securities dealer in the United States, selected by us in good faith.

"**Reference Treasury Dealer Quotation**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the fifth Business Day before such redemption date.

"**Treasury Yield**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the fifth Business Day before such redemption date) of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

STABILISING

In connection with this issue, any of the Joint Global Coordinators appointed and acting in its capacity as stabilising manager (each a "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Managers (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

OFFERS AND SALES INTO THE UNITED STATES

None of ABCI Capital Limited, Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and MUFG Securities Asia Limited is a broker-dealer registered with the United States Securities and Exchange Commission or under the securities or "**blue sky**" laws of any state.

To the extent either ABCI Capital Limited, Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and MUFG Securities Asia Limited intends to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, it will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, and the rules of Financial Industry Regulatory Authority, as well as with applicable laws of the various States.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the SEHK of the Notes described herein pursuant to the US$30,000,000,000 Global Medium Term Note Programme of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Tencent Holdings Limited

/s/Ma Huateng

By: _____
Duly authorised

SCHEDULE TO THE PRICING SUPPLEMENT

The section entitled "*Summary Financial Information of the Issuer*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The selected consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 have been derived from our audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025 included elsewhere in this Offering Circular, each of which has been prepared in accordance with IFRS Accounting Standards, and from our unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting, which has been incorporated by reference into this Offering Circular.

The summary financial data below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the audited consolidated financial statements included elsewhere in this Offering Circular and the unaudited interim condensed consolidated financial information incorporated by reference into this Offering Circular. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 may not provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. None of the Arrangers, Dealers nor any of their directors, officers, employees, representatives, agents, advisers or affiliates makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of our financial condition and results of operations, and potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 should not be taken as an indication of our expected financial condition or results of operations for the full financial year ending 31 December 2026 and they are not comparable to the financial information for the years ended 31 December 2023, 2024 and 2025.

Amounts in the Company's consolidated financial statements are stated in Renminbi. The translation of Renminbi amounts into U.S. dollars is for convenience only and has been made at the rate of RMB6.7851 to US$1.00 as at 30 June 2026. No representation is made that Renminbi amounts have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

SELECTED CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Revenues:						
VAS	298,375	319,168	369,281	183,501	194,524	28,669
Marketing Services[(1)]	101,482	121,374	144,973	67,615	81,736	12,046
FinTech and Business Services	203,763	211,956	229,435	110,443	120,171	17,711
Others	5,395	7,759	8,077	2,967	4,812	710
Total revenues	**609,015**	**660,257**	**751,766**	**364,526**	**401,243**	**59,136**
Cost of revenues	(315,906)	(311,011)	(329,173)	(159,020)	(171,545)	(25,283)
Gross profit	**293,109**	**349,246**	**422,593**	**205,506**	**229,698**	**33,853**
Selling and marketing expenses	(34,211)	(36,388)	(41,727)	(17,276)	(23,212)	(3,421)
General and administrative expenses	(103,525)	(112,761)	(136,127)	(65,585)	(72,608)	(10,701)
Other gains/(losses), net[(2)]	4,701	8,002	(3,177)	(4,975)	773	114
Operating profit[(2)]	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Net gains/(losses) from investments and others[(2)]	(6,090)	4,187	10,168	4,045	13,112	1,932
Interest incomes[(2)]	13,808	16,004	16,909	7,869	8,227	1,213
Finance costs	(12,268)	(11,981)	(15,130)	(7,801)	(5,958)	(878)
Share of profit/(loss) of associates and joint ventures, net	5,800	25,176	23,740	9,054	(6,373)	(939)
Profit before income tax	**161,324**	**241,485**	**277,249**	**130,837**	**143,659**	**21,173**
Income tax expense	(43,276)	(45,018)	(47,448)	(25,068)	(26,290)	(3,875)
Profit for the year/period	**118,048**	**196,467**	**229,801**	**105,769**	**117,369**	**17,298**

Notes:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

(2) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023, 2024 AND 2025 AND 30 JUNE 2026

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Cash and cash equivalents	172,320	132,519	141,041	206,930	30,498
Term deposits	185,983	192,977	236,801	214,275	31,580
Total current assets	**518,446**	**496,180**	**595,460**	**663,424**	**97,776**
Term deposits	29,301	77,601	70,302	52,724	7,771
Total non-current assets	**1,058,800**	**1,284,815**	**1,443,526**	**1,495,970**	**220,479**
Total assets	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**
Borrowings	41,537	52,885	42,618	86,292	12,718
Notes payable	14,161	8,623	10,542	—	—
Total current liabilities	**352,157**	**396,909**	**412,751**	**515,481**	**75,972**
Borrowings	155,819	146,521	208,369	212,650	31,341
Notes payable	137,101	130,586	126,204	154,021	22,700
Total non-current liabilities	**351,408**	**330,190**	**385,170**	**421,400**	**62,107**
Total liabilities	**703,565**	**727,099**	**797,921**	**936,881**	**138,079**
Total equity	**873,681**	**1,053,896**	**1,241,065**	**1,222,513**	**180,176**
Total liabilities and equity	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**

SELECTED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities[(1)]	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities[(2)]	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Notes:

(1) Includes, among others, payments for capital expenditures as well as media content. Payments for capital expenditure represents the amount paid for investments in IT infrastructure (including computer equipment, components and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the six months ended 30 June 2025 and 2026, respectively.

(2) Includes, among others, dividends paid to our shareholders and non-controlling interest owners, which amounted to RMB21,788 million, RMB31,244 million and RMB39,907 million for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB39,400 million and RMB43,257 million (US$6,375 million) for the six months ended 30 June 2025 and 2026, respectively.

OTHER FINANCIAL DATA

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(US$ in millions, except for %)
EBITDA[(1)]	214,381	256,310	310,767	153,284	169,943	25,046
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Adjusted EBITDA margin[(2)]	39%	42%	45%	46%	45%	45%
Net cash[(3)]	54,740	76,798	107,145	74,592	58,191	8,576

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(US$ in millions, except for ratios)
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Interest and related expenses	11,885	12,447	13,456	6,927	6,346	935
Ratios:						
Adjusted EBITDA[(1)] to interest and related expenses[(5)]	20x	22x	25x	23x	27x	27x
Total debts[(4)] to Adjusted EBITDA[(1)(5)]	1.48x	1.22x	1.15x	1.29x	1.29x	1.29x

Notes:

(1) 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. EBITDA and Adjusted EBITDA are not standard measures under IFRS Accounting Standards. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA and Adjusted EBITDA should not be considered in isolation or as any other measure of performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA and Adjusted EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA and Adjusted EBITDA because we believe they are a useful supplement to cash flows data as a measure of our performance and our ability to generate cash flows from operations to cover debt service and taxes. EBITDA and Adjusted EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA or Adjusted EBITDA to the EBITDA or Adjusted EBITDA presented by other companies because not all companies use the same definition.

(2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.

(3) Net cash represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, including highly liquid investment products held for treasury purposes, minus borrowings and notes payable.

(4) Total debts consist of borrowings and notes payable.

(5) Adjusted EBITDA to interest and related expenses ratio and total debts to Adjusted EBITDA ratio for the six months ended 30 June 2025 and 2026 are calculated using Adjusted EBITDA for the last twelve months and interest and related expenses for the last twelve months.

The following table reconciles our operating profit under IFRS Accounting Standards to our EBITDA and Adjusted EBITDA for the years/periods indicated.

	Year ended 31 December			Six months ended 30 June		
	2023[1]	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Operating profit	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Adjustments:						
Other (gains)/losses, net (excluding depreciation and amortization)	(4,701)	(8,002)	3,177	4,975	(870)	(128)
Depreciation of property plant and equipment and investment properties	19,908	21,141	26,580	11,371	17,887	2,636
Depreciation of right-of-use assets	6,397	6,191	6,219	3,070	3,175	468
Amortisation of intangible assets and land use rights	32,703	28,881	33,229	16,198	15,100	2,225
EBITDA	**214,381**	**256,310**	**310,767**	**153,284**	**169,943**	**25,046**
Equity-settled share-based compensation expenses	21,073	20,702	25,660	13,397	11,046	1,628
Adjusted EBITDA	**235,454**	**277,012**	**336,427**	**166,681**	**180,989**	**26,674**

Note:

(1) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

OPERATING DATA

The following data sets forth certain operating statistics relating to our Internet platforms and VAS as at the dates presented:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	(in millions)	(in millions)	(in millions)	(in millions)
Combined MAU of *Weixin* and *WeChat* [1]	1,343	1,385	1,418	1,439
Mobile device MAU of *QQ* [2]	554	524	508	520
Fee-based VAS subscriptions[3]	244	262	267	259

Notes:

(1) Combined MAU of *Weixin* and *WeChat* figures refers to the total number of user accounts that logged in and sent a message, or conducted an activity in *Moments*, games, etc. during the last month prior to the relevant date.

(2) Mobile device MAU of *QQ* figures denote the total number of MAU that logged in via applications on smart devices (iOS, Android) and sent a message, or conducted an activity in *Qzone*, *Tencent Channels*, etc. during the last month prior to the relevant date.

(3) Adjusted to report the average daily number of subscriptions since the first quarter of 2024. Historical comparative figures have been restated for the year ended 31 December 2023.

The sub-section entitled "*Risk Factors — Risks Relating to Our Business and Industry*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to Our Business and Industry

We operate in a very competitive market. If we fail to compete effectively, we may lose users to competitors and our business, future results of operations and prospects could be materially and adversely affected.

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of technology, we also face potential competition from companies which provide foundation models, AI native applications and other AI features.

If we are unable to compete effectively in our business, it could negatively affect our ability to maintain user engagement, and monetise our services, any of which could materially and adversely affect our business, future results of operations and prospects.

If we fail to keep up with the technological developments and users' changing requirements, we may not be able to monetise our business, and future results of operations and prospects could be materially and adversely affected.

Our business and prospects will depend on our ability to respond to rapidly changing technologies, adapt our services to evolving industry standards and improve the performance and reliability of our services. Our failure to adapt to such changes could harm our business. In addition, changes in user behavior resulting from technological developments may also adversely affect us. Furthermore, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or integrate our products, services or technologies. If we fail to anticipate and adapt to material technological changes, our market share could suffer, which in turn could materially and adversely affect our business, future results of operations and prospects.

We operate in a rapidly evolving environment. If we fail to continue to launch attractive new services or products, our business could be harmed.

We operate in a dynamic and evolving industry with the rapid emergence of new technologies and new services and products. To remain competitive, we must introduce new services and products to diversify our portfolio, adapt to new technologies, appeal to changing consumer trends and preferences and generate additional revenue. We may continue to exit some legacy business areas in order to focus on the key drivers of our growth. Further, some of our new services and products may attract users from our existing offerings. Some of our existing services and products may also become incompatible with emerging technologies and new devices. If we are unable to continue to launch new services and products that can offset the loss of popularity of our maturing services and products, our market share could erode, which in turn could materially and adversely affect our financial condition and results of operations.

If we fail to maintain and enhance our brand recognition, or if we incur excessive expenses in this effort, our business, future results of operations and prospects could be materially and adversely affected.

It is critical for us to maintain and develop our brands so as to effectively maintain and increase our business partnerships and grow our revenue. Well-recognised brands are critical to increasing the number and engagement of our users and, in turn, enhancing our attractiveness to advertisers. Since we operate in a highly competitive market, maintaining and enhancing our brands directly affects our ability to maintain our market position. Our main competitors have established brands and are continuing to take steps to increase their brand recognition. We must also continue to maintain and enhance the recognition and value of our brands. In order to attract and retain users, we may need to substantially increase our expenditures for creating and maintaining brand loyalty. As a result, our selling and marketing expenses may increase significantly, which may impact our profitability.

Our success in promoting and enhancing our brands, as well as our ability to remain competitive, will also depend on our success in offering high-quality content, features and functionality. If we are unable to maintain and enhance our brand recognition, our business, future results of operations and prospects could be materially and adversely affected.

We may not be successful in implementing our growth strategies or sustaining our historical growth rate.

We are pursuing a number of growth strategies, including developing new AI capabilities and products to capture exciting new opportunities, enriching our ecosystem through better user engagement and strengthening transaction capabilities, and leveraging our technology expertise and operational know-how to expand game and cloud businesses internationally. We are also pursuing opportunities for growth through acquisitions and investments. Although we have achieved significant growth in the past, we cannot be assured that this level of significant growth will be sustainable or achieved at all in the future. For example, future saturation in the market for online services could hamper our ability to continue to monetise our services. As we expand into new markets, we may face challenges from local incumbents and have difficulty gaining consumer mindshare. Also, as we expand into new services, such as AI foundation models and AI agent services, we may become subject to new technical challenges and regulatory requirements that could restrict our ability to effectively grow these new business lines.

As we enter into new business segments, we may not be able to maintain our historical margins. Further, we cannot assure you whether all or any of these strategies will be successful. If we are unable to implement our growth strategies, our competitiveness may be materially and adversely affected, which would have a material and adverse effect on our results of operations and prospects.

We face uncertainties regarding the growth of the game industry and continuous market acceptance of our games and in-game items.

We have derived a significant portion of our revenue from the game industry, which is rapidly evolving. Revenue from games under VAS business constituted 30%, 30%, 32%, 33% and 32% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of the game industry is subject to a high degree of uncertainty. Our future results of operations associated with this industry will depend on numerous factors, including:

- whether the global game industry continues to grow and the rate of any such growth;

- laws, rules, regulations, policies and approvals affecting the game industry, including regulatory action (or inaction) limiting or prohibiting our ability to licence, market or release new games;

- general economic conditions, particularly economic conditions that impact the level of discretionary consumer spending;

- the availability and popularity of other forms of entertainment;

- changes in consumer demographics, public tastes and preferences;

- our ability to develop, licence or acquire new games and related products to meet market demand and user preferences;

- the popularity and price of new games and in-game items that we and our competitors launch and distribute; and

- our ability to timely upgrade and improve our existing games to extend their lifespans and to maintain their competitive positions in the game market.

Due to these challenges and uncertainties, we cannot assure you that our game business will continue to grow at the rates it achieved in the past. Our failure to successfully develop this business could have a material and adverse effect on our results of operations and prospects.

The online game industry is highly regulated in China, which may affect our business operations and prospects.

The regulatory environment of online games in China has been changing over the years. The regulatory bodies of the online game industry in the PRC suspended the registration of online games and issuance of publication numbers for publication of online games for most of 2018, and imposed a second suspension of approximately eight months from August 2021 to April 2022. Furthermore, in December 2018, the Online Games Ethics Committee of the PRC was established, which carries out moral assessment of online games and related services that may cause or have caused moral disputes and social opinions and provide reference for the decision-making of the regulatory bodies of the online game industry.

Although the registration of online games and issuance of publication numbers has resumed in recent years, there is no assurance that a similar cessation in online video games approval will not occur again in the future, and we may face similar or other regulatory hurdles in obtaining approvals for our new online games in the future. Consequently, there is no assurance that we will continue to obtain approval for our new online games in a timely fashion or at all, and any failure, delay or other limitations in obtaining regulatory approvals for our new online games could materially and adversely affect our business, revenue and profits and results of operations.

If we are unable to consistently develop additional successful games, our business, future results of operations and prospects could be materially and adversely affected.

In order to maintain our long-term profitability and operational success, we must continue to develop, acquire, co-develop or licence new games that are attractive to users before our existing games reach the end of their commercial lifespans. This requires us to maintain and grow our in-house game development capability to anticipate changing consumer tastes and preferences, adopt new technologies, attract, retain and motivate talented game developers and effectively execute game development plans. There is no assurance that we can successfully maintain or develop our in-house game development capability in such manner. In addition, games we develop for one market may not always be successful in other markets.

There is no assurance that the games which we have developed will be attractive to users and will always comply with relevant content restrictions such as government regulations. If we are not able to mitigate the potential adverse impact as a result of competition or disputes among our overseas licensors and consistently develop games with continuing appeal to users, our business, future results of operations and prospects could be materially and adversely affected.

The online video and music industries are highly regulated in China. Our failure to comply with any government policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation.

The PRC government regulates the online video and music industry extensively. A number of regulatory authorities, such as MOCT, MIIT, NRTA and NCA, regulate different aspects of the online video and music industry. These governmental authorities promulgate and enforce laws and regulations that cover many aspects of the online video and music industry, including entry into such industries, scope of permitted business activities, licences and permits for various business activities and foreign investments into such industry. Operators are required to obtain various government approvals, licences and permits in connection with their provision of Internet information services, Internet culture services, online audio-visual products and other related value-added telecommunications services. If we fail to obtain and maintain approvals, licences or permits required for our business, we could be subject to liabilities, penalties and operational disruption and our business could be materially and adversely affected. In addition, if applicable laws and regulations are tightened by any regulatory authorities, or if there are new laws or regulations introduced to impose additional government approvals, licences, permits and requirements, our business may be disrupted and our results of operations may suffer.

Meanwhile, under PRC laws, to secure the rights to provide video or music content on the Internet or for our users to download or stream video or music from our platform, or to provide other related online video or music services, we must obtain licences from the appropriate copyright owners. However, we cannot assure you that we have obtained licences for copyrights with respect to all video or music content offered on our platform, and we cannot assure you that we will not be subject to any potential copyright infringement claims by third parties in relation to such services.

The marketing services market is subject to many uncertainties, which could cause our marketing services revenue to be materially and adversely affected.

The revenue for marketing services represented approximately 17%, 18%, 19%, 19% and 21% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of our marketing services revenue relies on increased revenue from the sale of marketing solutions and advertising inventories from our various platforms, which could be affected by the following factors:

- growth of the marketing services market;
- acceptance of marketing services as an effective marketing channel;
- our development of tailored marketing solutions to meet marketing clients' needs;
- changes in government rules and regulations impacting the marketing industry;
- alternative methods and strategies available to marketing clients to promote their brands and products; and
- development and acceptance of an independent and reliable standard for measuring the effectiveness of marketing services.

We also may be unable to respond adequately to changing trends in marketing services or advertiser demands or preferences or keep up with technological innovations and improvements in the measurement of user traffic and marketing services. If we are unable to capture and retain a sufficient share of the marketing services market, our ability to maintain or increase our current level of marketing services revenue could be materially and adversely affected.

Our cloud services business is subject to a number of laws and regulations. If we fail to adhere to applicable laws and regulations, our business of cloud services would be materially and adversely affected.

Our cloud services business is subject to extensive and evolving laws and regulations in China. Cloud service operators must obtain a value-added telecommunication service operating licence for Internet data centre business and are required to conduct business activities in accordance with the applicable national standards in respect of cloud services. Cloud service providers must comply with the regulations of the Cyber Security Law, including by taking technical and organisational measures to safeguard the operations of networks, formulate emergency response plans for cybersecurity incidents, prevent illegal and criminal activities and maintain the integrity, confidentiality and availability of network data. For the crucial information infrastructure operators, the personal information and important data collected during business activities must be stored within the territory of China. Where such data needs to be transferred overseas, a security assessment must be completed and passed prior to such transfer. Any failure or perceived failure to comply with all applicable laws and regulations may result in legal proceedings or regulatory actions against us, and could have a material adverse effect on our business and results of operations.

Our payments business is subject to a number of laws and regulations, including those governing banking, cross-border and domestic money transmission, foreign exchange and payment services.

Our payments business is subject to various laws and regulations in China, and any future expansion of our payments business would be subject to various laws and regulations in other jurisdictions where we operate. These laws include those governing banking, cross-border and domestic money transmission, foreign exchange and payment services, such as payment processing and settlement services. The legal and regulatory requirements that apply to our payments business vary in the markets where we operate and have increased over time as the geographical scope and complexity of our business and products have expanded. While our payments business has a compliance programme focused on compliance with applicable laws and regulations, there can be no assurance that we will not be subject to fines or other enforcement actions in one or more jurisdictions or be required to make changes to our business practices or compliance programmes to comply in the future. For example, regulatory authority has prescribed rules relating to third-party payment, whereby non-bank payment institutions are required to place customer funds in a centralised reserve with the PBOC. In addition, pursuant to the Circular on Transfer of Online Payment Business Conducted by Non-Bank Payment Institutions from Directly Connected Model to the NetsUnion Platform (關於將非銀行支付機構網絡支付業務由直連模式遷移至網聯平台處理的通知) ("**Circular 209**") issued by the Payment and Settlement Department of PBOC on 4 August 2017 and effective as at 30 June 2018, all online payments involving bank accounts conducted by non-bank payment institutions must be processed by the unified platform operated by the NetsUnion Clearing Corporation. The State Council of China issued the Regulations on the Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例) in December 2023, which became effective on 1 May 2024. The PBOC issued the Implementing Rules for the Regulations on Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例實施細則) on 9 July 2024. The new regulations fundamentally restructured the regulatory framework for non-bank payment institutions, including reclassifying payment business into two new categories (which may require existing licencees to convert their licences), imposing enhanced shareholder supervision requirements, strengthening systems and data security obligations (including onshore IT system and data localisation requirements), and requiring overseas non-bank institutions providing cross-border payment services to domestic users to establish a non-bank payment institution within China. The PBOC has been

actively strengthening enforcement, and the number of payment licences revoked has increased in recent years. Any new laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional licensing requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines, enforcement actions, changes in compliance requirements or limits on our ability to grow our business could have a material adverse effect on our business, future results of operations and prospects.

Our payments business is subject to anti-money laundering, counter-terrorist financing and sanctions laws and regulations.

Our payments business is, and any future expansion of our payments business would be, subject to various anti-money laundering, counter-terrorist financing and sanctions laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing anti-money laundering, counter-terrorist financing and sanctions legal and regulatory requirements. However, any errors, failures or delays in complying with anti-money laundering, counter-terrorist financing and sanctions laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new anti-money laundering, counter-terrorist financing and sanctions laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business, could have a material and adverse effect on our business, future results of operations and prospects.

Our payments business is subject to consumer protection laws and regulations.

Our payments business is subject to consumer protection laws and regulations in China, and any future expansion of our payments business would be subject to various consumer protection laws and regulations in other jurisdictions where we operate. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing consumer protection requirements. However, any errors, failures or delays in complying with such consumer protection laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new consumer protection laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business could have a material and adverse effect on our business, future results of operations and prospects.

We are subject to risks associated with our micro-loan business.

We provide online consumer loan services. Micro-finance is a highly regulated business in China subject to the supervision of and regulation by the PBOC and the relevant local government authorities, and our failure to comply with any current or future laws, rules and regulations could subject us to liability, enforcement action by regulators and could harm our reputation. Our credit assessment model may not accurately predict the creditworthiness of our borrowers, and our actual losses could materially exceed our allowances for doubtful accounts. If losses on our portfolio of loans are greater than we expect, whether due to inaccuracies with our credit assessment model or changes in economic conditions or otherwise, our net income could be materially and adversely reduced. In addition, because we continue to be exposed to risk of loss with respect to a portion of losses on the loan portfolio, any failure of borrowers to repay their underlying loans could adversely affect our business, financial condition and results of operations.

We are subject to risks and uncertainties associated with the evolving AI regulations, potential infringement claims and increasing costs for regulatory compliance.

We are making significant initial progress on our new AI products, as well as continuing to utilise AI to grow our existing core businesses. However, as with most emerging technologies, AI comes with its own set of risks and challenges that could affect its adoption and our business. AI algorithms may be flawed, and the data used could be incomplete or biased. Generative AI technologies are prone to processing errors, creating inaccurate or biased outputs, and may be manipulated via adversarial prompting to bypass security protocols. Integrating AI algorithms into our existing business segments such as automated advertising bidding or content moderation could lead to automated errors, discriminatory pricing vulnerabilities, or systemic service disruptions if an algorithm misbehaves at scale. Inappropriate or controversial data practices, by us or by others, could limit the acceptance of our AI products or AI-enhanced products and content. Deploying large language models may subject us to third-party copyright and misappropriation lawsuits regarding AI training sets or outputs. Certain AI applications could trigger ethical issues. Should our AI-related offerings become controversial due to their effects on privacy, security or other social matters, we risk reputational harm or legal repercussions. In addition, uncertainties regarding the development and application of AI technology present a potential risk. There remains the possibility that AI technology may not progress as anticipated or deliver expected benefits, which could limit the acceptance and popularity of our AI-related offerings.

Furthermore, the regulatory and legal framework on AI is evolving rapidly and might not fully address every aspect of its research, development and use. Government authorities have sped up creating laws for generative AI-related technologies, such as algorithms and deep synthesis. For example, on 10 July 2023, the CAC, together with six other regulatory authorities, issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法), which imposes compliance requirements on providers of generative AI services. The Measures require generative AI service providers to take effective measures to enhance the accuracy and reliability of the AI-generated content. Specifically, the service providers must: (i) assume the responsibilities as content producers and fulfil obligations related to network information security; (ii) assume the responsibilities as processors of personal information and ensure the protection of such data; and (iii) process training data, including conducting pre-training optimisation in compliance with applicable laws and regulations. In addition, the providers of generative AI services that possess public opinion influence or the capability for social mobilisation are required to undergo a security assessment and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (互聯網信息服務算法推薦管理規定). In March 2025, the CAC and other regulatory authorities jointly issued the Measures for Labeling AI-Generated Content (人工智能生成合成內容標識辦法), effective from 1 September 2025, which mandates service providers to add explicit labels (such as text or watermarks) and implicit labels (such as metadata) to AI-generated content. In October 2025, the Cyber Security Law was amended to include provisions specifically addressing AI, emphasising ethical governance and risk monitoring requirements for AI development. The CAC and other regulatory authorities issued the Interim Measures for the Administration of Anthropomorphized Artificial Intelligence Services (人工智慧擬人化互動服務管理暫行辦法), effective from 15 July 2026, which regulate AI services that simulate human personalities and emotions, including emotional companion chatbots and virtual personalities. If we are unable to comply with the relevant requirements, or if we have any dispute with any third party relating to intellectual property, data security or other aspects, our business operation may be adversely affected.

Our past and future acquisitions and investments could have a material and adverse effect on our ability to manage our business.

As part of our strategy to further expand our business, we may continue to acquire or make investments in additional products, assets, technologies or businesses that are complementary to our existing business if and when appropriate opportunities arise. Future acquisitions and investments as well as the subsequent integration of new products, assets, technologies and businesses into our existing business would require attention from our management and result in diversion of resources from our existing business. The areas where we face risks include:

- diversion of management time and focus from operating our business to address challenges in relation to acquisition integration and business collaboration;
- implementation or remediation of controls, procedures and policies at the acquired company;
- integration of the acquired company's accounting, human resource and other administrative systems and coordination of product, engineering and sales and marketing functions;
- transition of operations, users and customers onto our existing services;
- cultural challenges associated with integrating employees from the acquired company into our organisation, and retention of employees from the businesses we acquire;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties;
- the ability of SAMR to require the subsequent unwinding of completed M&A transactions or impose significant fines in respect of such transactions;
- in the case of overseas acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- failure to successfully further develop the acquired technology.

Also, acquired products, assets, technologies or businesses and investments may not yield the results that we anticipate. In addition, acquisitions and investments could result in the use of substantial amounts of cash, significant amortisation expenses related to identifiable intangible assets and exposure to potential impairment or write-offs of such investments, the relevant goodwill and/or identified intangible assets or potential unknown liabilities of any such acquired business. Moreover, the costs of identifying and consummating acquisitions and investments may be significant. We may also have to obtain approval from the relevant government authorities for the acquisitions and investments and comply with any applicable laws and regulations, which could result in increased costs and delays. Further, the value of our investments is subject to market and non-market fluctuations which are attributable to factors beyond our control.

Our failure to properly and timely address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realise the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally.

Future acquisitions or investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortisation expenses, write-offs of goodwill, or even provisions for prolonged impairment in value, any of which could have a material and adverse effect on our business, future results of operations and prospects.

We may face additional risks as we expand our business to new international markets.

From time to time we evaluate opportunities to expand our business, services and product offerings to markets outside China. Expanding our business, services and product offerings into new overseas markets may expose us to risks that are additional to or different from those that we currently face, including:

- difficulties in identifying and maintaining good relationships with business counterparties or partners;
- uncertainties in developing products and services catering to overseas markets and in renewing the licence agreements with licencees upon their expiration;
- our ability to maintain our brand name and the reputation of our products and services in situations where our products and services are operated by licencees or partners in the overseas markets pursuant to their own standards;
- difficulties in staffing and managing foreign operations;
- difficulties and costs associated with protecting and enforcing our intellectual property rights overseas;
- difficulties and costs relating to compliance with the different commercial and legal requirements of the overseas markets, such as licensing and certification requirements, import regulatory procedures, taxes and other restrictions and expenses;
- requirements under different local regulatory systems, some of which may conflict with each other, including potential service interruptions of our online services due to national security laws or policies in the international markets in which we operate;
- exposure to claims and litigations in markets where the laws and overall environment are unfamiliar to us;
- competition from established local competitors;
- laws and business practices that favour local competitors or prohibit or limit foreign ownership of certain businesses;
- difficulties in integrating with local payment providers, including banks, credit and debit card networks and electronic fund transfer systems;
- potentially adverse tax consequences, including local taxation of our fees or transactions on our websites/applications;
- fluctuations in currency exchange rates;
- our ability to repatriate funds from abroad; and
- interruptions in cross-border Internet connections or other system or network failures.

Our inability to expand our business internationally or any risks associated with conducting business in new overseas markets may have a material and adverse effect on our business, future results of operations and prospects.

Certain U.S. laws and Executive Orders with respect to technology and communications products and services may have negative impacts on our business, and we cannot assure you that the U.S. government will not issue similar authorities in the future.

In the past several years, the U.S. government has enacted or issued a number of laws, Executive Orders and regulations to restrict or prohibit the use of information and communications technology products and services supplied by Chinese companies, including in some cases authorities (which were subsequently rescinded without being fully implemented) that have directly authorised restrictions on transactions in the United States involving certain of our products. To date, none of our products, services and transactions have become prohibited as a result of the implementation of such authorities, but there can be no assurance that future actions taken under these authorities will not have an adverse effect on the operation of our business, particularly if such actions specifically target our products or services in the United States. There is also no assurance that the United States will not issue additional similar laws, Executive Orders or regulations that may adversely affect our business and financial conditions.

On 7 January 2025, the U.S. Department of Defense published the Notice of Availability of Designation of Chinese Military Companies. Pursuant to such notice, the Deputy Secretary of Defense has included us in the list of Chinese Military Companies (the "**CMC List**"). As we are neither a Chinese military company nor a military-civil fusion contributor to China's defense industrial base, we believe that our inclusion in the CMC List is a mistake. Unlike other lists maintained by the U.S. Government for sanctions or export control measures, inclusion in the CMC List relates only to U.S. government procurement, which does not affect the business of us and our subsidiaries. We are currently taking steps to resolve this matter, with an aim to secure a removal from the CMC List. Previously, we were successfully removed from the Notorious Markets for Counterfeiting and Piracy List by the Office of the U.S. Trade Representative as a result of our efforts and progress in protecting IP rights on its platforms, as well as its constructive and effective engagement with relevant U.S. authorities. However, there can be no assurance that our efforts to seek removal from the CMC List will be successful. There is also no assurance that the United States will not issue additional Executive Orders or other laws or regulations that may add additional consequences to our inclusion on the CMC List that may cause it to adversely affect our business and financial condition.

Inclusion on the CMC List is distinct from inclusion on the List of Chinese Military Industrial Complex Companies ("**CMICs**") maintained by the U.S. Treasury Department's Office of Foreign Assets Control pursuant to Executive Order 13959, as amended by Executive Order 14032. U.S. persons are prohibited from purchasing or selling publicly traded securities of listed CMIC entities or publicly traded securities that are derivative of or provide investment exposure to such securities. Although we are not currently impacted by the prohibitions of the CMIC sanctions program, a number of Chinese telecommunications companies have been designated as CMICs pursuant to Executive Order 14032. Pursuant to Executive Order 14032, the U.S. government has significant discretion to make or revise such designations, and if it were to do so, this could have a material adverse impact on a broader range of companies, which could potentially include us.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade restrictions may materially and adversely affect our business, financial condition and results of operations.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and restrictions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labour conditions, increased duties, taxes and other costs and political instability. The recent political tensions between the United States and China have escalated.

The United States has taken efforts to limit U.S. investment in China. On 28 October 2024, the U.S. Treasury Department issued a final rule (the Outbound Investment Rule) implementing Executive Order 14105 and creating a regime restricting investment by U.S. persons in targeted sectors in "countries of concern" (currently limited to China). On 21 February 2025, the White House released the "America First Investment Policy" memorandum, which outlined several initiatives to restrict investments involving China. On 18 December 2025, the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") was enacted as part of the 2026 National Defense Authorization Act. The COINS Act requires the Treasury Department to make certain changes to the Outbound Investment Rule, with implementing regulations required within 450 days of enactment.

The U.S government has also adopted various export controls targeting China-based companies. In October 2022, the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") released a series of export control measures on China, including new regulations restricting the export to China of advanced computing chips, advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors, and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. In October 2023, BIS released additional rules that became effective in November 2023, expanding and strengthening export control measures to further restrict China's access to advanced computing chips and semiconductor manufacturing equipment. These measures also restrict the ability of U.S. persons to provide "support" for semiconductor manufacturing and related activities in China and may seriously affect the ability of Chinese companies to purchase or obtain certain semiconductor manufacturing equipment or advanced chips. In January 2025, BIS released an interim final rule that established licensing requirements for the export of advanced computing integrated circuits that facilitate advanced AI research and development, as well as certain AI model technology; however, BIS announced in May 2025 that it would no longer enforce and intended to rescind and replace this rule, and BIS has since adopted more permissive licensing policies for exports of certain advanced computer chips to China, though significant restrictions remain in place. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the United States in the future, may impose restrictions on our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. For example, export control restrictions on high-end hardware, graphics processing units, and cloud-computing infrastructure could negatively affect our AI model capabilities, slow down R&D cycles, or inflate the capital expenditures required to acquire alternative infrastructure.

Since February 2025, the U.S. government has imposed a number of different tariffs on Chinese imports under several different legal authorities, some of which apply broadly to all Chinese imports and others of which are product- or industry-specific. In response, China imposed retaliatory tariffs on U.S. imports and other countermeasures. Currently, consistent with the Joint Statement on China-US Economic and Trade Meeting in Geneva issued on 12 May 2025 and subsequent discussions, certain of the tariffs and countermeasures have been suspended at least through 10 November 2026. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no assurance as to whether the United States will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. Additionally, certain of the U.S. tariffs have been found to be unlawful by the U.S. Supreme Court and others are subject to ongoing legal challenges; collectively, these legal proceedings create further uncertainty as to whether the tariffs will remain in place or may be removed or modified. Changes to national trade or investment policies, treaties and tariffs or fluctuations in exchange rates could adversely affect the financial and economic conditions in the jurisdictions in which we operate, which may in turn affect our financial condition and results of operations.

China has also issued regulations to give itself the ability to unilaterally nullify the effects of certain foreign restrictions that are deemed to be unjustified to Chinese individuals and entities. The Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures, promulgated by the MOFCOM on 9 January 2021, provide that, among other things, Chinese individuals or entities are required to report to the MOFCOM within 30 days if they are prohibited or restricted from engaging in normal business activities with third-party countries or their nationals or entities due to non-Chinese laws or measures; and the MOFCOM, following the decision of the relevant Chinese authorities, may issue prohibition orders contravening such non-Chinese laws or measures. Furthermore, on 10 June 2021, the Standing Committee of the National People's Congress ("**SCNPC**") promulgated the Anti-foreign Sanctions Law. The Anti-foreign Sanctions Law prohibits any organisation or individual from implementing or providing assistance in implementation of discriminatory restrictive measures taken by any foreign state against the citizens or organisations of China. In addition, all organisations and individuals in China are required to implement the retaliatory measures taken by relevant departments of the State Council of the PRC. In March 2025, the State Council issued the Regulations on the Implementation of the Anti-foreign Sanctions Law, which further refines the enforcement mechanisms and expands the scope of available countermeasures. Since 2024, Chinese authorities have significantly increased anti-sanctions enforcement activities, including designating a growing number of foreign entities to the Unreliable Entity List and the Countermeasures List. In addition, in recent years, China has introduced a series of regulatory measures targeting the import and use of U.S.-origin AI-related chips, particularly in response to escalating U.S. export controls on advanced semiconductors. For example, in May 2023, the CAC announced that products from U.S. memory chipmaker Micron Technology had failed a cybersecurity review due to possessing serious network security risks. The products would be banned from use in China's critical information infrastructure. In April 2024, Chinese authorities ordered major state-owned telecommunications companies to phase out foreign-made chips, including those from Intel and AMD, from core network infrastructure by 2027.

Rising political tensions between the United States and China could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets.

We rely on a number of third parties to provide us with content, various services and technologies. Any disruption in the provision of this third-party content or these services or technologies could materially and adversely affect our business, future results of operations and prospects.

One of our principal strengths is our ability to create a distinct online community through our services and content. We rely on a number of third parties to create traffic and provide content in order to make our products and services more attractive to consumers and advertisers, through which we may sustain and grow our online community. Third parties that provide content for our websites and services include both commercial content providers with which we have contractual relationships and our registered community members who post articles and other content on our products. If these third parties fail to develop and maintain high-quality content, our websites or other open platform offerings could lose users and advertisers. Most of our contractual arrangements with third-party content providers are not exclusive and are short-term, or may be terminated at any time for any reason by either party. There can be no assurance that our existing relationships with third-party content providers, if maintained, will result in sustainable business partnerships, successful service offerings, an acceptable level of traffic on our websites or revenue, or will not be terminated. Also, a majority of this third-party content is also available from other sources or may be provided to other Internet, SNS or other social media companies. If other Internet, SNS or other social media companies present the same or similar content in a superior manner, this could reduce our visitor traffic, which could have a material and adverse effect on our business, future results of operations and prospects.

In addition, our business also depends upon services provided by, and relationships with, third-party service and technology providers such as advertising agencies that represent advertisers, game developers, online payment vendors and other content providers. We generally do not have long-term cooperation agreements or exclusive arrangements with these third parties and they may elect to direct business opportunities to our competitors. With respect to game developers, we have revenue sharing arrangements that require periodic renewals. If we fail to retain and enhance our business relationships with these third parties, or renew our business arrangements with these third parties on the same or more favorable terms to us, our business, future results of operations and prospects may be materially and adversely affected.

We face uncertainties regarding the legal liability for providing third-party services, products, content and applications on our platforms.

A number of third-party services, products, content and applications have been, and will continue to be, provided on or through our platforms through commercial cooperation agreements we entered into with third parties. It is also possible that third parties may engage in illegal, obscene or incendiary conversations or activities that may be deemed unlawful under PRC laws and regulations on our platform. In addition, our users may generate and display content on our platforms which may involve illegal, obscene or incendiary conversations or activities. If any content on our platform is deemed illegal, obscene or incendiary, or if appropriate licences and third-party consents of such services, products, content and applications as required have not been obtained, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of such objectionable information. Although such commercial agreements provide general contractual provisions to limit or exclude our legal liabilities, we cannot assure you that we may not incur any liability caused by providing these third-party services, products, content or applications on our platforms if they are found to be in breach of the relevant rules and regulations in China or any intellectual property rights, especially in light of the fact that the current PRC laws remain uncertain regarding our liability in connection with any third-party content and applications. The Regulations on Network Information Protection (as defined below) require Internet operators to supervise and manage these third-party services with respect to collection and use of user information so as to ensure information security and privacy. The Civil Code of the PRC (中華人民共和國民法典) (the "**Civil Code**"), promulgated in 2020 and replacing certain laws including the Tort Law of the PRC (中華人民共和國侵權責任法), has further elaborated the circumstances where Internet operators may be found liable for the infringement conducted by third parties using network services provided by the Internet operators. Furthermore, the Network Data Security Management Regulation (網絡數據安全管理條例), effective from 1 January 2025, further reinforces the obligations of online platform operators to supervise and manage data processing activities carried out by users and third parties on their platforms. However, the allocation of liabilities between Internet operators and such third-party service providers is subject to legal uncertainty. Any regulatory actions or liability incurred by these third parties may disrupt our business and cause damage to our reputation.

We have been and may continue to be exposed to liability for copyright or trademark infringement and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through or published or posted on our platform. Defense of any such actions could be costly and involve significant time and attention of our management and other resources. In addition, if we are found to have not adequately monitored the content on our platform, PRC authorities may impose legal and administrative sanctions on us, including, in serious cases, suspending or revoking the licences necessary to operate our platform, which could have a material and adverse effect on our business, future results of operations and prospects.

Unauthorised use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business, future results of operations and prospects.

We regard our intellectual property rights, including our patents, trademarks and content copyrights, as critical to our success. We seek to protect our intellectual property rights by relying on a combination of patent, copyright and trademark protection and contract laws. Despite our precautions, it may be possible for third parties to use such intellectual property without authorisation. The validity, enforceability and scope of protection of intellectual property in Internet-related industries are uncertain and still evolving in China and protection and enforcement of our intellectual property rights may not be as effective as in other countries with established legal regimes. Moreover, policing and enforcing against unauthorised use of proprietary technologies are difficult and expensive. Any unauthorised use of our intellectual property could have a material and adverse impact on our business and results of operations. From time to time, we have, and may have to resort to, litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of resources.

We are subject to intellectual property rights laws in a number of jurisdictions and have been involved in lawsuits or other legal proceedings in such jurisdictions from time to time.

As a leading integrated Internet services company operating a broad range of Internet services, such as games, digital content and marketing services, we may face liability for defamation, negligence, copyright, misappropriation, patent or trademark infringement or other intellectual property rights violations of third parties. We have been involved and may continue to be involved in intellectual infringement disputes, lawsuits and other legal proceedings. Intellectual property claims and litigations are expensive and time-consuming to investigate and defend, and may divert resources and management attention from the operation of our business. If determined adversely against us, our business may be materially interrupted. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our websites to reduce the risk of future liability, could also have a material and adverse effect on our business, future results of operations and prospects.

We may receive notices of claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement claims arising from our use of technology, content offered on our Internet portals, internally developed games or merchandise and services sold on our eCommerce platforms. We could also be subject to claims based upon content that is accessible on our websites or through our services, such as content and materials posted by users on message boards, online communities, voting systems, email or Internet groups. On 17 December 2012, the Supreme People's Court of the PRC promulgated a judicial interpretation, namely, the Provisions of the Supreme People's Court of the PRC on Several Issues concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Dissemination on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which was amended by the Supreme People's Court of the PRC on 29 December 2020. This judicial interpretation regulates dissemination of infringing materials through the Internet. This judicial interpretation, like certain court rulings and certain other judicial interpretations, provides that the courts will place the burden on Internet service providers to remove not only links or content that have been specifically mentioned in the notices of infringement from right holders, but also links or content Internet service providers "should have known" to contain infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any content made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights. The provisions under this interpretation are also consistent with requirements under other PRC laws and regulations, including the Civil Code. This interpretation, as well as other PRC laws, regulations and judicial interpretations, could subject us and other Internet service providers to significant administrative burdens and litigation risks.

With respect to games and applications developed by third parties, we have procedures designed to reduce the likelihood of infringement. However, such procedures might not be effective in preventing third-party games and applications from infringing other parties' rights.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies. As a result, there could be material and adverse effects on our business, future results of operations and prospects.

In China, the valid periods for utility model patent rights, design patent rights and invention patent rights are 10 years, 15 years and 20 years, respectively. None of such patent rights are extendable. Currently, we have been granted patents and have patent applications pending in China, but we cannot assure you that we will be granted patents pursuant to our pending applications. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future. When our existing patents expire, we will lose any proprietary protection or competitive advantages they originally provided to us and we may face increased competition. The rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Further, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others will bar us from licensing and from exploiting any patents that issue from our pending applications. Issued patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

We depend on our key personnel, and our business and growth prospects may be severely disrupted if we lose their services.

Our success depends on the continuous effort and services of our current executive team and other key personnel, and we rely on their expertise in business operations, including the development of new VAS and products and maintenance of our relationships with other strategic partners. If one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to easily replace them and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business. Our present and future success will continue to depend on our ability to attract and retain highly skilled technical, managerial, editorial, marketing and customer service personnel. There is no assurance that we may be able to successfully attract, assimilate or retain the personnel we need to succeed. As competition for talent in the technology industry intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel. If we are unable to attract additional highly skilled personnel or retain or motivate our existing personnel, we may not be able to grow effectively.

Legal proceedings or allegations of impropriety against us or our key personnel could have a material and adverse impact on our reputation, results of operations and financial condition.

From time to time, we have been, and may be in the future, involved in lawsuits or subject to allegations brought by our competitors, individuals or other entities against us or our key personnel, including claims of unfair, unethical or otherwise inappropriate business practices. See "*Business — Legal Proceedings*". Any such lawsuit or allegation, with or without merit, or any perceived unfair, unethical or inappropriate business practice by us could generate negative publicity about us, harm our reputation and divert resources and management attention from the operation of our business. We cannot assure you that we will not be involved in lawsuits or subject to allegations of a similar nature

in the future. In addition, we could incur substantial costs, divert the attention of our management in dealing with these claims, and suffer reputational damage, even if we are successful in our defense or counterclaims, which could have a material and adverse effect on our business, future results of operations and prospects.

Online communications among our users may lead to adverse moral, emotional or physical consequences, which may damage our reputation, lead to litigation or government investigation and have a material and adverse effect on our business, future results of operations and prospects.

Our users engage in highly personalised exchanges over our platforms. Users who have met online through our services may become involved in emotionally charged situations and could suffer adverse moral, emotional or physical consequences. Such occurrences could be highly publicised and have a significant negative impact on our reputation. Users who have suffered such adverse consequences may bring litigation against us to claim compensation in such events. Government authorities may also require us to discontinue or restrict those services that have led, or may lead, to such events. As a result, our business, future results of operations and prospects could be materially and adversely affected.

Undetected programming errors or defects in our products or unauthorised use of our products could harm our reputation and increase user dissatisfaction, which could materially and adversely affect our business, future results of operations and prospects.

Our products may contain undetected programming errors or other defects. In addition, parties unrelated to us may use our products in unauthorised or unintended ways, such as online cheating programmes that enable users to acquire superior features for our games that they would not have otherwise. Certain cheating software programmes created independently by parties unrelated to us could allow users to eliminate superior features for our games that have been acquired by other users or otherwise affect the fairness of the game environment for our games. The occurrence of undetected errors or defects in our products, and our failure to discover and disable unauthorised or unintended uses, could disrupt our operations, damage our reputation and detract from our products' user experience. As a result, such errors, defects and cheating programmes could materially and adversely affect our business, future results of operations and prospects.

Unexpected network interruptions caused by system failures, security breaches, malware or computer or mobile device system viruses may disrupt our business operations, harm our reputation, and may require us to expend significant capital and other resources to protect our websites.

We may experience unexpected system interruptions and delays (including those caused by natural disasters such as earthquakes and floods) or security breaches, which may expose us or our users to a risk of loss or misuse of user information, prevent us from efficiently providing services or efficiently fulfilling orders or cause significant harm to our user relations and reputation and our ability to attract and maintain users and advertisers. We may be required to expend significant capital and other resources to protect our websites against the threat of computer viruses and hackers and to alleviate any problems caused by them. There is no assurance that these measures will be adequate and prevent potential future attacks. In addition, any security breach caused by hacking, which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could have a material and adverse effect on our business, future results of operations and prospects.

We maintain a distributed server network architecture hosting servers across China. We have limited backup systems and have experienced system failures and electrical outages from time to time in the past, which have disrupted our operations. Although we have a certain number of disaster recovery plans in place in the event of damage from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events and will continue to

develop additional plans, our existing backup systems and disaster recovery plans may not be effective for such events. If any of the foregoing occurs, we may experience system failures and electrical outages, which could have a material and adverse effect on our business, future results of operations and prospects.

Our users may use our products or services for critical transactions and communications, especially business communications. As a result, any system failures could result in damages to such users' businesses. These users may seek significant compensation from us for their losses. We could incur substantial costs and divert the attention of our management in defending ourselves against these claims even if we are successful in such defense.

Failure of information security could subject us to penalties, damage our reputation and brand, and harm our business, future results of operations and prospects.

The Internet and mobile industries are facing significant challenges regarding information security and privacy, including the storage, transmission and sharing of confidential information. We transmit and store over our systems confidential and private information of our users, customers, distributors and partners, such as personal information, including names, user IDs and passwords, and payment or transaction related information. We are required by PRC laws to ensure the confidentiality, integrity, availability and authenticity of the information of our users, customers, distributors and partners, which is also essential to maintain their confidence in our online products and services. In addition, we are subject to a number of international information security regulations.

We have adopted strict information security policies and deployed advanced measures to implement the policies, including, among others, encryption technologies. However, advances in technology, increased level of sophistication and diversity of our products and services, increased level of expertise of hackers, new discoveries in the field of cryptography or others could still result in a compromise or breach of the measures that we use. We have experienced and may continue to experience security breaches and hacking attacks. The Internet service providers are required to take measures to ensure confidentiality of information of users by relevant PRC laws and regulations. The Cyber Security Law and the Civil Code also require the Internet operators to take necessary technical measures or other measures to protect personal data. Particularly, for the operators of crucial information infrastructure, personal data and crucial data should be stored in the territory of China, under circumstances that such data need to be provided to overseas parties due to business requirements, a security assessment shall be conducted before the transmission of the data. However, the effect of these new laws and regulations on curbing hacking and other illegal online activities still remains to be seen.

In recent years, the PRC government has tightened the regulation of cybersecurity and data protection. According to the institutional reform plan of the State Council approved by the National People's Congress on 10 March 2023, the National Data Bureau has been established under the administration of the NDRC on 25 October 2023. The National Data Bureau is responsible for, among other things, advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources and promoting the digitalisation of China's economy and society. A series of cybersecurity and data protection related laws and regulations have been adopted in recent years, including the PRC Data Security Law (中華人民共和國數據安全法) which took effect on 1 September 2021, the PRC Personal Information Protection Law (中華人民共和國個人信息保護法) which took effect on 1 November 2021, the Cybersecurity Review Measures (網絡安全審查辦法) which became effective on 15 February 2022, the Security Assessment Measures for Outbound Data Transfers (數據出境安全評估辦法) which took effect on 1 September 2022, the Provisions on Promoting and Regulating the Cross-Border Flow of Data (促進和規範數據跨境流動規定) which was issued on 22 March 2024, and the Regulations on Network Data Security Administration (網絡數據安全管理條例) which took effect on 1 January 2025. The Cyber Security Law (中華人民共和國網絡安全法), formulated in 2016 as a fundamental legal framework in the field of cybersecurity, was amended on 28 October 2025 and such amendment took effect on 1 January

2026. On 11 September 2025, the CAC announced the Administrative Measures for the Reporting of National Cybersecurity Incidents (國家網絡安全事件報告管理辦法) (the "**Cybersecurity Incidents Reporting Measures**"), which became effective on 1 November 2025 and provides that network operators that build or operate networks or provide services through networks within the territory of the PRC shall report incidents that endanger cybersecurity. These new laws and regulations have established China's current regulatory system for cybersecurity and data protection related matters, including data classification, personal information protection, cybersecurity review and outbound data transfer. Since these laws and regulations are relatively new, uncertainties still exist in relation to their interpretation and implementation. Any future change in laws and regulations relating to cybersecurity and data protection could affect our compliance and operating costs in providing our products and services and results of operation.

Significant capital, managerial and human resources are required to comply with legal requirements, enhance information security and to address any issues caused by security failures. If we are unable to protect our systems or the information stored in our systems from unauthorised access, use, disclosure, disruption, modification or destruction, such problems or security breaches could cause loss or give rise to our liabilities to the owners of confidential information, such as our users, customers, distributors and partners, subject us to penalties imposed by administrative authorities and disrupt our operations. This will become more difficult as we continue to grow the number and scale of our cloud-based offerings and store and process increasingly large amounts of information in an environment increasingly hostile to information security. Any negative publicity on the safety or privacy protection mechanism and policy of our websites or mobile or platform services could also have a material and adverse effect on reputation and brand and harm our business, future results of operations and prospects.

We could be liable for fraudulent or unlawful activities of sellers and users.

Our online payments services are susceptible to potentially illegal or improper use, including fraudulent sales of goods or services, illicit sales of controlled substances, restricted or unlawful items, piracy of software, movies, music and other copyrighted or trademarked goods, money laundering, terrorist financing, bank fraud, child pornography, drug trafficking, online securities fraud, identity theft and encouraging, promoting, facilitating or instructing others to engage in illegal activities. Although we have implemented policies to restrict these activities on our platforms, we may not be able to prevent all such misuse by our users. Excessive misuse of our services by users could result in fines, the suspension of our services or reputational harm. We may be subject to claims from customers that merchants have not performed or that their goods or services do not match the merchant's description, whether those arise from merchant fraud or from an unintentional failure to perform by the merchant. While we are indemnified by our partners, we may not be able to recover in full if our partners are unwilling or unable to pay. We may also be subject to claims from users for unauthorised purchases. Negative publicity and customer sentiment generated as a result of fraudulent or deceptive conduct through our online payments services and transactions could damage our reputation, reduce our ability to attract new users or retain existing users and adversely impact our brands. Any costs incurred as a result of potential liability relating to the alleged or actual sale of unlawful goods or the unlawful sale of goods could harm our business. In addition, governmental agencies could require us to modify our business practices and discontinue or restrict our services.

We are subject to complex and evolving laws and regulations regarding privacy, data protection and cybersecurity.

We are subject to privacy, data protection and cybersecurity regulations from a number of jurisdictions. From time to time, concerns have been expressed about whether our products, services or processes compromise the privacy of users and others. Concerns about our practices with regard to the collection, use, disclosure or security of personal information or other privacy related matters, even if unfounded, could damage our reputation and adversely affect our operating results.

Regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. In addition, the interpretation and application of consumer and data protection laws in the Chinese Mainland, United States, Europe and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and could have a material and adverse effect on our business, future results of operations and prospects.

We may become the target of anti-monopoly and unfair competition claims, which may result in our being subject to fines as well as constraints on our business.

The PRC anti-monopoly regulators have in recent years strengthened enforcement under the anti-monopoly and competition laws and regulations. In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the departments under the NDRC, the SAIC and the MOFCOM. In November 2021, the National Anti-Monopoly Bureau was inaugurated by the State Council, which aims to further implement the fair competition policies and strengthen anti-monopoly supervision in the PRC, especially to strengthen oversight and law enforcement in areas involving the platform economy, innovation, science and technology, information security and people's livelihoods.

The PRC Anti-Monopoly Law (中華人民共和國反壟斷法) (the "**Anti-Monopoly Law**"), which was issued on 30 August 2007 and took effect on 1 August 2008, and most recently amended on 24 June 2022 by the SCNPC provides the regulatory framework for the PRC anti-monopoly. Under the Anti-Monopoly Law, the prohibited monopolistic acts include monopolistic agreements, abuse of a dominant market position and concentration of businesses that may have the effect to eliminate or restrict competition. The Anti-Monopoly Law stipulates that even where a concentration of undertakings does not meet the notification thresholds as required by the State Council, the anti-monopoly enforcement agency may order the operators to file the concentration of undertakings if there is evidence that the concentration of undertakings has or may have the effect of eliminating or restricting competition. In addition, if operators fail to notify the concentration of undertakings which has or may have the effect of eliminating or restricting competition, the anti-monopoly enforcement agency may impose orders on such operators including suspension of implementation of concentration, disposal or transfer of shares, assets and/or business within a prescribed time frame, or take other necessary measures to restore to the state before the concentration, and impose a fine of up to 10% of the sales revenue in the previous year. To the extent that any operator fails to make requisite filings of any concentration in a timely manner which does not have the effect of eliminating or restricting competition, a fine of up to RMB5,000,000 may still be imposed on such operators.

In addition, the Anti-Monopoly Law provides a private right of action for stakeholders to bring anti-monopoly claims against companies. In recent years, an increasing number of stakeholders have been exercising their right to seek relief under the Anti-Monopoly Law. As public awareness of rights under the Anti-Monopoly Law increases, more stakeholders may seek remedies under the law to improve their competitive position, regardless of the merits of their claims.

The PRC anti-monopoly regulators may also issue implementation rules or guidelines from time to time to reinforce their regulation, including among others, the Anti-Monopoly Compliance Guideline for Operators (經營者反壟斷合規指南), which was issued by the Anti-Monopoly Committee of State Council on 11 September 2020 and amended on 25 April 2024.

On 7 February 2021, the Anti-Monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines on the Platform Economy (國務院反壟斷委員會關於平台經濟領域的反壟斷指南) (the "**Platform Economy Anti-Monopoly Guidelines**"). The Platform Economy Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of Internet platforms in order to protect market competition and safeguard interests of users and undertakings

participating in Internet platform economy, including but not limited to prohibiting platforms with dominant positions from abusing their market dominance (such as using big data and analytics to discriminate customers in terms of pricing and other transactional conditions, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interfaces, favorable positioning in search results of goods displays, using bundle services to sell services or products, compulsory collection of unnecessary user data). In addition, the Platform Economy Anti-Monopoly Guidelines for Internet Platforms also reinforces antitrust merger review for transactions related to Internet platforms in order to safeguard market competition. Furthermore, on 28 January 2026, the SAMR issued the Anti-Monopoly Compliance Guidelines for Internet Platforms (互聯網平台反壟斷合規指引) (the "**Internet Platforms Anti-Monopoly Guidelines**"), which became effective on the same date. The Internet Platforms Anti-Monopoly Guidelines require platform operators to strengthen anti-monopoly compliance management. The Internet Platforms Anti-Monopoly Guidelines restated that internet platform operators are prohibited from using data, algorithms, technology, capital advantages, platform rules or other means to engage in monopolistic conduct prohibited under the Anti-Monopoly Law, entering into monopolistic agreements, abusing a dominant market position and organising or providing substantial assistance to other operators in reaching monopolistic agreements. In addition, platforms with significant market share or market power are encouraged to assess periodically whether they may be deemed to hold a dominant market position. Whilst we will continue to enhance our antitrust compliance system in accordance with the applicable laws and guidelines, we cannot estimate the impact it may have on our business operations.

On 10 March 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings (經營者集中審查規定), the Provisions on the Prohibition of Monopoly Agreements (禁止壟斷協議規定), the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions (禁止濫用市場支配地位行為規定), and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition (制止濫用行政權力排除、限制競爭行為規定), all of which took effect on 15 April 2023. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimised the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. In addition, the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (關於經營者集中申報標準的規定) issued by the State Council in 2008, with its latest amendment on 22 January 2024, further adjusts the filing threshold for concentration of undertaking as, during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year.

To our knowledge, a certain number of PRC Internet companies have adopted Variable Interest Entity Structure ("**VIE structure**"), but there have been few precedents where Internet companies with a VIE structure were investigated for being involved in the concentrations of undertakings until recently. It has been long debated whether transactions involving Internet companies with a VIE structure are subject to prior filing of notification requirements. Due to such regulatory history in the industry and as a matter of common industry practice in the past, we did not notify concentrations of undertakings with the relevant authorities. In April 2020, the SAMR published a case of concentration of undertaking where a VIE structure was involved (such case was concluded and approved unconditionally in July 2020). In November 2020, the Draft Platform Economy Anti-Monopoly Guidelines (關於平台經濟領域的反壟斷指南(徵求意見稿)) also, for the first time, expressly stipulates that concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered. Furthermore, in December 2020, SAMR has, for the first time, formally penalised three Internet companies with a VIE structure for failure to notify the implementation of concentrations. Hence, since 2020, SAMR has been reviewing historical non-filing cases of concentrations of undertakings of Internet companies with a VIE structure, and any

gun-jumping cases may be investigated and penalised. The Platform Economy Anti-Monopoly Guidelines which was officially promulgated on 7 February 2021 also confirmed that the concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered.

We may receive intensive scrutiny from government agencies under the Anti-Monopoly Law and may be subject to the law, regulations and guidelines in connection with our business practices, investments and acquisitions. Any anti-monopoly lawsuit or administrative proceeding initiated against us may result in our being subject to profit disgorgement, heavy fines and various constraints on our business, or result in negative publicity which could harm our reputation. We have received penalties from the SAMR in the past few years related to gun-jumping cases in connection with our previous acquisitions; for example, in March 2021 and in December 2020, each of us and one of our subsidiaries, *China Literature,* received from the SAMR an official notice of imposition of a fine of RMB500,000, respectively, due to the foregoing reason. There remains a possibility that we or any of our subsidiaries may be subject to more penalties in the future and our ability to implement strategic acquisitions may be affected. These constraints could include forced termination of any anti-competitive agreements or arrangements that are determined to be in violation of anti-monopoly laws, divestitures and rectifications of certain business practices, which may limit our ability to innovate and thereby increase our operating costs. For example, in July 2021, SAMR issued a decision that required each of us and one of our subsidiaries, Tencent Music Entertainment Group, to terminate exclusive music copyright licensing arrangements and submit an annual compliance report to SAMR. Moreover, the merger control regulation enforced by SAMR may limit our investment ability. For example, in July 2021, SAMR announced its decision to block the proposed merger between a non wholly-owned subsidiary of the Company, HUYA Inc., and one of our investee companies, DouYu International Holdings Limited. These types of constraints could result in more uncertainties and regulatory challenges to our business practice.

Failure to comply with the terms of our indebtedness could result in acceleration of indebtedness, which could have an adverse effect on our cash flow and liquidity.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable under the Programme comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes. See "*Description of Other Material Indebtedness*". Under the terms of our current indebtedness and any debt financing arrangement that we may enter into in the future, we are, and may be in the future, subject to financial and other covenants that could, among other things, restrict our business and operations. If we breach any of these covenants, including by failing to maintain certain financial ratios, our lenders or noteholders will be entitled to accelerate our debt obligations. Any default under our indebtedness could potentially require us to repay these loans or redeem the notes prior to maturity as well as limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity.

We are subject to interest rate risk in connection with our indebtedness.

We are exposed to interest rate risk related to our indebtedness. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. Although we regularly monitor our interest rate risk to identify if

there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risks by using interest rate swaps, when necessary, we cannot guarantee the fluctuation of interest rates will not materially impact our financing costs, which in turn may have a material adverse effect on our cash flow and liquidity.

We may need additional capital but may not be able to obtain it.

We may require additional cash resources due to future growth and developments of our business, including any investments or acquisitions we may decide to pursue, any repurchase of shares or any repurchase or redemption of bonds we may decide to conduct from time to time, or for other business changes. If cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, the liquidity of international capital and lending markets, PRC governmental regulations over foreign investment and the technology industry in China. In addition, incurring indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, if at all.

If we are unable to raise additional funds on terms favourable to us, or at all, this could have a material and adverse effect on our business, financial condition and results of operations. For example, we may not be able to carry out parts of our growth strategy or invest in technologies necessary to maintain our growth and competitiveness.

We have limited business insurance coverage.

Insurance companies in the Chinese Mainland offer limited business insurance products. As a result, although we have insurance for property damage, we do not have any product liability, business liability or disruption insurance coverage for our operations in the Chinese Mainland, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business and reputation. Any business disruption, litigation or natural disaster could expose us to substantial costs and diversion of resources.

We face risks relating to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our business, financial condition and results of operations.

The occurrence of a natural disaster or an outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. Health epidemics or fear of spread of contagious diseases, such as the outbreak of Ebola virus disease ("**EVD**"), coronavirus disease 2019 ("**COVID-19**"), Middle East respiratory syndrome ("**MERS**"), severe acute respiratory syndrome ("**SARS**"), H1N1 flu, H7N9 flu, and avian flu could cause a temporary closure of facilities we operate, affect the health of our employees and their work efficiency, and impact our users, merchants and business partners.

The laws and regulations governing the Internet and telecommunications and other related industries in China are developing and subject to future changes. If we fail to adhere to applicable regulations, or if we fail to obtain or maintain all applicable permits and approvals, our business, future results of operations and prospects could be materially and adversely affected.

The Internet and telecommunications and other related industries in China are highly regulated by the PRC government. See "*General Regulation on Internet and Telecommunications Industries*". Various regulatory authorities of the PRC government, including, but not limited to, State Council, the Cyberspace Administration of China ("**CAC**"), MIIT, SAMR, Ministry of Culture and Tourism ("**MOCT**"), National Radio and Television Administration ("**NRTA**"), Publicity Department of the

Central Committee of the Communist Party of China ("**Publicity Department of the CCCPC**"), the MOFCOM and the Ministry of Public Security ("**MPS**"), are empowered to promulgate and implement regulations governing various aspects of the Internet and telecommunications and other related industries and we are thus required to obtain applicable licences, permits and approvals from a number of these regulatory authorities in order to conduct our business. Although we have obtained the licences essential to operating our business, these licences are subject to periodical government review. For example, the periodic renewal applications of a few of our licences are currently being reviewed by the government. Although we do not expect any obstacles for their renewals, we cannot assure you that such renewals will be successfully obtained.

As the Internet and telecommunications and other related industries mature, the PRC government authorities are likely to continue to issue new regulations governing these industries and hence require new and additional licences, permits and approvals. While in recent years the PRC government has implemented pilot programs to ease foreign investment restrictions in certain value-added telecommunications services in designated areas, regulatory requirements and compliance obligations continue to evolve. As we further develop and expand our product and services offerings and functions, including new services and products, we and our users may in the future become subject to additional or new regulations (such as stricter regulations relating to content publication, user identity, privacy, consumer and data protection, artificial intelligence services and the provision of online payment services), and we may also need to obtain additional qualifications, permits, approvals or licences. There is no assurance that we can obtain and renew those licences, permits and approvals in a timely or cost-effective manner. Failure to obtain them could materially and adversely affect our business, future results of operations and prospects.

The PRC government has promulgated a series of rules, regulations and policies that may have negative impact on the online game industry, and we cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future.

The online game industry is highly regulated in China. The PRC government has adopted a series of rules, regulations and policies to monitor and control the online game industry in response to, among other things, perceived addiction to online games and its perceived negative social effects, particularly for minors.

On 25 October 2019, the NPPA issued the Notice on Preventing Minors from Addiction to Online Games (關於防止未成年人沉迷網絡遊戲的通知) (the "**Addiction Prevention Notice**") which came into effect on 1 November 2019. The Addiction Prevention Notice requires online game operators to establish and implement real-name registration system for users and not provide any game services for users not completing real-name registration from 1 November 2019, and online game enterprises must require all their existing users to complete real-name registration and stop providing game services for users who have not completed real name registration within two months after the Addiction Prevention Notice took effect. In addition, period and length of time for playing online games by minors are strictly controlled. Online game operators are not permitted to provide game services for minor users from 22:00 to 8:00 and the length of time for playing online games by minors shall not exceed three hours on each statutory holiday and 1.5 hours on each working day. The Addiction Prevention Notice also regulates for-charge services provided by online game operators to minors, e.g., online game operators shall not provide for-charge service to minors under the age of eight; the recharge amount shall not exceed RMB50 once and RMB200 every month by game users who have reached the age of eight but not the age of 16, and not exceed RMB100 once and RMB400 every month by minors who have reached the age of 16, etc.

On 30 August 2021, the NPPA promulgated the Notice of Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games (國家新聞出版署關於進一步嚴格管理切實防止未成年人沉迷網絡遊戲的通知) (the "**Further Addiction Prevention Notice**"), which came into effect on 1 September 2021. Compared to the Addiction Prevention Notice, the Further Addiction Prevention Notice imposes stricter time limits for playing online games by minors

(individuals under the age of 18), which requires all online game operators can only provide game services to minors (under the age of 18) from 20:00 to 21:00 on each Friday, Saturday, Sunday and statutory holiday. This Further Addiction Prevention Notice also requires that all the online games must be connected to the real-name registration and game addiction prevention system, emphasising the requirements that online game operators shall strictly implement the real-name registration system for users and shall not provide game services in any form to users not registering and logging in without real-name authentication. On 20 October 2021, the Ministry of Education, the Publicity Department of the CCCPC, the CAC, the MIIT, the MPS and the SAMR jointly issued the Notice on Strengthening the Management of Preventing Primary and Middle School Students from Indulging in Online Games (教育部辦公廳等六部門關於進一步加強預防中小學生沉迷網絡遊戲管理工作的通知) (the "**Addiction Prevention Management Notice**"), which became effective on the same day, providing substantially the same requirements as the Further Addiction Prevention Notice. For example, the Addiction Prevention Management Notice addresses the requirement of pre-approval for online games operation. This Addiction Prevention Management Notice also emphasises online game operators are banned from providing game services in any form to minors under the age of 18 unless in the permitted time slots stipulated in the Further Addiction Prevention Notice. On 16 October 2023, the State Council promulgated the Regulations on the Online Protection of Minors (未成年人網絡保護條例) (the "**Minor Protection Regulations**"), which came into effect on 1 January 2024. The Minor Protection Regulations set out in detail the responsibilities of the online platforms, online product or service providers, personal information processors and manufacturers and sellers of smart terminal products. If we fail to comply with the requirements under the Minor Protection Regulations, the competent authorities can order us to make rectifications, issue a warning and confiscate the illegal gains, as well as impose monetary fines. If we refuse to make rectifications or the circumstances are serious, we may be ordered to suspend our relevant business, cease our business for rectification, close our website or revoke our relevant permits or business licence. The responsible managerial personnel and other directly liable staff could be subject to monetary fines.

On 22 December 2023, the NPPA released for public comment the Measures for the Administration of Online Games (Draft for Comments) (網絡遊戲管理辦法(草案徵求意見稿)) (the "**Online Games Measures Draft**"). According to the Online Games Measures Draft, the publishing authority is responsible for the supervision and management of online game publishing and operating activities. The Online Games Measures Draft sets forth provisions on the establishment, administration and supervision of online game publication and operation entities, restrictions on the excessive use and high consumption of games, protection of minors, etc., which further regulates activities concerning publication and operation of online games. The release of the Online Games Measures Draft caused significant market volatility, resulting in a sharp decline in the share prices of major gaming companies. Although the formal adoption of the Online Games Measures Draft has not yet occurred, there remains substantial uncertainties as to how and when the measures will be enacted, interpreted or implemented and how they will affect our operations. If there are any new supervision requirements in the future for the distribution and operation of online games, there is no assurance that we can meet all such supervision requirements in a timely or cost-effective manner. Failure to comply with the supervision requirements could materially and adversely affect our business, future results of operations and prospects.

We cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future, particularly during periods when public opinion does not favor online games. Such rules, regulations and policies could significantly reduce our revenue and materially and adversely affect our business, future results of operations and prospects.

Any administrative changes in regulatory government authorities may impact market conditions which could in turn affect our results of operations.

Our operations of online games are subject to the supervision and administration of multiple government authorities in China. Any administrative changes in regulatory government authorities may also impact market conditions which could in turn affect our results of operations. In early 2018, the responsibilities of the SAPPRFT, being the government authority responsible for pre-approval of online games, in respect of administration of press and publication were transferred to the Publicity Department of the CCCPC. In addition, it is reported that no new online games were approved during the period from April 2018 to December 2018, and a second suspension of approximately eight months occurred from August 2021 to April 2022. On 30 August 2018, eight PRC regulatory authorities at national government level, including the NPPA and the Ministry of Education, released the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (綜合防控兒童青少年近視實施方案) (the "**Implementation Programme**"). As a part of the plan to prevent myopia among children, the Implementation Programme plans to regulate the number of new online games and restrict the amount of time children spend playing on electronic devices. On 14 December 2018, SAMR issued the Action Plan for the Implementation of the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (貫徹落實《綜合防控兒童青少年近視實施方案》行動方案), which stipulates that SAMR will conduct an inspection of the anti-fatigue system of online games at the proper time. Any future suspension of online game approvals and filings by the relevant government authorities, as well as the Implementation Programme, may impact our introduction of new online games and expansion of our operational scales. If such adverse market conditions persist, our results of operations may be materially and adversely affected.

In addition, on 18 September 2026, the CAC issued the Provisions of the State Council on Safeguarding Minors' Healthy and Safe Use of the Internet (Draft for Comments) (國務院關於保障未成年人健康安全使用網絡的規定(徵求意見稿)) (the "**Minor Internet Protection Draft**"). The Minor Internet Protection Draft sets forth enhanced compliance requirements for internet service providers covering social networking, content services and online game businesses, including prohibiting the provision of certain internet services to minors, mandating the application of minor mode for certain internet services, strengthening minor user identification capabilities, and requiring the performance of statutory minor internet protection obligations. The draft is currently open for public comments and has not been officially finalized and implemented, however, substantial uncertainties remain regarding its final provisions, official interpretation and effective timeline. If there are any new regulatory requirements for our internet services in the future, there is no assurance that we can meet all such regulatory requirements in a timely and cost-effective manner. Failure to comply with the relevant regulatory requirements could materially and adversely affect our business, future results of operations and prospects.

Currently, there is no law or regulation specifically governing virtual property rights and therefore it is not clear what liabilities, if any, online game operators may have for virtual property.

In the course of playing online games, users may acquire and accumulate some virtual property, such as virtual Avatars, game tokens, special equipment and other accessories. Such virtual property may be important to online game players and have monetary value and in some cases may be traded among players for actual money. In practice, virtual property can be lost for various reasons, often through unauthorised use of user accounts by other users and occasionally through data loss caused by a delay of network service, a network crash or hacking activities. The Civil Code contains a general provision in respect of the protection of data and network virtual property. However, there is no PRC law or regulation specifically governing virtual property rights. As a result, there is uncertainty as to who is the legal owner of virtual property, whether and how the ownership of virtual property is protected by law, and whether an online game operator would have any liability to game players or other interested parties (whether in contract, tort or otherwise) for loss of such virtual property. In case of a loss of virtual property, we may be sued by our game players and held liable for damages, which may negatively affect our reputation and business and financial condition.

Based on recent PRC court judgements, the courts have typically held online game operators liable for losses of virtual property by game players if the operators are found to have failed to fulfil their reasonable security obligations, and in some cases have allowed online game operators to return the lost virtual property to game players in lieu of paying damages. If we are sued by our game players or users and held liable for damages, our business, future results of operations and prospects may be negatively affected.

Compliance with the laws or regulations governing virtual currency may result in us having to obtain additional approvals or licences or change our current business model.

The issuance and use of "virtual currency" in China has been regulated since 2007 in response to the growth of the online game industry in China. In January 2007, the MPS, MOC, MIIT and GAPP jointly issued the Notice on Regulating the Operation of Online Games and Investigating to Prohibit Gambling by Way of Online Games (關於規範網絡遊戲經營秩序查禁利用網絡遊戲賭博的通知), which has implications for the use of virtual currency. To curtail online games that involve online gambling, as well as address concerns that virtual currency could be used for money laundering or illicit trade, the circular: (i) prohibits online game operators from charging commissions in the form of virtual currency in relation to winning or losing of games; (ii) requires online game operators to impose limits on use of virtual currency in guessing and betting games; (iii) bans the conversion of virtual currency into real currency or property; and (iv) prohibits services that enable game players to transfer virtual currency to other players. On 4 June 2009, MOC and MOFCOM jointly issued a notice regarding strengthening the administration of online game virtual currency (關於加強網絡遊戲虛擬貨幣管理工作的通知) (the "**Virtual Currency Notice**") which, among other things, stipulates that a single enterprise may not operate both virtual currency issuing services and virtual currency trading services. The Online Game Measures and other rules and guidelines issued by MOC also imposed restrictions on virtual currency related business. However, since the MOCT no longer assumes the responsibility for the administration of online game industry and the Online Game Measures was abolished, it is unclear whether the responsibility for supervising the virtual currency will be undertaken by another government agency and to what extent the issuance and trading of virtual currency shall be subject to relevant rules and guidelines that were issued by MOC and have not been officially abolished.

We issue game tokens to game players and our users use them to purchase various virtual items or time units to be used in our online games. We believe we only offer game tokens for in-game consumption, which are not transferable among our user accounts and are not convertible into real currency. In addition, we do not offer secondary trading services of the game tokens. Nonetheless, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and that we may not be subject to certain penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could have a material and adverse effect on our business and results of operations. In addition, the Virtual Currency Notice prohibits online game operators from setting game features that involve the direct payment of cash or virtual currency by players for the chance to win virtual items or virtual currency based on random selection through a lucky draw, wager or lottery. The notice also prohibits game operators from issuing currency to game players through means other than purchases with legal currency. Although we believe that we do not engage in any of the above-mentioned prohibited activities, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and deem such feature as prohibited by the Virtual Currency Notice, thereby subjecting us to penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could materially and adversely affect our business, future results of operations and prospects.

Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for content displayed on or linked to our websites.

The PRC government has adopted regulations governing Internet access and the distribution of news and other information over the Internet. Under these regulations, Internet content providers and Internet publishers are prohibited from posting or displaying content over the Internet that, among other things, violates PRC laws and regulations, impairs the national dignity of China or is reactionary, obscene, superstitious, fraudulent or defamatory. Further, MIIT or its local branches may shut down the website of any local Internet service provider that violates such content restrictions, suspend its operations or revoke its ICP licence. If the PRC government takes any action to limit or prohibit the distribution of information through our network or any of our platforms, or to limit or regulate any current or future content or services available to users on our network, our business could be adversely impacted. Failure to comply with the applicable requirements may result in the revocation of licences to provide Internet content and other licences, the closure of the concerned websites and may subject the website operator to potential liabilities for such censored information displayed on or linked to the website. If our network or any of our platforms is found to be in violation of any such requirements, we may be penalised by relevant authorities, and our operations or reputation could be adversely affected.

We are also subject to potential liability for content on our websites that is deemed inappropriate by the PRC government and for any unlawful actions of our users or website visitors. When Internet and mobile service providers find that any obscene, superstitious, fraudulent or defamatory information has been transmitted on their platforms, they are required to terminate the transmission of such information or delete such information immediately, keep records and report to relevant authorities. Mobile network operators like *China Mobile*, *China Telecom* and *China Unicom* also have their own policies prohibiting or restricting the distribution of inappropriate content. On 15 December 2009, the MIIT issued the Notice Regarding Plan for Further Regulating Obscene Materials on Mobile Phones (關於進一步深入整治手機淫穢色情專項行動工作方案的通知) ("**Circular 672**"). Under Circular 672, mobile network operators are required to examine their business, promotional channels, as well as the business of their partners, and must immediately terminate such business if any obscene material is involved. Mobile service providers involved in distributing or publishing such obscene materials on mobile handsets are subject to immediate suspension or termination of cooperation with mobile network operators, and violations are reported to relevant authorities. Mobile network operators and mobile service providers must examine all websites accessed through mobile handsets and conduct full daily inspection of such websites. If any obscene material is found, access and transmission must be ceased and be reported to authorities. On 12 August 2013, the MOC issued the Administrative Rules on Content Review by Internet Culture Operating Entities (網絡文化經營單位內容自審管理辦法), which became effective on 1 December 2013, pursuant to which companies operating Internet culture businesses are required to employ personnel certified to conduct content review on their products before they are released to the public and retain records of the content review for at least two years.

In addition, the CAC has also issued rules from time to time to enhance the Internet service provider's obligations to monitor the information displayed on the information platform and prevent dissemination of illegal content. At the end of 2019, the CAC issued the Provisions on the Management of Network Information Content Ecology (網絡信息內容生態治理規定) (the "**CAC Order No. 5**"), which became effective on 1 March 2020, to further strengthen the regulation and management of network information content. Pursuant to the CAC Order No. 5, each network information content service platform is required, among other things: (i) not to disseminate any information prohibited by laws and regulations, such as information jeopardising national security; (ii) to strengthen the examination of advertisements published on such network information content service platforms; (iii) to promulgate management rules and platform conventions and improve user agreements, such that such network information content service platform could clarify users' rights and obligations and perform management responsibilities required by laws, regulations, rules and conventions; (iv) to establish convenient means for complaints and reports; and (v) to prepare annual

work report regarding its management of network information content ecology. In addition, a network information content service platform must not, among other things (a) utilise new technologies such as deep-learning and virtual reality to engage in activities prohibited by laws and regulations, (b) engage in online traffic fraud, malicious traffic rerouting and other activities related to fraudulent accounts, illegal transaction accounts or maneuver of users' accounts or (c) infringe a third party's legitimate rights or seek illegal interests by way of interfering with information display. The CAC has intensified its enforcement activities through regular targeted campaigns such as the Qinglang campaigns, which have expanded to address algorithm transparency, AI misuse, deep synthesis and data security.

Although we attempt to monitor the content in our online communities, we are not able to control or restrict the content of other Internet content providers linked to or accessible through our websites, or content generated or placed on our other online communities by our users. If third-party websites linked to or accessible through our websites operate unlawful activities such as online gambling on their websites, PRC regulatory authorities may require us to report such unlawful activities to relevant authorities and to remove the links to such websites, or they may suspend or shut down the operation of such websites. To the extent that the PRC regulatory authorities find any content displayed on our websites objectionable, they may require us to limit or eliminate the dissemination of such information on our websites. For example, on 23 January 2019, CAC issued a notice requiring us to make further changes to content we deliver on one of our apps. The notice also stated that the agency had shut down over 9,000 apps and 700 websites since 3 January 2019 due to harmful content. If in the future the PRC government authorities decide to restrict the dissemination of information via microblog services or online postings in general, they may temporarily block access to certain websites for a period of time, require us to discontinue or restrict certain services and websites or levy penalties or fines for violations of relevant rules and regulations arising from content displayed on or linked to our websites. We may also be required to delete content that violates PRC laws and report content that we suspect to violate PRC laws. Any of these actions may adversely affect user confidence in our services and lead to reduced user traffic, which in turn may materially and adversely affect our reputation, business and results of operations.

We also need to monitor the advertising content shown on our websites to ensure that such content is true, accurate and in full compliance with applicable PRC laws and regulations. On 25 February 2023, the SAMR published the Administrative Measures for Internet Advertising (互聯網廣告管理辦法) ("**Measures of Internet Advertising**"), which came into force on 1 May 2023. The Measures of Internet Advertising emphasises, among other things, the responsibilities of Internet advertising operators and publishers. Internet advertising operators and publishers shall establish and improve the management systems regarding acceptance, registration, review and filing of the Internet advertising businesses according to the relevant regulations and shall examine, verify and register the identity information of advertisers such as their names, addresses and valid contact details, set up registration files and check and update them on a regular basis. Violation of these laws, rules or regulations may result in penalties, including fines up to RMB2 million or of other amounts calculated based on the advertising fees involved, confiscation of advertising revenues, and orders to cease the dissemination of advertisements. In case of serious violations, the PRC government may suspend or revoke our licences. The Enforcement Guidelines 1 on the Application of the PRC Advertising Law (《中華人民共和國廣告法》適用問題執法指南(一)) issued by the SAMR in June 2025 provided a detailed definition of "advertisement" aimed at distinguishing commercial advertisements from other forms of commercial promotion. The guidelines also introduce a checklist to help identify situations where advertising laws and regulations apply. The costs associated with complying with these laws, rules and regulations, including any penalties or fines resulting from non-compliance, could have a material adverse effect on our business, financial condition and results of operations.

The sub-section entitled "*Risk Factors — Risks Relating to the Chinese Mainland*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to the Chinese Mainland

The PRC legal system is evolving and the interpretation and implementation of PRC laws and regulations involves uncertainties.

The PRC legal system is based on written statutes, while People's Courts of all levels carry out trials of similar cases with reference to guiding cases issued by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, competition and anti-trust, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of guiding cases, interpretation and enforcement of these laws and regulations involve uncertainties. As the PRC legal system develops, changes in such laws and regulations, or in their interpretation or enforcement, could have a material and adverse effect on our business operations. For example, we may be subject to competition and anti-trust investigations by the PRC government from time to time in the future. The outcomes of such investigations may prevent us from offering certain features, functions, services or products; requiring a change in our business practices or requiring development of non-infringing services, products or technologies, which could have a material and adverse effect on our business operations.

We may face uncertainties regarding the regulation and administration of our businesses and operations after the institutional reforms of PRC government authorities, as well as uncertainties in the changes and enforcement of certain laws, regulations and policies, which may have an effect on our business operations. For example, in May 2019, the MOCT issued the MOCT Adjustment Notice to adjust the applicable scope of the Network Culture Operating Permit (關於調整《網絡文化經營許可證》審批範圍進一步規範審批工作的通知), or "the MOCT Adjustment Notice". Pursuant to the MOCT Adjustment Notice, the MOCT would no longer be the authority supervising the online game industry in the PRC and therefore the business scope of a Network Culture Operating Permit issued by it and its local counterparts would not include online games. On 10 July 2019, the Online Game Measures was abolished by the MOCT. On 22 December 2023, the Measures for the Administration of Online Games (Draft for Comments) (《網絡遊戲管理辦法》(徵求意見稿)) drafted by the NPPA is released to the public for comments, despite that no final rules are enacted thereafter. Tencent Computer and some other entities in our group have obtained the Network Culture Operating Permit for online games. These Network Culture Operating Permits for online games will not be renewed after their expiration and those also covering other network culture business may be renewed with the online games removed from the approved business scope. As there are uncertainties regarding the authority supervising the online game industry in the Chinese Mainland, we cannot assure you that we will be able to obtain any other licences necessary for us to carry out online game business, or that our existing licences will continue to cover all aspects of our online game operations upon their renewal. In addition, on 29 December 2023, the SCNPC promulgated the amended PRC Company Law, which came into effect on 1 July 2024. The amended PRC Company Law imposes stricter requirements on capital contributions for companies established in the PRC. The State Council on Implementing the Registered Capital Registration and Management System under the Amended PRC Company Law (國務院關於實施《中華人民共和國公司法》注冊資本登記管理制度的規定) issued by the State Council on 1 July 2024 further specify the detailed requirements and measures for the registration and management of registered capital under the amended PRC Company Law. Pursuant to these new laws and regulations, we may need to fulfil capital contribution obligations to our subsidiaries or provide financial support to the nominee shareholders of the variable interest entities within a much shorter time frame than required before. On 5 May 2026, the State Council issued the Regulations on Outbound Investment (國務院關於對外投資的規定), which became effective on 1 July 2026. The regulations establish a comprehensive regulatory framework governing overseas

investment by PRC investors. Pursuant to the regulations, PRC investors are prohibited from exporting Chinese goods, technologies, services or data that are subject to export prohibitions, including by dispatching technical personnel overseas, arranging for employees to work abroad, providing cross-border technical consulting services, or organizing international training. PRC investors are also prohibited from exporting restricted Chinese goods, technologies, services or related data without approval. However, since these laws and regulations are still relatively new, there remains uncertainty regarding the law and provisions' implementation and interpretation. In addition, on 21 August 2026, the NDRC issued the Measures for the Administration of Outbound Investment (Revised Draft for Comments) (對外投資管理辦法(修訂徵求意見稿)), which proposes to revise Administrative Measures for the Outbound Investment by Enterprises (企業境外投資管理辦法) by, among other things, expanding the scope of regulated investors to include resident individuals and other organisations, introducing a pre-investment reporting system, broadening offshore reinvestment reporting obligations, clarifying the application of the regime to QDII investments, and extending security review requirements to both investment and exit stages, although substantial uncertainties remain as to its final provisions and implementation timeline.

Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to those in common law jurisdictions. In addition, it may be time-consuming for us to obtain satisfactory enforcement of laws in the PRC or the enforcement of judgements by a court in another jurisdiction.

China's economic, political and social conditions as well as government policies could adversely affect our business, future results of operations and prospects.

China's economy differs from the economies of most developed countries in many respects, including government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. China's economy has been transitioning from a planned economy to a more market-oriented economy, and the PRC government has implemented measures emphasising economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. There can be no assurance that the PRC government will continue to pursue a policy of economic reform or that any such reforms will not have an adverse effect on the way we operate our business. Our business and financial condition could also be materially and adversely affected by any changes in PRC laws and regulations (or the interpretation thereof), as well as changes in the political, economic and social conditions of China.

We may be adversely affected by a severe downturn of the global or China's economy.

While China's economy has experienced significant growth in the past decades, the growth rate of China's economy has gradually slowed since 2010, which trend may continue. Any adverse changes in economic conditions in China could adversely affect our business and operating results, lead to reduction in demand for our products and services and adversely affect our financial results. Other economies around the globe have also experienced stagnant or negative growth. Whether this will lead to a severe downturn in the global economy is still unknown.

There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. The U.S. Federal Reserve's monetary policy has undergone significant changes in response to economic challenges over the past few years. The U.S. federal government implemented reductions in 2020 due to the COVID-19 pandemic, reaching a historic low of 0% to 0.25%. As the economy began to recover in 2022, the U.S. federal government shifted its focus to address rising inflation and the economic impacts of the Russia-Ukraine conflict, resulting in a series of rate hikes that brought the federal funds rate to a range of 5.25% to 5.50% by 2023. From September to December 2024, the U.S. Federal Reserve announced total cuts of 100 basis points in the benchmark federal funds rate, followed by total cuts of 75 basis points from September to December 2025, bringing it to a new target range of 3.50% to 3.75%.

Furthermore, the Russia-Ukraine conflict, the war in the Gaza Strip, the ongoing conflict among the United States, Israel and Iran since February 2026, terrorist threats and the potential for war in the Middle East and elsewhere, elevated inflation levels, trade war, sanctions and high food and energy prices may increase market volatility across the globe. It is unclear whether these challenges and uncertainties will be contained or resolved and what effects they may have on the global political and economic conditions in the long term. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China.

Any slowdown in China's economy and globally may lead to reduced Internet-related activities and consumer spending. The deterioration in economic conditions in China and globally may harm the business of our customers, who may experience reduced business volume, and therefore decrease or delay in marketing service spending, or reduce their budgets or other spending across our platforms. In addition, there may be decreases in demand for our cloud projects due to the negative impact on our enterprise customers by the deterioration in economic conditions. We may also see decreases in demand for our FinTech services from users, such as payment, lending and wealth management services. This may have a negative impact on our business, results of operations and financial condition, and continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

If the PRC tax authorities determine that we are a "resident enterprise", we and the Noteholders may face unfavorable tax consequences.

Under the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法) effective on 1 January 2008, and subsequently amended on 24 February 2017 and on 29 December 2018 (the "**2008 EIT Law**"), enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises". The Regulation on the Implementation of the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法實施條例) (the "**Implementation Rules**") defines "de facto management body" as an organisation that exercises substantial and overall management and control over an enterprise's manufacturing, or business operation, personnel, accounting and property. In addition, the STA has promulgated the Circular on Identification of China-Controlled Overseas-Registered Enterprises as Resident Enterprises on the Basis of De Facto Management Bodies (Guo Shui Fa [2009] No. 82) (國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) (國税發[2009]82號) (the "**Circular 82**"), which was amended on 29 December 2017. The Circular 82 further provides certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore incorporated enterprise is located in China. The criteria include whether: (i) the premises where the senior management and the senior management departments responsible for the daily production and operation management of the enterprise perform their functions are mainly located within China, (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in China, (iii) the enterprise's primary assets, accounting books and records, company seals and board and shareholders' meeting minutes are located or maintained in China, and (iv) 50% or more of voting board members or senior executives of the enterprise habitually reside in China. Circular 82 further requires a "substance over form" principle to be followed when determining the location of the de facto management body. The STA has subsequently issued measures concerning the recognition, administration and taxation of China-controlled offshore enterprises whose de facto management bodies are located within China. Although Circular 82 applies only to offshore enterprises controlled by enterprises or enterprise groups located within China, not including those ultimately controlled by Chinese individuals, the determining criteria set forth in Circular 82 may reflect the STA's general position on how the "de facto management body" test may be applied in determining the tax resident status of all offshore enterprises.

As the tax residency of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to offshore entities such as us, we cannot assure you that we will not be considered to be a PRC tax resident enterprise. If we were determined to be a PRC tax resident enterprise, we would be subject to a 25% corporate income tax on our worldwide taxable income (other than non-taxable dividends from our subsidiaries based on relevant tax circulars). In addition, we might in that case be subject to PRC corporate income tax reporting obligations. Furthermore, because interest payments on the Notes would in that case be regarded as being derived from sources within China, we would be obligated to withhold PRC income tax at a rate of 10% on interest payments to non-resident enterprise investors or up to 20% on interest payments to non-resident individuals. In addition, interest payable by us to non-resident noteholders may be subject to PRC VAT at a rate of 6% and related local levies, including educational surtax and urban maintenance and construction tax at a rate of up to 0.72%. Failure to withhold these taxes if required to do so could cause us to be subject to fines and other penalties. The requirement to pay additional amounts would increase the cost of servicing the interest payments on the Notes and could have an adverse effect on our financial condition.

Any PRC tax liability may be reduced by an applicable tax treaty, such as the Arrangement Between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), which reduces the applicable PRC income tax on interest to 7% for certain qualifying Hong Kong resident enterprises. Hong Kong individual tax residents could also apply the treaty if the individuals are beneficial owners of the interest.

If we were treated as a PRC tax resident enterprise, any gain realised by non-resident investors from the transfer of the Notes may be regarded as PRC source income and be subject to a 10% PRC tax for non-resident enterprises or a 20% tax for non-resident individuals, unless an applicable tax treaty or arrangement provides for a reduced tax rate.

The new PRC Value-Added Tax Law may subject us to more taxes, which could adversely affect our business, future results of operations and prospects.

On 25 December 2024, the SCNPC published the Value-Added Tax Law of the PRC (中華人民共和國增值税法) (the "**PRC VAT Law**"), which came into effect on 1 January 2026, replacing the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例) which was promulgated by the State Council on 13 December 1993 and last amended on 19 November 2017 with effect from the same day. On 25 December 2025, the State Council issued the Regulations for the Implementation of the Value-Added Tax Law of the PRC (中華人民共和國增值税法實施條例), which became effective on 1 January 2026. Pursuant to these regulations, the VAT rates generally applicable are simplified as 13%, 9% and 6%, and the VAT rate for simplified tax calculation method is 3%. Although the PRC VAT Law largely preserves the tax framework and rate structure under the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例), it makes changes in the areas of taxable acts, tax jurisdiction, deemed sales, non-taxable items, simplified taxation, withholding agents, input taxes, non-creditable input taxes, mixed sales and input credit carry-forward and refund. Consequently, we may be subject to additional taxes under the PRC VAT Law in connection with our operations and activities in China, which could materially and adversely affect our business, results of operations and prospects.

Discontinuation of any of the preferential tax treatments or imposition of any additional taxes could adversely affect our business, future results of operations and prospects.

The National People's Congress passed the 2008 EIT Law which was amended in 2017 and 2018 with the latest amendment becoming effective on 29 December 2018, and the State Council passed its implementation rules, which became effective on 1 January 2008 and were amended in 2019 and 2024 with the latest amendment becoming effective on 20 January 2025. The 2008 EIT Law significantly curtails tax incentives granted to foreign-invested enterprises under the PRC Income Tax Law

Concerning Foreign-Invested Enterprises and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得稅法) effective prior to 1 January 2008. The 2008 EIT Law, however, (i) reduces the statutory rate of the CIT from 33% to 25% and (ii) introduces new tax incentives, subject to various qualification criteria.

The 2008 EIT Law and its implementing rules permit certain "high/new technology enterprises" to enjoy a reduced 15% CIT rate subject to certain new qualification criteria. Pursuant to the Circular on Income Tax Policies for Further Encouraging the Development of Software Industry and Integrated Circuit Industry issued on 20 April 2012 (Cai Shui [2012] No. 27 (關於進一步鼓勵軟件產業和集成電路產業發展企業所得稅政策的通知(財稅[2012]27號)) ("**Circular 27**") which was last amended on 11 December 2020, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years before 31 December 2017, followed by a reduction of income tax to 12.5% for the subsequent three years. Moreover, pursuant to the Announcement on Income Tax Policies for Integrated Circuit Design and Software Enterprises (MOF and State Administration of Taxation Announcement [2019] No. 68) (關於集成電路設計和軟件產業企業所得稅政策的公告) ("**Bulletin 68**"). The Announcement on the Policy Applicable to the Final Settlement of Enterprise Income Tax for the Year 2019 for Integrated Circuit Design Enterprises and Software Enterprises (Announcement of the Ministry of Finance and State Taxation Administration [2020] No. 29) (關於集成電路設計企業和軟件企業2019年度企業所得稅匯算清繳適用政策的公告) (財政部、稅務總局公告2020年第29號), and the Announcement on the Enterprise Income Tax Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry (Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology [2020] No. 45) (關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告(財政部、稅務總局、發展改革委、工業和信息化部公告2020年第45號)) ("**Bulletin 45**"), the aforesaid "tax exemption for the first two years and 50% tax reduction for the next three years" for the qualified software enterprise has been extended accordingly. In addition, pursuant to the Bulletin 45 effective from 1 January 2020, the key integrated circuit design enterprises and software enterprises encouraged by the State are entitled to be exempted from CIT from the first year to the fifth year since its profit-making year, and then enjoy a reduced 10% CIT rate since the sixth year. Certain of our WFOEs and consolidated affiliated entities have been recognised by the relevant authorities as "high/new technology enterprises" or satisfy the criteria of "national key software enterprises" or "software production enterprises" and therefore are eligible for the preferential tax treatments upon their filing or reporting of the qualified status with the relevant tax authorities. In addition, there is a preferential tax rate of 15% applicable to some WFOEs and consolidated affiliated entities located in certain areas of the Chinese Mainland upon fulfilment of certain requirements of the respective local governments. Preferential tax treatments granted to our WFOEs and consolidated affiliated entities by the local governmental authorities are subject to review and may be adjusted or revoked at any time. We cannot assure you that we will be able to maintain our current effective tax rate in the future. If any of the WFOEs or consolidated affiliated entities which have enjoyed such preferential tax treatments fails to maintain their qualification status or renew their qualifications when the relevant term expires, their applicable CIT rate may increase to 25%, which could have a material and adverse effect on our business, future results of operations and prospects.

We may rely on dividends and other distributions on equity paid by the WFOEs to fund any cash and financing requirements we may have. Any limitation on the ability of our WFOEs to pay dividends to us could materially and adversely affect our business, future results of operations and prospects.

We are a holding company, and we may rely on dividends and other distributions on equity to be paid by our WFOEs to meet our cash and financing requirements, including the funds necessary to pay service and debt we may incur. If any of our WFOEs incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, our WFOEs may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, each of our WFOEs in China is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. With approval by its shareholders in accordance with its articles of association, the WFOE may allocate a portion of its after-tax profits based on PRC accounting standards to discretionary reserve funds. These reserve funds are not distributable as cash dividends. Furthermore, in recent years, PRC government authorities have continued to strengthen tax oversight and enforcement, including by promulgating and implementing new rules, policies, guidelines and interpretations and undertaking other enforcement measures.

Any restrictions on the ability of our WFOEs in China to pay dividends or make other distributions to us could materially and adversely affect our ability to grow our business, make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund and conduct our business.

According to the 2008 EIT Law and the Implementation Rules and other prevailing PRC tax circulars, dividends generated from the business of our WFOEs in China on or after 1 January 2008 and payable to the WFOEs' immediate holding companies incorporated in Hong Kong will be subject to a withholding tax rate of 10% if the PRC tax authorities determine that such holding companies are not beneficial owners of the dividends and not eligible for the lower withholding tax treatments under the applicable double taxation arrangement between the Chinese Mainland and Hong Kong. If the Hong Kong holding companies' beneficial owner status is not challenged by the PRC tax authorities, the withholding tax rate could be reduced to 5% from 10%.

In addition, according to Circular 6, any payment, especially service fees and royalties that are made by enterprises to their offshore affiliates, which fails to satisfy the arm's-length transaction principles may not be deducted from such enterprise's taxable income when calculating its enterprise income tax. In the case of any foregoing payment to offshore affiliates, the PRC tax authorities may request the payer to provide relevant transaction documents thereunder and to prove the real transaction background and the arm's-length transaction nature of such payment and transaction, and will take into consideration the offshore affiliate's actual contribution in such transaction when determining whether such transaction is in compliance with the arm's-length transaction principles. Accordingly, the distributions paid by our WFOEs to us might be challenged on their actual transaction background by the PRC tax authorities based on Circular 6 and might therefore incur certain tax burdens on our WFOEs.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or may otherwise adversely affect us.

On 4 July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicle (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) ("**Circular 37**"), which abolishes and supersedes the Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) ("**Circular 75**") issued by SAFE on 21 October 2005. Circular 37 and its implementation guidelines require PRC residents to register with local branches of SAFE (or qualified banks in accordance with SAFE Circular 13 as defined below) in connection with their direct establishment or indirect control of an offshore entity for the purpose of overseas investment and financing with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in Circular 37 as a "special purpose vehicle". Circular 37 further requires amendment to the registration in the event

of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by Chinese individuals, share transfer or exchange, merger, division or other material event. In the event that a Chinese shareholder holding interests in a special purpose vehicle fails to fulfil the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC laws for evasion of foreign exchange controls.

On 13 February 2015, SAFE promulgated Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) ("**SAFE Circular 13**"), which became effective on 1 June 2015 and was amended on 30 December 2019. In accordance with SAFE Circular 13, if no retroactive SAFE registration is required, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under the Circular 37, with qualified banks, instead of SAFE, while SAFE will handle retroactive SAFE registration. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

We have notified substantial holders of ordinary shares of the Company whom we know are PRC residents to register with the local SAFE branch and update their registrations as required under the SAFE regulations described above. We, however, cannot provide any assurances that all of our shareholders who are PRC residents will file all applicable registrations or update previously filed registrations as required by these SAFE regulations. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth therein may subject such PRC resident shareholders to fines and legal sanctions, restrict our cross-border investment activities or limit our PRC subsidiaries' ability to distribute dividends to us or restrict us in injecting additional capital or extending loans to our PRC subsidiaries.

As it is uncertain how the SAFE regulations described above will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a Chinese domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business, future results of operations and prospects.

Governmental control of currency conversion may limit our ability to obtain sufficient foreign currency to satisfy our currency demands and may affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB and substantially all of our cash inflows and outflows are denominated in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our Chinese operating subsidiaries. We may convert a portion of our revenues into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our ordinary shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies generally without

prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate banks appointed by government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay interests in foreign currencies to the holders of the Notes.

PRC laws and regulations establish more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

PRC laws and regulations, such as the Regulations on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors ("**M&A Rules**") (關於外國投資者併購境內企業的規定) adopted in September 2006 and amended on 22 June 2009, the Anti-Monopoly Law which became effective on 1 August 2008 and amended on 24 June 2022, and Notice of the General Office of the State Council on the Establishment of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知), effective from 3 March 2011, established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a Chinese domestic enterprise, or that the approval from the MOFCOM be obtained in circumstances where overseas companies established or controlled by Chinese enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. The Provisions of the MOFCOM on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定), effective from 1 September 2011, further provide that, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review by PRC governmental agencies, the principle of substance over form should be applied and foreign investors are prohibited from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. On 19 December 2020, the NDRC and the MOFCOM promulgated the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法), which came into effect on 18 January 2021 and further provide that foreign investment in certain key areas with bearing on national security, such as important cultural products and services, important information technology and Internet services and products, key technologies and other important areas with bearing on national security which results in the acquisition of de facto control of investee companies, shall be filed with a specifically established office before such investment is carried out. See "*Regulations on Foreign Investor's Merger and Acquisition of PRC Enterprises*" for more details. If the business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any contractual arrangements. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-Chinese holding companies.

On 10 December 2009, the STA issued the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises ("**Circular 698**") (國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知), with retroactive effect from 1 January

2008, which has been repealed from 1 December 2017. On 3 February 2015, the STA further promulgated the Announcement on Enterprise Income Tax for Indirect Transfers of Properties by Non-PRC Resident Enterprises ("**Circular 7**") (國家税務總局關於非居民企業間接轉讓財產企業所得税若干問題的公告), effective from 3 February 2015 and further amended in December 2017, to replace certain provisions under Circular 698 and to further strengthen the regulation regarding indirect transfers of Chinese properties through the transfer of equity interests in PRC resident enterprises by non-PRC resident enterprises. According to Circular 7, if a non-resident enterprise conducts an "indirect transfer" by transferring its equity interest in an offshore enterprise, which directly or indirectly owns Chinese real property or property of a business conducted within China ("**PRC Taxable Property**"), and the foregoing "indirect transfer" does not satisfy the "reasonable business purpose test" as provided in Circular 7, each of the transferor, the transferee and the PRC resident enterprise (as the ultimate target company under the transfer) has discretion to report the transfer to the relevant tax authority of the PRC resident enterprise.

According to Circular 7, several factors must be considered when determining whether an indirect transfer has a reasonable business purpose, including (i) whether the value of the equity interest in the overseas holding company derives, directly or indirectly, from the PRC Taxable Property; (ii) whether investments within China constitute, directly or indirectly, the main assets of the overseas holding company, or, whether the income of the overseas holding company is mainly generated, directly or indirectly, from China; (iii) whether the functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property, can establish the economic substance of the corporate structure; (iv) the shareholders and business model of the overseas holding company and the duration that the relevant corporate structure has existed; (v) the foreign income tax consequences of such indirect transfer; (vi) whether such indirect transfer and indirect investment regarding the PRC Taxable Property could have been made through a direct transfer of and indirect investment in the PRC Taxable Property; and (vii) the tax treaties or arrangements applicable in China to gains derived from such indirect transfer. However, notwithstanding the foregoing factors, if such indirect transfer and other arrangements related thereto satisfy all of the following conditions, such indirect transfer is deemed to lack a "reasonable business purpose": (a) the PRC Taxable Property constitutes 75% or more of the value of the equity interests of the overseas holding company; (b) at any time within one (1) year before such indirect transfer, the overseas holding company's investment in China constitutes, directly or indirectly, 90% or more of its total assets (exclusive of any cash), or, within one (1) year before such indirect transfer, 90% or more of the overseas holding company's income was generated, directly or indirectly from within China; (c) the limited functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property are insufficient to establish the economic substance of their corporate structure and (d) the foreign income tax rate on such indirect transfer is lower than that on the PRC Taxable Property under applicable PRC laws.

Circular 7 also provides some exceptions for indirect transfers of certain PRC Taxable Property, including (i) shares in an offshore listing company that are bought and sold by a non-PRC resident enterprise via a public market, or (ii) gains derived from indirect transfers that would not have been subject to income tax pursuant to the applicable tax treaties or arrangements had the PRC Taxable Property been directly transferred or (iii) transactions that are internal transfers among affiliates via share swaps and would not ultimately decrease the amount of gain subject to PRC income tax, taking the contingent transactions into consideration. Gains derived from an indirect transfer of the PRC Taxable Property may be subject to PRC withholding tax at a rate of up to 10%. If they decide that any of such transactions do not have a reasonable commercial purpose, the PRC tax authorities may apply Circular 7 to our previous financing transactions where non-resident private equity investors were involved, or the sale or purchase of shares in other non-PRC resident companies or other taxable assets held by us. As a result, we and our non-resident investors in such transactions may become at

risk of being taxed under Circular 7, and we may be required to expend valuable resources to comply with Circular 7 or to establish that we should not be taxed under the general anti-avoidance rule of the 2008 EIT Law. This may have a material and adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知) issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in the Chinese Mainland for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, pursuant to the Capital Account Foreign Exchange Business Guidelines (2024 Version) issued by SAFE, proceeds from the sale of equity incentive plan shares should in principle be remitted back to the Chinese Mainland within six months of the sale. We and our directors, executive officers and other employees who are PRC citizens or who reside in the Chinese Mainland for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options are subject to these regulations. Failure to complete the SAFE registrations may subject such individuals to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in the Chinese Mainland and limit these subsidiaries' ability to distribute dividends to us.

In addition, the STA has issued certain circulars concerning employee share options or restricted shares. Under these circulars, the employees working in the Chinese Mainland who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of such overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes according to applicable laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Fluctuations in exchange rates may have a material and adverse effect on your investment.

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on exchange rates set by the PBOC. Pursuant to reforms of the exchange rate system announced by the PBOC on 21 July 2005, RMB-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from 18 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the RMB against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on 21 May 2007. This allows the RMB to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on 16 April 2012 and further widened to 2.0% on 17 March 2014. These changes in currency policy resulted in the RMB appreciating against the U.S. dollar by approximately 24.5% from 21 July 2005 to 31 December 2016. On 11 August 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorising market-makers to provide parity to the China Foreign Exchange Trading Centre operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the RMB against the U.S. dollar depreciated by nearly 2.0% as compared

to 10 August 2015, and further depreciated by nearly 1.6% on 12 August 2015 as compared to 11 August 2015. The International Monetary Fund announced on 30 September 2016 that, effective from 1 October 2016, the RMB would be added to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the RMB against foreign currencies.

We mainly operate in China with most of our transactions settled in RMB. The conversion of RMB-denominated balances into foreign currencies is subject to the rates and regulations of foreign exchange control promulgated by the PRC government. We hold some financial assets denominated in U.S. dollars, H.K. dollars, Euro and Korea Won subject to certain thresholds stated in our treasury mandate and borrow some bank loans denominated in U.S. dollars. We also issue long-term notes denominated in U.S. dollars and H.K. dollars from time to time. This exposes us to foreign exchange risk.

Any significant revaluation of RMB may materially and adversely affect our revenue, earnings and financial position, and the value of the Notes in U.S. dollars. For example, an appreciation of RMB against the U.S. dollar would reduce the amount of RMB we would receive if we need to convert U.S. dollars into RMB. Conversely, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the value of the Notes. It is difficult to predict how the PBOC's policy may impact the RMB exchange rate in the future.

We manage our foreign exchange risk by regularly reviewing net foreign exchange exposures and try to minimise these exposures through natural hedges wherever possible and may enter into forward foreign exchange contracts, when necessary. However, the availability and effectiveness of these current and future arrangements may be limited, and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by China's exchange control regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material and adverse effect on your investment.

Implementation of the labour laws and regulations in China may adversely affect our business and results of operations.

Pursuant to the PRC Labour Contract Law (中華人民共和國勞動合同法) that became effective in January 2008 and further amended on 28 December 2012 and became effective on 1 July 2013, and its implementation rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labour contracts. Due to the lack of detailed interpretation rules and uniform implementation practice and possible penalties, it is uncertain as to how it would affect our current employment policies and practices. Our employment policies and practices may violate the PRC Labour Contract Law or its implementation rules, and we may thus be subject to related penalties, fines or legal fees. Compliance with the PRC Labour Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labour practices, the PRC Labour Contract Law and its implementation rules may also limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. On 28 October 2010, the SCNPC promulgated the PRC Social Insurance Law (中華人民共和國社會保險法) which became effective on 1 July 2011 and was amended on 29 December 2018. On 10 August 2026, the State Council amended the Regulation on the Administration of Housing Accumulation Funds which became effective on 20 September 2026. According to applicable PRC social insurance laws and the Regulation on the Administration of Housing Accumulation Funds (住房公積金管理條例), employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance and housing funds and the employers must, together with their employees or separately, pay the social insurance premiums and housing funds for such employees. On 20 July 2018, the General

Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Plan for Reforming the State and Local Tax Collection and Administration Systems (國税地税徵管體制改革方案), which stipulated that the STA would become solely responsible for collecting social insurance premiums. On 24 January 2014, the Ministry of Human Resources and Social Security promulgated the Provisional Rules on Labour Dispatching (勞務派遣暫行規定), effective on 1 March 2014. Intended to control labour dispatching arrangements, these regulations require that dispatched workers may be designated only to positions of a temporary, supporting or substitute nature, and further require employers to change and adjust their employment structure so that their used dispatched workers should not exceed a statutory cap of 10% of total employees.

We expect our labour costs to increase due to the implementation of these laws and regulations. As the interpretation and implementation of these laws and regulations are still evolving, we cannot assure you that our employment practice will at all times be deemed in full compliance with labour-related laws and regulations in the PRC which may subject us to labour disputes or government investigations. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected. Further, labour disputes, work stoppages or slowdowns at our offices and facilities or any of our clients or suppliers could significantly disrupt our daily operation or our expansion plans and have material and adverse effects on our business.

Inflation in China and measures to contain inflation may negatively affect our profitability and growth.

While China's economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographical areas of the country and among different demographic sectors in the community. If prices for our services and products rise at a rate that is insufficient to compensate for the rise in the costs, our business may be materially and adversely affected. In order to control inflation in the past, the PRC government has imposed controls on bank credits, limits on loans for fixed assets, and restrictions on state bank lending. Such austerity measures can lead to a slowing of economic growth in China, which could materially and adversely affect our business, future results of operations and prospects.

The section entitled "*Capitalisation and Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

CAPITALISATION AND INDEBTEDNESS

The following table sets forth our debt and capitalisation as at 30 June 2026.

This table should be read in conjunction with "*Use of Proceeds*", "*Selected Consolidated Financial and Other Data*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Company's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 and related notes thereto included elsewhere in this Offering Circular.

	As of June 30, 2026	
	(Unaudited)	
	(RMB in million)	(US$ in million)
Current liabilities:		
Borrowings	86,292	12,718
Notes payable	—	—
	86,292	**12,718**
Non-current liabilities:		
Borrowings	212,650	31,341
Notes payable	154,021	22,700
	366,671	**54,041**
Total debts	**452,963**	**66,759**
Equity attributable to equity holders of the Company		
Share capital	—	—
Share premium	73,692	10,861
Treasury shares	(2,180)	(321)
Shares held for share award scheme	(8,315)	(1,225)
Other reserves	5,893	869
Retained earnings	1,066,763	157,220
	1,135,853	**167,404**
Non-controlling interests	86,660	12,772
Total equity	**1,222,513**	**180,176**
Total capitalisation (1)	**1,675,476**	**246,935**

Note:

(1) Total capitalisation represents the sum of total debts under current and non-current liabilities and total equity.

As at the date of this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 30 June 2026.

The section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of our financial condition and results of operations as at and for the years ended 31 December 2023, 2024 and 2025 and as at and for the six months ended 30 June 2025 and 2026, and of the material factors that we believe are likely to affect our financial condition and results of operations. You should read this section in conjunction with our audited consolidated financial statements and unaudited interim condensed consolidated financial information included in this Offering Circular beginning on page F-2. Our consolidated financial statements and unaudited interim condensed consolidated financial information have been prepared in accordance with IFRS Accounting Standards.

In addition, the following discussion contains certain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Circular, including "Risk Factors".

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the most significant factors that have affected or are expected to affect our results of operations and financial condition include, among others:

Ability to increase the engagement and monetisation of our vast user base

The growth of our business and revenues depends on the attractiveness and demand for our service and product offerings and our ability to deepen user engagement and further increase the monetisation of our vast user base. We have seen a modest growth in our *Weixin* and *WeChat* user base and maintained large numbers of *QQ* users. As at 30 June 2026, combined MAU of *Weixin* and *WeChat* reached 1,439 million, an increase of 2%, from 1,411 million as at 30 June 2025, and mobile device MAU of *QQ* was 520 million.

We believe the depth of user engagement of our massive online communities is one of our key competitive advantages. We continue to increase user engagement by enhancing user experience and broadening our products and services, creating opportunities for our ecosystem partners. We introduce high-quality digital content, including games, video, music and literature, and seek to integrate these digital content services with our social platforms to enhance the holistic and differentiated social experience for our users. We seek to leverage the size of our user base and integrated nature of our platforms to build up user traffic for our new services and products. In addition, our large and logged-in user base and our leading mobile payment services also make our platforms more attractive to advertisers and merchant partners.

We have also monetised user traffic generated from our various digital content and *Weixin* services. We have accumulated expertise in cross-marketing our services and products across our massive user base. Our major digital content, including games, video, music and literature, help attract users and drive conversion into paying users. The numerous *Weixin* services, such as *Mini Programs, Video Accounts, Mini Shops* and *Weixin Pay*, help merchants digitalise their businesses and complete more online-to-offline transactions. Leveraging an AI-powered technology platform, we enhance our capabilities for marketing, games and business services, generating higher revenues.

Ability to innovate and adopt new technologies such as AI

The technology industry is highly competitive, innovative and ever changing due to the evolving development of technology and user behavior. We have endeavored to embrace generative and agentic AI technologies, implement AI technologies to businesses, such as games, marketing and business services, and provide AI based solutions to external customers.

We not only encourage our employees to innovate, but also allocate considerable resources to the research and development of new technologies and the optimisation of product features as well as enhancement of user experience of products. We will continue to invest in and develop our AI infrastructure and application to our products and services to enhance user acquisition while maintaining our existing market share.

Ability to develop content and applications to maintain our market position

Our ability to develop relevant content and applications will affect our users' engagement and usage of our platforms. We have devoted significant resources to the research and development of content and applications in order to keep our existing platforms relevant and attractive to users. We have established a strong market position and built a brand name widely recognised by consumers and industry participants. For example, *Weixin* has become the leading communication and social network platform, connecting users, enterprises, content and services. We have also maintained our leadership in the games market in China and globally leveraging the success of developing and operating evergreen titles.

As we seek to expand our business lines and diversify our portfolio of services and products, our ability to launch new attractive contents and applications will continue to be the key to our revenue growth. Our ability to compete effectively and maintain our leading brand and market position will continue to affect our results of operations going forward.

BASIS OF PRESENTATION

During the years presented in the consolidated financial statements, we derived our revenue substantially under a series of contractual arrangements between certain of our WFOEs and our consolidated affiliated entities. These contractual arrangements are designed to provide us and the WFOEs with effective control over, and (to the extent permitted by PRC laws) the right to acquire the equity interests in and assets of our consolidated affiliated entities. Based on such contractual arrangements, we have concluded that it is appropriate to consolidate the financial statements of our consolidated affiliated entities, notwithstanding the lack of direct share ownership, because, in substance, the contractual arrangements transfer the economic risks and benefits of these consolidated affiliated entities to us.

DESCRIPTION OF SELECTED INCOME STATEMENT LINE ITEMS

Revenues

We generate our revenues primarily from four lines of business:

- *VAS;*
- *Marketing Services;*
- *FinTech and Business Services; and*
- *Others.*

Our revenues were RMB609,015 million, RMB660,257 million and RMB751,766 million and RMB364,526 million and RMB401,243 million (US$59,136 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The following table sets forth our revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	(US$ in millions)	% of total revenues
Revenues											
VAS	298,375	49%	319,168	49%	369,281	49%	183,501	50%	194,524	28,669	48%
Marketing Services	101,482	17%	121,374	18%	144,973	19%	67,615	19%	81,736	12,046	21%
FinTech and Business Services	203,763	33%	211,956	32%	229,435	31%	110,443	30%	120,171	17,711	30%
Others	5,395	1%	7,759	1%	8,077	1%	2,967	1%	4,812	710	1%
Total Revenues	**609,015**	**100%**	**660,257**	**100%**	**751,766**	**100%**	**364,526**	**100%**	**401,243**	**59,136**	**100%**

VAS

Revenues from VAS are derived principally from the provisions of games and social networks services. Our VAS is primarily provided on a subscription basis, per-item basis or revenue share basis.

We derive games revenues primarily from sales of in-game virtual items and social networks revenues primarily from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business. We have an extensive portfolio of market leading game titles across genres in both domestic and international markets.

We also derive revenues from the massive and engaged user base across our social networks and platforms. Through providing access to services offered in *Mini Games*, such as in-app purchases, we collect *Mini Games* platform service fees from the operation. In addition, we generate subscription revenues from offering access to premium digital content and other privileges on our digital content services, such as video, music and literature. Revenue generated from in-game virtual item sales is also attributable to our social networks.

Revenues from VAS were RMB298,375 million, RMB319,168 million and RMB369,281 million and RMB183,501 million and RMB194,524 million (US$28,669 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from VAS are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — VAS.*"

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts*, *Weixin Search*, *Tencent Video*, *QQ Music*, mobile advertising network and eSports events. Significant traffic on our various properties offer ample advertising opportunities. Through leveraging our advertising technology and transaction ecosystem, we provide targeted marketing services to generate attractive returns for advertisers.

Revenues from Marketing Services were RMB101,482 million, RMB121,374 million and RMB144,973 million and RMB67,615 million and RMB81,736 million (US$12,046 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from Marketing Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — Marketing Services*".

FinTech and Business Services

FinTech and Business Services revenues mainly comprise revenues derived from provision of FinTech and cloud services. FinTech service revenues mainly include commissions from payment transactions, wealth management services and other FinTech services. Cloud service revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources.

Revenues from FinTech and Business Services were RMB203,763 million, RMB211,956 million and RMB229,435 million and RMB110,443 million and RMB120,171 million (US$17,711 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from FinTech and Business Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — FinTech and Business Services*".

Others

Revenues from our other businesses are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. Revenues from others were RMB5,395 million, RMB7,759 million and RMB8,077 million and RMB2,967 million and RMB4,812 million (US$710 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of Revenues

Our cost of revenues was RMB315,906 million, RMB311,011 million and RMB329,173 million and RMB159,020 million and RMB171,545 million (US$25,283 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of revenues consists of the direct costs for operating and offering our services and products, which consist primarily of transaction costs, content costs, technical infrastructure operation costs, equipment depreciation and other direct costs. Employee benefits expenses that directly relate to the provision of our services and products are also included in cost of revenues. The following table sets forth our cost of revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	(US$ in millions)	% of segment revenues
Cost of Revenues											
VAS	136,456	46%	137,511	43%	146,985	40%	73,367	40%	71,471	10,533	37%
Marketing Services	50,138	49%	54,142	45%	61,584	42%	29,336	43%	35,777	5,272	44%
FinTech and Business Services	123,127	60%	112,255	53%	112,819	49%	53,894	49%	57,573	8,485	48%
Others	6,185	115%	7,103	92%	7,785	96%	2,423	82%	6,724	993	140%
Total cost of revenues	**315,906**		**311,011**		**329,173**		**159,020**		**171,545**	**25,283**	

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of costs incurred with our promotional and advertising activities, such as purchasing third-party advertising, holding promotion events and related employee benefits expenses. In recent years, our selling and marketing expenses have increased as we continue to launch and promote new services and seek to enhance our brand recognition.

General and Administrative Expenses

General and administrative expenses primarily consist of research and development expenses, related employee benefits expense, office rental/depreciation of right-of-use assets, travel and entertainment expenses, consulting fees, office maintenance and other general office expenses.

Other Gains/(Losses), Net

Other gains/(losses), net consist primarily of subsidies and tax rebates.

Net gains/(losses) from investments and others

Net gains/(losses) from investments and others primarily consist of net gains/(losses) on disposals and deemed disposals of investee companies, net fair value gains/(losses) on FVPL, other net fair value gains/(losses), impairment (provision)/reversal for investee companies, goodwill and other intangible assets arising from acquisitions, dividend income and donations.

Interest Income

Interest income mainly represents interest income from bank deposits, including bank balance and term deposits.

Finance Costs

Finance costs include interest and related expenses primarily arising from the borrowings, notes payable and lease liabilities, as well as foreign currency exchange gains or losses.

Income Tax Expense

Income tax expense is recognised based on our best knowledge of the income tax rates expected to be applicable for the financial year.

(i) Cayman Islands and British Virgin Islands CIT

We were not subject to any taxation in the Cayman Islands and the British Virgin Islands for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(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 years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(iii) PRC CIT

PRC CIT had been provided for at applicable tax rates under the relevant laws and regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profits of our entities established in the Chinese Mainland for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026. The general PRC CIT rate was 25% in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

Certain subsidiaries in the Chinese Mainland were approved as High and New Technology Enterprise, and they were subject to a preferential CIT rate of 15% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

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 Chinese Mainland upon fulfilment of certain requirements of the respective local governments.

(iv) CIT in other jurisdictions

Income tax on profits arising from other jurisdictions, including North America, Europe, Asia and South America, had been calculated on the estimated assessable profits at the respective rates prevailing in the relevant jurisdictions, which were not higher than 39% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(v) Withholding tax

According to applicable tax laws and regulations prevailing in the Chinese Mainland, dividends distributed by a company established in the Chinese Mainland 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 Chinese Mainland and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

Dividends distributed from certain jurisdictions which our entities operate in are also subject to withholding tax at respective applicable tax rates.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information. The determination of these accounting policies is fundamental to our financial condition and results of operations, and requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involved the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting the estimates may differ significantly from management's current judgements. We believe the following represents our critical accounting policies, judgements and estimates.

Revenue recognition

We generate revenues primarily from provision of VAS, Marketing Services, FinTech and Business Services, and other online related services in the PRC. Revenue is recognised when the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

VAS

Revenues from VAS primarily include revenues from the provision of games and social networks services. Games revenues are mainly derived from sales of in-game virtual items, and social networks revenues are mainly derived from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business.

Revenues from VAS are recognised when we satisfy our performance obligations by rendering relevant promised services.

Gross receipts from sales of in-game permanent virtual items are deferred and amortised over the respective estimated expected user lifetime of the applicable games estimated by us as there is an explicit or implicit obligation of us to maintain the virtual items operated on our platforms and allow users to gain access to them, whereas revenues from sales of in-game limited life virtual items and social networks virtual items, are recognised based on the consumption or over the stipulated periods of validity of the relevant virtual items ratably.

Revenues from subscriptions are recognised ratably over the subscription period.

Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

In respect of our VAS directly delivered to our customers and paid through various third-party platforms, these third-party platforms collect the relevant service fees (the "**Online Service Fees**") on behalf of us and they are entitled to platform provider fees at pre-determined percentages (as part of "**Channel and distribution costs**"). Such Channel and distribution costs are withheld and deducted from the gross Online Service Fees collected by these platforms from the users, with the net amounts remitted to us.

We recognise the Online Service Fees as revenue on a gross or net basis depending on whether we are acting as a principal or an agent in these transactions based on the assessment according to the criteria.

We also open our online platforms to third-party game/application developers under certain co-operation agreements, under which we pay to the third-party game/application developers a pre-determined percentage of the fees paid by and collected from the users of our online platforms for the virtual items sold. We recognise the related revenue on a gross or net basis depending on whether we are acting as a principal or an agent in the transaction.

We adopt different revenue recognition methods based on our specific responsibilities/obligations in different VAS offerings.

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms.

Revenue is recognised either ratably over the agreed period of display, or when the performance is fulfilled, such as impression, view or click. Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

FinTech and Business Services

FinTech and Business Services revenues mainly include revenues derived from the provision of FinTech services and cloud services.

FinTech service revenues include commissions from payment transactions, wealth management services and other FinTech services, where the commissions received by us are generally determined as a percentage of the value of each single transaction or periodic retention amount. Revenue from these commissions is recognised at a point in time when we satisfy our performance obligations by rendering the relevant services.

Cloud services revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources. For cloud service contracts based on subscription for a specified service period, revenue is recognised ratably over the subscribed period as the services are delivered to customers. For cloud service provided on a consumption basis, revenue is recognised based on the customer utilisation of the cloud resources. When a cloud-based service contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

Other Revenues

Our other revenues are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. We recognise other revenues as the respective services are rendered, or when the control of the products is transferred to customers.

Share-based compensation benefits

We operate a number of share-based compensation plans (including share option schemes and share award schemes), under which we receive services from employees and other qualifying participants as consideration for equity instruments (including share options and awarded shares) of us. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of us is recognised as an expense with a corresponding increase in equity over the vesting period, i.e., the period over which all of the specified vesting conditions are to be satisfied.

For grant of share options, the total amount to be expensed is determined by reference to the grant-date fair value of the options granted by using option-pricing model, "Enhanced FAS 123" binomial model (the "**Binomial Model**"), which includes the impact of market performance conditions (such as our share price) but excludes the impact of service condition and non-market performance conditions. For grant of awarded shares, the total amount to be expensed is determined by reference to the market price of the relevant equity instruments at the grant date. We also adopt valuation and actuarial techniques to assess the grant-date fair value of non-listed equity instruments granted under the share-based compensation plans as appropriate.

Non-market performance and service conditions are included in assumptions about the number of options and awarded shares that are expected to vest.

From our perspective, the grants of our equity instruments to employees of our subsidiaries are made in exchange for employee services to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "Investments in subsidiaries", or "Amounts due from subsidiaries" if rechargeable, in our statement of financial position.

At the end of each reporting period, we revise our estimates of the number of options and awarded shares that are expected to ultimately vest. We recognise the impact of the revision to prior estimates, if any, in the consolidated income statement of us, with a corresponding adjustment to equity.

When share options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share premium may be transferred to retained earnings.

If we repurchase vested equity instruments, the payments made to the employees and other qualifying participants are accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments repurchased, measured at the repurchase date. Any such excess is recognised as an expense.

If the terms of an equity-settled share-based award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification. Modifications of an equity-settled share-based award in a manner that is not beneficial to employees are not taken into account when determining the expenses to be recognised.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), we account for the cancellation or settlement as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Share-based payment arrangements where the terms provide us to settle the transactions in cash are cash-settled share-based payment transactions. For cash-settled share-based payments, a liability is recognised at the current fair value determined at the end of the reporting period to the extent of the portion of the services received until the date of settlement, with any changes in fair value recognised in profit or loss.

Income taxes

We are subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where the final tax outcome is different from the amounts that were previously recorded, such differences will impact current income tax and deferred income tax in the period in which such outcome is decided.

Recoverability of non-financial assets

Goodwill and other non-financial assets, mainly including property, plant and equipment, construction in progress, other intangible assets, investment properties, land use rights, right-of-use assets as well as investments in associates and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be fully recoverable. In addition, the Group performs impairment tests on goodwill and other intangible assets that have an indefinite life or are not yet available for use at least annually regardless of whether there are indicators of impairment. The recoverable amounts are determined based on value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Judgement is required to identify any impairment indicators existing for any of our goodwill and other non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment testing purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changes in the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect our financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

Fair value measurement of FVPL and FVOCI

The fair value assessment of FVPL and FVOCI that are measured at Level 3 fair value hierarchy requires significant estimates, which include risk-free rates, expected volatility, liquidity discounts adopted for lack of marketability, market information of recent transactions (such as recent fund-raising transactions undertaken by the investees) and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value measurement of these investments.

Scope of consolidation

Consolidation of an investee is permitted only if control exists. We control an investee when we have all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from our involvement with the investee; and (iii) the ability to use our power over the investee to affect the amount of our returns. Power results from rights that can be straightforward through voting rights or complicated from contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to us. These three factors are not considered in isolation by us in our assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on a holistic analysis of all of the relevant facts and circumstances.

We are required to reassess whether we control an investee if facts and circumstances indicate a change to one or more of the three factors of control.

RESULTS OF OPERATIONS

Six months ended 30 June 2026 compared to six months ended 30 June 2025

Revenues. Revenues increased by 10% year-on-year to RMB401,243 million (US$59,136 million) for the six months ended 30 June 2026.

The following table sets forth our revenues by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
			(Unaudited)		
	Amount (RMB in millions)	% of total revenues	Amount (RMB in millions)	Amount (US$ in millions)	% of total revenues
VAS	183,501	50%	194,524	28,669	48%
Marketing Services	67,615	19%	81,736	12,046	21%
FinTech and Business Services	110,443	30%	120,171	17,711	30%
Others	2,967	1%	4,812	710	1%
Total revenues	**364,526**	**100%**	**401,243**	**59,136**	**100%**

Revenues from VAS increased by 6% year-on-year to RMB194,524 million (US$28,669 million) for the six months ended 30 June 2026. Domestic Games revenues were RMB92.7 billion (US$13.7 billion), up 11% year-on-year, driven by growth from most of our major games, with notable contributions from *Delta Force*, *VALORANT* PC and MOBILE, *Roco Kingdom: World* and *Wuthering Waves*. International Games revenues were RMB37.4 billion (US$5.5 billion), up 6% year-on-year, primarily driven by higher revenues from *Clash Royale*, *Wuthering Waves* and *VALORANT* PC. Social Networks revenues decreased by 0.7% year-on-year to RMB64.4 billion (US$9.5 billion).

Revenues from Marketing Services were RMB81,736 million (US$12,046 million) for the six months ended 30 June 2026, up 21% year-on-year, supported by enhancements to our AI-driven ad recommendation model (which determines the ad shown to each user for each impression), upgrades to our automated campaign management solution *AIM+* (which helps advertisers purchase performant impressions), and integration of closed-loop marketing capabilities within the *Weixin* ecosystem (which facilitates *Weixin*-integrated services, such as *Mini Games* and *Mini Shops*, to advertise more effectively on Tencent-managed ad properties). Most major industry categories increased marketing spending on our platforms during the six months ended 30 June 2026.

Revenues from FinTech and Business Services increased by 9% year-on-year to RMB120,171 million (US$17,711 million) for the six months ended 30 June 2026. FinTech Services revenue growth was mainly due to higher revenues from commercial payment, wealth management and consumer loan services. Business Services revenue growth was primarily driven by increased revenues from our cloud services, underpinned by greater demand for AI-related services, ongoing international expansion, and a more favourable pricing environment.

Cost of revenues. Cost of revenues increased by 8% year-on-year to RMB171,545 million (US$25,283 million) for the six months ended 30 June 2026. The increase was primarily due to higher AI-related equipment depreciation and associated operating costs.

Gross profit. Gross profit increased by 12% year-on-year to RMB229,698 million (US$33,853 million) for the six months ended 30 June 2026, slightly outpacing revenue growth. Robust growth in high-margin revenue streams, including higher revenues from internally developed games and from Marketing Services, offset higher depreciation and operating costs associated with our expanded AI infrastructure. Gross margin was 57%, up from 56% in the same period last year. The following table sets forth our gross profit and gross margin by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
	(Unaudited)				
	Amount (RMB in millions)	Gross margin	Amount (RMB in millions)	Amount (US$ in millions)	Gross margin
VAS	110,134	60%	123,053	18,136	63%
Marketing Services	38,279	57%	45,959	6,774	56%
FinTech and Business Services	56,549	51%	62,598	9,226	52%
Others	544	18%	(1,912)	(283)	NM
Total gross profit	**205,506**	**56%**	**229,698**	**33,853**	**57%**

Gross profit for VAS grew by 12% year-on-year to RMB123,053 million (US$18,136 million), primarily driven by a greater revenue contribution from high-margin internally developed games. Gross margin expanded to 63% from 60% in the same period last year.

Gross profit for Marketing Services increased by 20% year-on-year to RMB45,959 million (US$6,774 million), broadly consistent with segment revenue growth, as higher revenues, supported by enhancements to our AI-driven marketing capabilities, largely offset higher costs, including depreciation and operating costs associated with expanding our AI infrastructure to improve ad and content recommendation. Gross margin was 56%, compared with 57% in the same period last year.

Gross profit for FinTech and Business Services rose by 11% year-on-year to RMB62,598 million (US$9,226 million), mainly driven by wealth management and consumer loan services, as well as cloud services. Gross margin increased to 52% from 51% in the same period last year.

Selling and marketing expenses. Selling and marketing expenses increased by 34% year-on-year to RMB23,212 million (US$3,421 million) for the six months ended 30 June 2026, due to higher marketing spending to support our games business and to drive adoption of our AI-native products. As a percentage of revenues, selling and marketing expenses were 6% for the six months ended 30 June 2026, increased from 5% for the six months ended 30 June 2025.

General and administrative expenses. General and administrative expenses increased by 11% year-on-year to RMB72,608 million (US$10,701 million) for the six months ended 30 June 2026, primarily reflecting higher R&D spending to support *Hy* model enhancements, *Weixin* AI initiatives, and development of AI capabilities across our products and services. As a percentage of revenues, general and administrative expenses remained stable at 18% for the six months ended 30 June 2025 and 2026.

Other gains/(losses), net. We recorded net other gains of RMB773 million (US$114 million) for the six months ended 30 June 2026.

Operating profit. Operating profit increased by 14% year-on-year to RMB134,651 million (US$19,845 million) for the six months ended 30 June 2026. Non-IFRS operating profit[1] increased by 9% year-on-year to RMB151,263 million (US$22,293 million). Non-IFRS operating profit excluding new AI products[2] increased by 18% year-on-year to RMB170.5 billion (US$25.1 billion).

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB13,112 million (US$1,932 million) for the six months ended 30 June 2026.

Interest income. Interest income increased by 5% year-on-year to RMB8,227 million (US$1,213 million) for the six months ended 30 June 2026, mainly driven by growth in cash reserves.

Finance costs. Finance costs were RMB5,958 million (US$878 million) for the six months ended 30 June 2026, compared with RMB7,801 million in the same period last year, reflecting favourable foreign exchange movements and lower interest expenses due to lower average interest rates.

Share of profit/(loss) of associates and joint ventures, net. Our share of losses of associates and joint ventures was RMB6,373 million (US$939 million) for the six months ended 30 June 2026, primarily reflecting our share of the fair value adjustment recognised by an unlisted investee from revaluation of its issued convertible redeemable preferred shares arising from increased valuation of the investee, which was excluded from our non-IFRS profit. On a non-IFRS basis, our share of profits of associates and joint ventures was RMB13,482 million (US$1,987 million), compared with share of profits of RMB13,988 million in the same period last year.

Profit before income tax. Profit before income tax increased by 10% year-on-year to RMB143,659 million (US$21,173 million) for the six months ended 30 June 2026.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB26,290 million (US$3,875 million) for the six months ended 30 June 2026, reflecting operating profit growth.

Profit for the period. As a result of the factors discussed above, profit for the period increased by 11% year-on-year to RMB117,369 million (US$17,298 million) for the six months ended 30 June 2026. Our profit margin remained stable at 29% for the six months ended 30 June 2025 and 2026.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 10% year-on-year to RMB114,115 million (US$16,818 million) for the six months ended 30 June 2026. Non-IFRS profit attributable to equity holders of the Company increased by 10% year-on-year to RMB136,320 million (US$20,091 million).

Year ended 31 December 2025 compared to year ended 31 December 2024

Revenues. Revenues increased by 14% year-on-year to RMB751,766 million for the year ended 31 December 2025.

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[1] Certain non-IFRS financial measures (in terms of operating profit, share of profit/(loss) of associates and joint ventures, net, profit attributable to equity holders of the Company) represents the IFRS financial measures after adjusting for share-based compensation, net (gains)/losses from investee companies, amortisation of intangible assets resulting from acquisitions, impairment provisions/(reversals), donations and expenses incurred for the sustainable social value and common prosperity programmes, non-recurring compliance-related costs and expenses incurred for certain litigation settlements and the related income tax effects.

[2] New AI products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*.

The following table sets forth our revenues by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	319,168	49%	369,281	49%
Marketing Services	121,374	18%	144,973	19%
FinTech and Business Services	211,956	32%	229,435	31%
Others	7,759	1%	8,077	1%
Total revenues	**660,257**	**100%**	**751,766**	**100%**

Revenues from VAS increased by 16% year-on-year to RMB369,281 million for the year ended 31 December 2025. Domestic Games revenues were RMB164.2 billion, up 18% year-on-year, underpinned by robust performance of recently released *Delta Force*, as well as higher revenues from evergreen games such as *Honour of Kings* and *Peacekeeper Elite*, and from *VALORANT* franchise (PC and mobile). International Games revenues were RMB77.4 billion, up 33% year-on-year (32% on a constant-currency basis), reflecting higher revenues from Supercell's games and *PUBG MOBILE*, as well as incremental revenue contribution from *Wuthering Waves*. Social Networks revenues rose by 5% year-on-year to RMB127.7 billion, due to growth in *Video Accounts* live streaming revenue, music subscription revenue and app-based game virtual item sales.

Revenues from Marketing Services increased by 19% year-on-year to RMB144,973 million for the year ended 31 December 2025, primarily driven by growth in pricing and ad impressions. Pricing benefitted from AI-powered ad targeting, advertisers using AI to create more ads, and an increasing proportion of closed-loop ads (where the user clicks through to native transactional experiences, such as *Mini Programs*, *Mini Shops*, or *Mini Games*). Impression growth benefitted primarily from greater user engagement with products including *Video Accounts* and *Weixin Search*, and modest increases in ad load. Advertising spending grew across most major industry categories during the year.

Revenues from FinTech and Business Services grew by 8% year-on-year to RMB229,435 million for the year ended 31 December 2025. FinTech Services revenues increased at a high single-digit rate year-on-year, due to higher revenues from wealth management services, consumer loan services, and commercial payment activities. Business Services revenues rose by a high-teens rate year-on-year, reflecting increased domestic and international demand for cloud services, including demand for AI-related services, as well as higher eCommerce technology service fees, underpinned by growth in *Mini Shops* GMV.

Cost of revenues. Cost of revenues increased by 6% year-on-year to RMB329,173 million for the year ended 31 December 2025. The increase was primarily due to higher content costs and channel and distribution costs, as well as bandwidth and server costs.

Gross profit. Gross profit rose by 21% year-on-year to RMB422,593 million for the year ended 31 December 2025, primarily driven by greater contributions from high-margin revenue streams, including internally developed games, *Video Accounts* and *Weixin Search* marketing services, and by enhanced cost efficiency in FinTech services and cloud services. Gross margin was 56%, up from 53% for the year ended 31 December 2024. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	181,657	57%	222,296	60%
Marketing Services	67,232	55%	83,389	58%
FinTech and Business Services	99,701	47%	116,616	51%
Others	656	8%	292	4%
Total gross profit	**349,246**	**53%**	**422,593**	**56%**

Gross profit for VAS increased by 22% year-on-year to RMB222,296 million, due to greater revenue contributions from internally developed games. Gross margin was 60%, up from 57% in the prior year.

Gross profit for Marketing Services rose by 24% year-on-year to RMB83,389 million, as AI-powered marketing services drove strong growth in high-margin revenue streams, particularly *Video Accounts* and *Weixin Search*. Gross margin improved to 58% from 55% in the previous year.

Gross profit for FinTech and Business Services increased by 17% year-on-year to RMB116,616 million, benefitting from growing scale of cloud services and improved revenue mix in FinTech services, alongside enhanced cost efficiency. Gross margin rose to 51% from 47% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 15% year-on-year to RMB41,727 million for the year ended 31 December 2025, reflecting increased promotional efforts to support the growth of our AI-native applications and games. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses rose by 21% year-on-year to RMB136,127 million for the year ended 31 December 2025. This growth was due to increased R&D expenses, primarily higher staff costs and increased depreciation expenses driven by our AI investments, alongside a one-off share-based compensation expense of RMB4.0 billion related to restructuring of an existing commercial arrangement at an overseas subsidiary. As a percentage of revenues, general and administrative expenses were 18% for the year ended 31 December 2025, increased from 17% for the year ended 31 December 2024.

Other gains/(losses), net. We recorded net other losses of RMB3,177 million for the year ended 31 December 2025.

Operating profit. Operating profit increased by 16% year-on-year to RMB241,562 million for the year ended 31 December 2025. Non-IFRS operating profit increased by 18% year-on-year to RMB280,656 million for the year ended 31 December 2025. We recorded non-IFRS operating profit excluding new AI products of RMB298.1 billion for the year ended 31 December 2025.

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB10,168 million for the year ended 31 December 2025.

Interest income. Interest income increased by 6% year-on-year to RMB16,909 million for the year ended 31 December 2025 due to growth in cash reserves.

Finance costs. Finance costs were RMB15,130 million for the year ended 31 December 2025, compared with RMB11,981 million in the prior year, mainly due to net foreign exchange losses recognised for the year ended 31 December 2025, versus net foreign exchange gains recorded for the year ended 31 December 2024.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB23,740 million for the year ended 31 December 2025, compared with share of profits of RMB25,176 million for the year ended 31 December 2024. Non-IFRS share of profits of associates and joint ventures rose to RMB33,457 million, compared with RMB31,635 million in the previous year.

Profit before income tax. Profit before income tax increased by 15% year-on-year to RMB277,249 million for the year ended 31 December 2025.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB47,448 million for the year ended 31 December 2025, mainly reflecting operating profit growth, partially offset by lower withholding tax provision recognised this year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by 17% year-on-year to RMB229,801 million for the year ended 31 December 2025. Our profit margin increased from 30% for the year ended 31 December 2024 to 31% for the year ended 31 December 2025.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 16% year-on-year to RMB224,842 million for the year ended 31 December 2025. Non-IFRS profit attributable to equity holders of the Company increased by 17% year-on-year to RMB259,626 million for the year ended 31 December 2025.

Year ended 31 December 2024 compared to year ended 31 December 2023

Revenues. Revenues increased by 8% year-on-year to RMB660,257 million for the year ended 31 December 2024.

The following table sets forth our revenues by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	298,375	49%	319,168	49%
Marketing Services	101,482	17%	121,374	18%
FinTech and Business Services	203,763	33%	211,956	32%
Others	5,395	1%	7,759	1%
Total revenues	**609,015**	**100%**	**660,257**	**100%**

Revenues from VAS increased by 7% year-on-year to RMB319,168 million for the year ended 31 December 2024. International Games revenues were RMB58.0 billion, reflecting 9% growth in both reported and constant currency terms, driven by strong performances from *PUBG MOBILE* and Supercell's games. Domestic Games revenues rose by 10% to RMB139.7 billion, driven by revenue growth from *VALORANT*, *Naruto Mobile*, *Fight of the Golden Spatula* and *League of Legends: Wild Rift*, alongside new contributions from *DnF Mobile* and *Delta Force*. Social Networks revenues were RMB121.5 billion, up 2% year-on-year, driven by higher revenues from music and long-form video subscription services, increased app-based game virtual item sales and *Mini Games* platform service fees, partially offset by a decline in music-related and games-related live streaming revenues.

Revenues from Marketing Services increased by 20% year-on-year to RMB121,374 million for the year ended 31 December 2024. This increase was primarily due to robust advertiser demand for *Video Accounts*, *Mini Programs* and *Weixin Search* inventories, and ongoing enhancement of our AI-powered advertising infrastructure. Advertising spending rose across most major categories, with notable growth from games, eCommerce, education and Internet services categories.

Revenues from FinTech and Business Services grew by 4% year-on-year to RMB211,956 million for the year ended 31 December 2024. The increase in FinTech Services revenues primarily reflected growth in wealth management services and commercial payment services. Higher Business Services revenues were driven by growth in *WeCom* revenue and eCommerce technology service fees.

Cost of revenues. Cost of revenues were RMB311,011 million for the year ended 31 December 2024, representing a 2% year-on-year decline, due to lower live streaming revenue sharing costs, long-form video content costs and cloud project deployment costs.

Gross profit. Gross profit rose by 19% year-on-year to RMB349,246 million for the year ended 31 December 2024, primarily driven by robust growth in high-margin revenue streams from Domestic Games, *Video Accounts*, *Weixin Search* and the *Mini Games* platform. Improved profitability in our cloud services and long-form video businesses also contributed to the overall increase in gross profit. Gross margin increased to 53%, compared to 48% in the prior year. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	161,919	54%	181,657	57%
Marketing Services	51,344	51%	67,232	55%
FinTech and Business Services	80,636	40%	99,701	47%
Others	(790)	NM	656	8%
Total gross profit	**293,109**	**48%**	**349,246**	**53%**

Gross profit for VAS increased by 12% year-on-year to RMB181,657 million, driven by growth in high-margin revenues from Domestic Games and *Mini Games* platform service fees, as well as long-form video subscription revenue growth and content cost optimisation. Gross margin improved to 57% from 54% in the previous year.

Gross profit for Marketing Services increased by 31% year-on-year to RMB67,232 million, primarily due to growth in high-margin revenues from *Video Accounts* and *Weixin Search* marketing services. Gross margin increased to 55% from 51% in the previous year.

Gross profit for Fintech and Business Services rose by 24% year-on-year to RMB99,701 million, driven by revenue growth from wealth management services, *WeCom*, and eCommerce technology service fees, as well as enhanced cost efficiency in our cloud services. Gross margin rose to 47% from 40% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 6% year-on-year to RMB36,388 million for the year ended 31 December 2024, reflecting higher promotional and advertising efforts to support new content releases. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses increased by 9% year-on-year to RMB112,761 million for the year ended 31 December 2024. This increase was primarily driven by higher R&D expenses, including those related to our AI initiatives, alongside higher staff costs. As a percentage of revenues, general and administrative expenses remained broadly stable at 17%, in line with the prior year.

Operating profit. Operating profit increased by 30% year-on-year to RMB208,099 million for the year ended 31 December 2024. Non-IFRS operating profit increased by 24% year-on-year to RMB237,811 million for the year ended 31 December 2024.

Interest income. Interest income increased by 16% year-on-year to RMB16,004 million for the year ended 31 December 2024 due to growth in cash reserves.

Finance costs. Finance costs decreased by 2% year-on-year to RMB11,981 million for the year ended 31 December 2024, primarily due to recognition of foreign exchange gains this year versus losses in the previous year, partially offset by higher interest expenses.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB25,176 million for the year ended 31 December 2024, up from share of profits of RMB5,800 million for the previous year. Non-IFRS share of profits of associates and joint ventures rose to RMB31,635 million, compared to RMB13,041 million for the previous year. The increase in non-IFRS share of profits of associates and joint ventures reflected stronger financial performances across several associates, driven by company-specific factors, including business growth, new content releases and operational efficiency improvements.

Profit before income tax. Profit before income tax increased by 50% year-on-year to RMB241,485 million for the year ended 31 December 2024.

Income tax expense. Income tax expense increased by 4% year-on-year to RMB45,018 million for the year ended 31 December 2024, primarily due to our operating profit growth, partially offset by the high base effect from deferred tax adjustments at an overseas subsidiary in the previous year. Excluding the deferred tax adjustments in the prior year, income tax expense would have increased by 15% year-on-year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by RMB78,419 million, or 66%, from RMB118,048 million for the year ended 31 December 2023 to RMB196,467 million for the year ended 31 December 2024. Our profit margin increased from 19% for the year ended 31 December 2023 to 30% for the year ended 31 December 2024.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 68% year-on-year to RMB194,073 million for the year ended 31 December 2024. Non-IFRS profit attributable to equity holders of the Company increased by 41% to RMB222,703 million for the year ended 31 December 2024.

QUARTERLY RESULTS OF OPERATIONS

The following table presents our unaudited quarterly results of operations for the most recent nine quarters. You should read the table in conjunction with the consolidated financial information contained elsewhere in this Offering Circular. Results of operations for any quarter are not necessarily indicative of results for any future quarters or full year.

	Three months ended								
	30 June 2024	30 September 2024	31 December 2024	31 March 2025	30 June 2025	30 September 2025	31 December 2025	31 March 2026	30 June 2026
	(Unaudited)								
	(RMB in millions)								
Revenues:									
VAS	78,822	82,695	79,022	92,133	91,368	95,860	89,920	96,110	98,414
Marketing services[(1)]	29,871	29,993	35,004	31,853	35,762	36,242	41,116	38,171	43,565
FinTech and business Services	50,440	53,089	56,125	54,907	55,536	58,174	60,818	59,885	60,286
Others	1,984	1,416	2,295	1,129	1,838	2,593	2,517	2,292	2,520
Total revenues	**161,117**	**167,193**	**172,446**	**180,022**	**184,504**	**192,869**	**194,371**	**196,458**	**204,785**
Cost of revenues	(75,222)	(78,365)	(81,793)	(79,529)	(79,491)	(84,071)	(86,082)	(85,193)	(86,352)
Gross profit	**85,895**	**88,828**	**90,653**	**100,493**	**105,013**	**108,798**	**108,289**	**111,265**	**118,433**
Selling and marketing expenses	(9,156)	(9,411)	(10,285)	(7,866)	(9,410)	(11,468)	(12,983)	(11,343)	(11,869)
General and administrative expenses	(27,491)	(29,058)	(31,403)	(33,664)	(31,921)	(34,259)	(36,283)	(33,800)	(38,808)
Other gains/(losses), net	1,484	2,974	2,513	(1,397)	(3,578)	483	1,315	1,253	(480)
Operating profit.	**50,732**	**53,333**	**51,478**	**57,566**	**60,104**	**63,554**	**60,338**	**67,375**	**67,276**
Net gains/(losses) from investments and others	(654)	3,066	1,119	1,407	2,638	2,820	3,303	1,928	11,184
Interest income	3,850	3,996	3,910	3,748	4,121	4,256	4,784	4,025	4,202
Finance costs	(3,112)	(3,531)	(2,512)	(3,860)	(3,941)	(3,756)	(3,573)	(2,979)	(2,979)
Share of profit/(loss) of associates and joint ventures, net	7,718	6,019	9,253	4,581	4,473	7,854	6,832	3,620	(9,993)
Profit before income tax	**58,534**	**62,883**	**63,248**	**63,442**	**67,395**	**74,728**	**71,684**	**73,969**	**69,690**
Income tax expense	(10,168)	(8,900)	(11,781)	(13,717)	(11,351)	(9,785)	(12,595)	(14,577)	(11,713)
Profit for the period	**48,366**	**53,983**	**51,467**	**49,725**	**56,044**	**64,943**	**59,089**	**59,392**	**57,977**

Note:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

We experienced growth in our quarterly revenues for the nine quarters in the period from 30 June 2024 to 30 June 2026.

LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, we currently fund our operations primarily with cash flows from operating activities. Our cash requirements relate primarily to:

- *our working capital requirements, such as transaction costs, content costs (excluding amortisation of intangible assets), employee benefits expenses, technical infrastructure operations costs (excluding depreciation), selling and marketing expenses, as well as research and development expenses; and*

- *costs associated with the expansion of our business.*

We had cash and cash equivalents of RMB172,320 million, RMB132,519 million and RMB141,041 million and RMB206,930 million (US$30,498 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Our term deposits and others included in current and non-current assets were RMB231,038 million, RMB282,894 million and RMB353,837 million and RMB304,224 million (US$44,837 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

We bill and collect revenues for our VAS principally through these prepaid channels: mobile payment solutions (mainly *Weixin Pay*) and online banking. A majority of our revenues from VAS are prepaid, allowing us to minimise our credit risk.

Our accounts receivable were RMB46,606 million, RMB48,203 million and RMB49,930 million and RMB55,606 million (US$8,195 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which mainly represented amounts due from marketing services customers and agents, FinTech and cloud customers, content production related customers, and third-party platform providers. Some marketing services customers and agents are usually granted with a credit period within 30 to 90 days immediately following the month end in which the relevant obligations under the relevant contracted orders are delivered. Third-party platform providers usually settle the amounts due by them within 60 days. Other customers, mainly including content production related customers and FinTech and cloud customers, are usually granted with a credit period within 90 days.

Our accounts payable were RMB100,948 million, RMB118,712 million and RMB121,127 million and RMB175,579 million (US$25,877 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. We normally settle the amount due by us according to the terms of our contracts.

Cash flows

The following table sets forth our cash flows information for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(USD in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Cash Flows from Operating Activities

For the six months ended 30 June 2026, we had a net cash inflow from operating activities in the amount of RMB154,061 million (US$22,706 million). Our net cash inflow from operating activities was after deduction of income tax paid of RMB32,863 million.

For the six months ended 30 June 2025, we had a net cash inflow from operating activities in the amount of RMB151,265 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB29,006 million.

In 2025, we had a net cash inflow from operating activities in the amount of RMB303,052 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB331,267 million and changes in working capital in the amount of RMB16,484 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB44,699 million. The changes in working capital primarily consisted of (i) a decrease in prepayments, deposits and other assets of RMB17,007 million, (ii) an increase in accounts payable of RMB13,741 million, and (iii) an increase in deferred revenue of RMB6,143 million, partially offset by (i) a decrease in other payables and accruals of RMB18,745 million, (ii) an increase in accounts receivable of RMB1,242 million, (iii) a decrease in other tax liabilities of RMB331 million, and (iv) an increase in inventories of RMB89 million.

In 2024, we had a net cash inflow from operating activities in the amount of RMB258,521 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB282,824 million and changes in working capital in the amount of RMB21,881 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB46,184 million. The changes in working capital primarily consisted of (i) an increase in deferred revenue of RMB16,533 million, (ii) an increase in accounts payable of RMB10,872 million, (iii) a decrease in prepayments, deposits and other assets of RMB2,632 million, and (iv) a decrease in inventories of RMB20 million, partially offset by (i) a decrease in other payables and accruals of RMB6,765 million, (ii) an increase in accounts receivable of RMB1,048 million, and (iii) a decrease in other tax liabilities of RMB363 million.

In 2023, we had a net cash inflow from operating activities in the amount of RMB221,962 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB237,458 million and changes in working capital in the amount of RMB19,233 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB34,729 million. The changes in working capital primarily consisted of (i) an increase in accounts payable of RMB8,044 million, (ii) a decrease in prepayments, deposits and other assets of RMB5,469 million, (iii) an increase in deferred revenue of RMB3,821 million, (iv) a decrease in inventories of RMB1,882 million, and (v) an increase in other payables and accruals of RMB1,349 million, partially offset by (i) an increase in accounts receivable of RMB1,010 million, and (ii) a decrease in other tax liabilities of RMB322 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended 30 June 2026 was RMB74,724 million (US$11,013 million), primarily reflecting purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB95,615 million, the payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB46,445 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB39,876 million and purchase of or prepayment for intangible assets in the amount of RMB11,547 million, partially offset by proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB41,938 million, proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB35,668 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB34,349 million.

Net cash used in investing activities for the six months ended 30 June 2025 was RMB72,407 million, primarily reflecting payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB71,170 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB45,558 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB43,023 million and purchase of or prepayment for intangible assets in the amount of RMB11,899 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB60,699 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB38,139 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB8,400 million.

Net cash used in investing activities for the year ended 31 December 2025 was RMB205,732 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB131,087 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB87,482 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB73,517 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB40,886 million, purchase of or prepayments for intangible assets in the amount of RMB25,399 million and payments for acquisition of investments in associates in the amount of RMB24,637 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB96,904 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB70,033 million and interest received in the amount of RMB14,534 million.

Net cash used in investing activities for the year ended 31 December 2024 was RMB122,187 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB66,603 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB62,927 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB52,277 million, purchase of or prepayment for intangible assets in the amount of RMB26,394 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB14,022 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB69,562 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB25,490 million and interest received in the amount of RMB14,913 million.

Net cash used in investing activities for the year ended 31 December 2023 was RMB125,161 million, primarily reflecting net placement flow of term deposits with initial terms of over three months in the amount of RMB80,706 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB45,614 million, purchase of or prepayments for intangible assets in the amount of RMB26,042 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB21,008 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB8,511 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss in the amount of RMB49,324 million and interest received in the amount of RMB10,349 million.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended 30 June 2026 was RMB9,469 million (US$1,396 million), primarily reflecting dividends paid to the Company's shareholders of RMB41,595 million, payments for repurchase of shares of RMB22,257 million, repayments of short-term borrowings of RMB13,999 million, repayments of notes payable of RMB10,399 million and interest paid of RMB6,408 million, partially offset by proceeds from short-term borrowings of RMB57,733 million and net proceeds from issuance of notes payable of RMB31,592 million.

Net cash used in financing activities for the six months ended 30 June 2025 was RMB30,111 million, primarily reflecting repayments of short-term borrowings of RMB66,262 million, repayments of long-term borrowings of RMB48,414 million, dividends paid to the Company's shareholders of RMB37,535 million, payments for repurchase of shares of RMB34,525 million, interest paid of RMB7,003 million and repayments of notes payable of RMB6,456 million, partially offset by proceeds from long-term borrowings of RMB100,230 million and proceeds from short-term borrowings of RMB76,168 million.

Net cash used in financing activities for the year ended 31 December 2025 was RMB87,155 million, primarily reflecting repayments of short-term borrowings of RMB121,385 million, payments for repurchase of shares of RMB73,312 million, repayments of long-term borrowings of RMB48,530 million, dividends paid to the Company's shareholders of RMB37,535 million, interest paid of RMB13,180 million and repayments of notes payable of RMB8,587 million, partially offset by proceeds from short-term borrowings of RMB113,557 million and proceeds from long-term borrowings of RMB108,683 million.

Net cash used in financing activities for the year ended 31 December 2024 was RMB176,494 million, primarily reflecting payments for repurchase of shares of RMB102,331 million, repayments of long-term borrowings of RMB74,642 million, repayments of short-term borrowings of RMB40,049 million, dividends paid to the Company's shareholders of RMB28,859 million, repayments of notes payable of RMB14,213 million and interest paid of RMB12,417 million, partially offset by proceeds from short-term borrowings of RMB62,563 million and proceeds from long-term borrowings of RMB52,021 million.

Net cash used in financing activities for the year ended 31 December 2023 was RMB82,573 million, primarily reflecting payments for repurchase of shares of RMB43,767 million, repayments of long-term borrowings of RMB34,116 million, dividends paid to the Company's shareholders of RMB20,983 million, interest paid of RMB11,478 million and repayments of notes payable of RMB10,141 million, partially offset by proceeds from long-term borrowings of RMB33,641 million and proceeds from short-term borrowings of RMB29,809 million.

Capital Expenditure

Our capital expenditures consist of the amount paid for investments in IT infrastructure (including computer equipment, components, and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

We believe that our existing cash and cash equivalents, cash flows from operations and term deposits will be sufficient to meet the anticipated cash needs for our operating activities and capital expenditures for at least the next 12 months.

INDEBTEDNESS

Our total borrowings amounted to RMB197,356 million, RMB199,406 million and RMB250,987 million and RMB298,942 million (US$44,059 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Our total notes payable amounted to RMB151,262 million, RMB139,209 million and RMB136,746 million and RMB154,021 million (US$22,700 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. On 15 July 2015, we completed the issue of the 2035 Notes. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. See "*Description of Other Material Indebtedness — 2035 Notes*". On 19 January 2018, we completed the issue of the 2028 Notes. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. See "*Description of Other Material Indebtedness — 2028 Notes*". On 19 January 2018, we completed the issue of the 2038 Notes. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. See "*Description of Other Material Indebtedness — 2038 Notes*". On 11 April 2019, we completed the issue of the 2029 Notes. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. See "*Description of Other Material Indebtedness — 2029 Notes*". On 11 April 2019, we completed the issue of the 2049 Notes. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. See "*Description of Other Material Indebtedness — 2049 Notes*". On 3 June 2020, we completed the issue of the 2030 Notes. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. See "*Description of Other Material Indebtedness — 2030 Notes*". On 3 June 2020, we completed the issue of the 2050 Notes. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. See "*Description of Other Material Indebtedness — 2050 Notes*". On 3 June 2020, we completed the issue of the 2060 Notes. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. See "*Description of Other Material Indebtedness — 2060 Notes*". On 3 September 2020, TME completed the issue of the TME 2030 Notes. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. See "*Description of Other Material Indebtedness — TME 2030 Notes*". On 22 April 2021, we completed the issue of the 2031 Notes. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. See "*Description of Other Material Indebtedness — 2031 Notes*". On 22 April 2021, we completed the issue of the 2041 Notes. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. See "*Description of Other Material Indebtedness — 2041 Notes*". On 22 April 2021, we completed the issue of the 2051 Notes. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. See "*Description of Other Material Indebtedness — 2051 Notes*". On 22 April 2021, we completed the issue of the 2061 Notes. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. See "*Description of Other Material Indebtedness — 2061 Notes*". On 23 September 2025, we completed the issue of the September 2030 Notes. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. See "*Description of Other Material*

Indebtedness — September 2030 Notes". On 23 September 2025, we completed the issue of the September 2035 Notes. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. See "*Description of Other Material Indebtedness — September 2035 Notes*". On 23 September 2025, we completed the issue of the September 2055 Notes. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. See "*Description of Other Material Indebtedness — September 2055 Notes*". On 16 June 2026, we completed the issue of the 2036 USD Notes. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. See "*Description of Other Material Indebtedness — 2036* USD Notes". On 16 June 2026, we completed the issue of the 2036 CNY Notes. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. See "*Description* of *Other Material Indebtedness — 2036 CNY Notes*". On 16 June 2026, we completed the issue of the 2046 USD Notes. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. See "*Description* of *Other Material Indebtedness — 2046 USD Notes*". On 16 June 2026, we completed the issue of the 2056 CNY Notes. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. See "*Description of Other Material Indebtedness — 2056 CNY Notes*".

The following table sets forth our debt as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	2026
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Current:					
USD bank borrowings					
- Unsecured	18,415	20,487	—	—	—
- Secured [1]	—	—	—	206	30
HKD bank borrowings, unsecured [1]	—	—	12,627	13,879	2,046
RMB bank borrowings					
- Unsecured [1]	7,046	28,039	28,094	70,421	10,379
- Secured [1]	100	—	100	10	1
Current portion of long-term USD bank borrowings, unsecured [2]	15,936	4,313	1,757	1,703	251
Current portion of long-term RMB bank borrowings, unsecured [2]	15	28	30	68	10
Current portion of long-term EUR bank borrowings					
- Unsecured	4	3	—	—	—
- Secured [2]	4	3	2	1	—
Current portion of long-term JPY bank borrowings					
- Unsecured [2]	16	12	8	4	1
- Secured	1	—	—	—	—
	41,537	52,885	42,618	86,292	12,718
Non-Current:					
Non-current portion of long-term USD bank borrowings, unsecured[2]	109,782	92,012	46,742	45,292	6,675
Non-current portion of long-term EUR bank borrowings					
- Unsecured [2]	3	—	17,130	16,156	2,381
- Secured	6	3	1	—	—
Non-current portion of long-term RMB bank borrowings, unsecured [2]	46,000	48,655	133,325	140,438	20,698
Non-current portion of long-term HKD bank borrowings, unsecured [2]	—	5,837	11,165	10,760	1,586
Non-current portion of long-term JPY bank borrowings					
- Unsecured [2]	26	14	6	4	1
- Secured	2	—	—	—	—
	155,819	146,521	208,369	212,650	31,341
Total borrowings	**197,356**	**199,406**	**250,987**	**298,942**	**44,059**
Current:					
Notes payable	14,161	8,623	10,542	—	—
Non-current:					
Notes payable [3]	137,101	130,586	126,204	154,021	22,700
Total notes payable	**151,262**	**139,209**	**136,746**	**154,021**	**22,700**
Total	**348,618**	**338,615**	**387,733**	**452,963**	**66,759**

Notes:

(1) The aggregate principal amounts of short-term RMB, HKD and USD bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB70,573	0.75% ~ 3.50%
RMB bank borrowings	RMB158	1-year LPR - 0.70% ~ - 0.30%
HKD bank borrowings	HKD15,980	HIBOR + 0.08% ~ 0.10%
USD bank borrowings	USD30	3.70%

(2) The aggregate principal amounts of long-term RMB, HKD, USD, EUR and JPY bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB69,085	2.52% ~ 3.10%
RMB bank borrowings	RMB65,621	1-year LPR - 0.65% ~ + 0.15%
RMB bank borrowings	RMB5,800	5-year LPR - 0.85%
HKD bank borrowings	HKD12,402	HIBOR + 0.25% ~ 0.60%
USD bank borrowings	USD6,900	SOFR + CAS + 0.80%
EUR bank borrowings	EUR2,080	EURIBOR + 0.70% ~ 0.75%
JPY bank borrowings	JPY103	0.60% ~ 1.36%
JPY bank borrowings	JPY90	TIBOR + 1.70%

The long-term bank borrowings are repayable as follows:

	As at 31 December			As at 30 June	
	2023	**2024**	**2025**	**2026**	**2026**
		(Audited)		**(Unaudited)**	
	(RMB in millions)	**(RMB in millions)**	**(RMB in millions)**	**(RMB in millions)**	**(US$ in millions)**
Within 1 year	15,976	4,359	1,797	1,776	262
Between 1 and 2 years	41,643	45,784	19,671	19,155	2,823
Between 2 and 5 years	114,174	95,759	183,771	182,794	26,941
Over 5 years	2	4,978	4,927	10,701	1,577
Total	**171,795**	**150,880**	**210,166**	**214,426**	**31,603**

(3) On 15 July 2015, we completed the issue of the 2035 Notes in an aggregate principal amount of US$100 million that will mature on 15 July 2035. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2028 Notes in an aggregate amount of US$2,500 million that will mature on 19 January 2028. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2038 Notes in an aggregate amount of US$1,000 million that will mature on 19 January 2038. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2029 Notes in an aggregate amount of US$3,000 million that will mature on 11 April 2029. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2049 Notes in an aggregate amount of US$500 million that will mature on 11 April 2049. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April

and 11 October of each year. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2030 Notes in an aggregate amount of US$2,250 million that will mature on 3 June 2030. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2050 Notes in an aggregate amount of US$2,000 million that will mature on 3 June 2050. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2060 Notes in an aggregate amount of US$750 million that will mature on 3 June 2060. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. On 3 September 2020, TME completed the issue of the TME 2030 Notes in an aggregate amount of US$500 million that will mature on 3 September 2030. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2031 Notes in an aggregate principal amount of US$500 million that will mature on 22 April 2031. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2041 Notes in an aggregate principal amount of US$900 million that will mature on 22 April 2041. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2051 Notes in an aggregate principal amount of US$1,750 million that will mature on 22 April 2051. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2061 Notes in an aggregate principal amount of US$1,000 million that will mature on 22 April 2061. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2030 Notes in an aggregate principal amount of CNY2,000 million that will mature on 23 September 2030. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2035 Notes in an aggregate principal amount of CNY6,000 million that will mature on 23 September 2035. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2055 Notes in an aggregate principal amount of CNY1,000 million that will mature on 23 September 2055. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 USD Notes in an aggregate principal amount of US$1,750 million that will mature on 16 June 2036. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 CNY Notes in an aggregate principal amount of CNY11,000 million that will mature on 16 June 2036. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2046 USD Notes in an aggregate principal amount of US$700 million that will mature on 16 June 2046. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2056 CNY Notes in an aggregate principal amount of CNY4,000 million that will mature on 16 June 2056. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount.

CONTRACTUAL OBLIGATIONS

Capital Commitments

The following table sets forth our capital commitments as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Contracted:					
Construction/purchase of buildings and purchase of land use rights	4,480	2,937	5,237	4,649	685
Capital investment in investees	9,685	9,298	12,164	13,754	2,027
Purchase of other capital assets	3,444	2,470	3,354	74,326	10,955
Total	**17,609**	**14,705**	**20,755**	**92,729**	**13,667**

Other Commitments

Our commitments under agreements mainly for technical infrastructure operations costs, online game licensing, media content and other technical services, which were contracted but not provided in the condensed consolidated financial statements, amounted to approximately RMB29,308 million, RMB31,070 million, RMB55,190 million and RMB280,147 million (US$41,289 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026. A portion of our commitments is expected to fall due within the next 12 months, with the majority payable beyond the next 12 months, based on the contractual terms of the underlying arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

Foreign Exchange Risk

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HKD, USD and EUR. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. The functional currency of us and the majority of our overseas subsidiaries is USD whereas the functional currency of the subsidiaries which operate in the Chinese Mainland is RMB.

We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures.

Price Risk

We are exposed to price risk mainly arising from investments held by us that are classified as at either FVPL or FVOCI. To manage our price risk arising from the investments, we diversify our investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing our liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for loans to investees and investees' shareholders, receivables related to financial services, term deposits with initial terms of over three months, restricted cash and cash and cash equivalents.

Our exposure to changes in interest rates is also attributable to its borrowings and notes payable, representing a substantial portion of our debts. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest-rate risk.

We regularly monitor our interest rate risk to identify if there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risk by using interest rate swaps, whenever considered necessary.

We entered into certain interest rate swap contracts to hedge our exposure arising from borrowings and senior notes carried at floating rates. Under these interest rate swap contracts, we agreed with the counterparties to exchange, at specified intervals, the difference between contractual fixed-rate interest and benchmark floating-rate interest amounts calculated by reference to the agreed notional amounts. These interest rate swap contracts had the economic effect of converting borrowings and senior notes from floating rates to fixed rates and were qualified for hedge accounting.

Swaps currently in place covered certain floating-rate borrowings principal outstanding as at 30 June 2026.

Credit Risk

We are exposed to credit risk in relation to our cash, deposits and restricted cash placed with banks and other financial institutions, accounts receivable, other receivables, derivative financial instruments, as well as debt investments measured at amortised cost, at FVOCI and at FVPL. The carrying amount of each class of these financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.

The majority of the balances of accounts receivable are due from marketing services customers and agents, FinTech and cloud customers, content production related customers and third-party platform providers. To manage the credit risk arising from accounts receivable, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of our counterparties. The credit periods granted to these customers are usually not more than 90 days and the credit quality of these customers is regularly assessed, which takes into account their financial position, past experience and other factors. We have a large number of customers and there is no significant concentration of credit risk.

Other receivables mainly comprise loan receivables related to financial services, interest receivables, loans to investees and investees' shareholders, lease deposits and other receivables. Management manages the loans by category, makes periodic assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

For financial assets whose impairment losses are measured using ECL model, we assess whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

— Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial instrument is included in stage 1.

— Stage 2: If the credit risk has increased significantly since its initial recognition but not yet deemed to be credit-impaired, the financial instrument is included in stage 2.

— Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in stage 3.

We consider the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, lifetime or 12-month ECL are provided respectively.

We consider the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout its life. To assess whether there is a significant increase in credit risk, we compare risk of a default occurring on the asset as at year end with the risk of default as at the date of initial recognition. In particular, the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

(i) Credit risk of cash and deposits

To manage this risk, we only make transactions with state-owned banks and other financial institutions in the PRC and reputable international banks and other financial institutions outside of the PRC, which are of high credit quality. The ECL is close to zero.

(ii) Credit risk of accounts receivable

We apply the simplified approach to provide for ECL prescribed by IFRS 9, which requires the recognition of the lifetime expected loss provision for all accounts receivable, with reference to their expected loss rates and probability of defaults. In view of the sound financial position and collection history of receivables due from these counterparties and insignificant risk of default, to measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over 12 months before 30 June 2026 and the corresponding historical credit losses experienced within this period or probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product ("**GDP**") to be the most relevant factor. Various economic scenarios are considered in generating the forward-looking adjustment.

A default on accounts receivable occurs when the counterparty fails to make contractual payments after a certain period which takes into account their financial position, past experience and other factors after they fall due. To measure the ECL, accounts receivable are grouped on the basis of shared credit risk characteristics, such as industry, with the objective of facilitating recognition of loss allowance on a timely basis. Accounts receivable are written off, in whole or in part, when we have exhausted all practical recovery efforts and have concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with us, and the failure to make contractual payments for a period of greater than three years past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same item.

(iii) Credit risk of loan receivables related to financial services

To manage credit risk arising from loan receivables related to financial services, standardised credit management procedures are performed. We measure credit risk using Probability of Default ("**PD**"), Exposure at Default ("**EAD**") and Loss Given Default ("**LGD**"). This is consistent with the general approach used for the purpose of measuring ECL under IFRS 9. ECL is the product of PD, EAD and LGD.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. No significant changes to estimation techniques or assumptions were made during the reporting period.

As at 30 June 2026, the majority of the gross carrying amount of loan receivables was classified in stage 1, and the amount of loan receivables transferred from stage 1 to stage 2 or stage 3 was immaterial. During the six months ended 30 June 2026, the impairment loss resulting from loan receivables related to financial services was immaterial.

Liquidity Risk

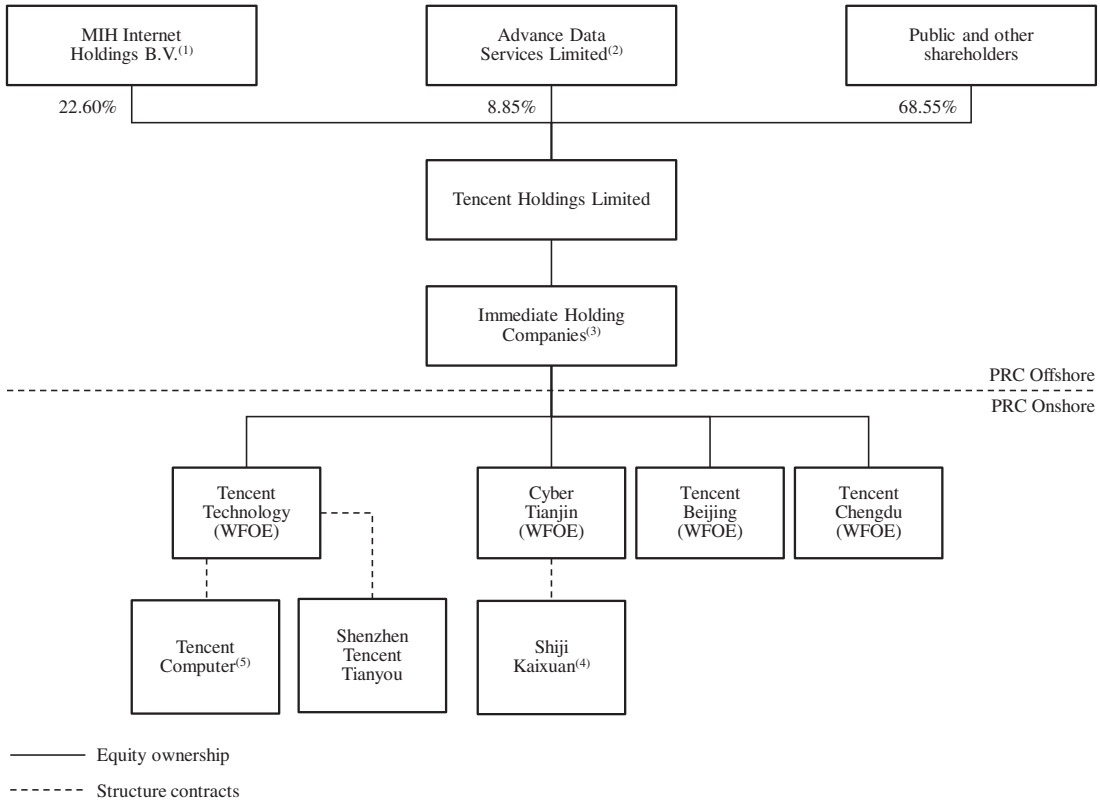
We aim to maintain sufficient cash and cash equivalents, and readily marketable securities which are classified as FVPL. Due to the dynamic nature of the underlying businesses, we maintain flexibility in funding by maintaining adequate balances of such.

The section entitled "*Our Corporate Structure*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

OUR CORPORATE STRUCTURE

We were incorporated in the British Virgin Islands on 23 November 1999 as an international business company with limited liability. We redomiciled to the Cayman Islands on 27 February 2004 and continued as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The following diagram illustrates our principal corporate and share ownership structure as at 30 June 2026.



Notes:

(1) MIH Internet Holdings B.V. is controlled by Naspers Limited through its non wholly-owned subsidiary, Prosus N.V.

(2) Advance Data Services Limited held 709,859,700 shares directly and 95,000,000 shares indirectly through its wholly-owned subsidiary, Ma Huateng Global Foundation Limited (formerly known as Ma Huateng Global Foundation). Advance Data Services Limited is wholly-owned by Mr Ma Huateng.

(3) Intermediate Holding Companies include various Group companies established for the purpose of holding interests in various WFOEs as well as other investments of the Group.

(4) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

(5) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

We primarily conduct our Chinese operations through our WFOEs, including *Tencent Technology*, *Cyber Tianjin*, *Tencent Beijing* and *Tencent Chengdu*. The Company holds its interests in the WFOEs through certain intermediate holding companies wholly-owned by the Company. Our WFOEs employ a substantial portion of our staff, develop the principal software (other than software acquired from third-party providers) for our operations and hold our principal intellectual property rights.

STRUCTURE CONTRACTS

PRC regulations currently restrict foreign ownership of companies that provide value-added telecommunications services in China. See also "*General Regulation on Internet and Telecommunications Industries*". As foreign-invested enterprises, our WFOEs do not have licences to provide Internet content or information services and other value-added telecommunications services. Accordingly, we conduct Internet businesses, our value-added telecommunications businesses and other related businesses mainly through *Tencent Computer, Shiji Kaixuan and Shenzhen Tencent Tianyou* by themselves, or through their subsidiaries, under a series of contractual agreements (collectively, the "**Structure Contracts**") entered into among certain of our WFOEs, consolidated affiliated entities and shareholders of our consolidated affiliated entities. *Tencent Computer* is licenced to provide Internet information services, value-added telecommunications services and other related services and operate those services. The shareholders of *Tencent Computer* are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

As a result of the Structure Contracts, the Group is able to effectively control, and recognise and receive substantially all the economic benefit of the business and operations of, our consolidated affiliated entities. In summary, the Structure Contracts provide the Company through the WFOEs with, among other things:

(a) the right to receive the cash received by the consolidated affiliated entities from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;

(b) the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the consolidated affiliated entities without making any payment; and

(c) the right to control the management and financial and operating policies of the consolidated affiliated entities.

The Structure Contracts establish a cooperation committee (the "**Co-operation Committee**") for each of the consolidated affiliated entities to oversee its business and operations. The Co-operation Committees advise, supervise and effectively control the businesses of the consolidated affiliated entities. Through the Co-operation Committees, the WFOEs advise, supervise and effectively control the business of the consolidated affiliated entities. Under the Structure Contracts, the Co-operation Committees will adopt an internal governance mechanism for payments, expenditure and expenditure-related contracts. Our approval matrix is required to be consistent throughout the Group and can be amended only by the Directors of the Company, and any such amendment applies to all members of the Group.

The Structure Contracts also effectively transfer from the consolidated affiliated entities to the WFOEs all of the cash that is surplus to the requirements of the consolidated affiliated entities, primarily in the form of fees paid for the WFOE's provision of certain technology and information services to the consolidated affiliated entities under the applicable Structure Contracts between the WFOEs and the consolidated affiliated entities. The Co-operation Committee determines and adjusts periodically the fees to be paid by the consolidated affiliated entities to the WFOEs to ensure that all such surplus cash of the consolidated affiliated entities is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the consolidated affiliated entities to be consolidated with the Company as if they were subsidiaries of the Company and that the economic benefit of their businesses flows to the Company and the WFOEs.

Our PRC legal counsel, Han Kun Law Offices, is of the opinion that the Structure Contracts setting forth our contractual arrangements among *Tencent Technology*, *Tencent Computer* and shareholders of *Tencent Computer,* who are Chinese individuals, have been duly authorised, executed and delivered by the applicable Chinese companies and Chinese individuals who are parties thereto, and that each of the Structure Contracts (i) constitutes a legal, valid and binding obligation of the Chinese companies and Chinese individuals who are parties thereto and is enforceable against such parties in accordance with its terms, subject as to enforceability, bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and (ii) is in compliance with, and does not violate any applicable existing requirements of, PRC Laws. In providing their opinion, our counsel has noted that there are ongoing uncertainties and risks in this area as further described under "*Risk Factors — Risks Related to our Corporate Structure*" and "*General Regulation on Internet and Telecommunications Industries*".

The section entitled "*Business*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

BUSINESS

OUR MISSION AND VISION

Our mission and vision is "Value for Users, Tech for Good", guided by our values of "Integrity, Proactivity, Collaboration and Creativity". Throughout our history, users are at the heart of everything we do. We are committed to investing in our content platforms and technology infrastructure, and expect AI to become a growth multiplier that enables us to better serve our users, customers and society at large.

OVERVIEW

We are a leading technology company offering a broad range of services, including communications and social networks, games, digital content, marketing services, FinTech and business services for our users, enterprises and merchants. We develop and deliver highly popular products and services to enhance the quality of life and improve connectivity for users and to maximise business opportunities for enterprises and merchants through digital transformation. Our comprehensive product offerings, advanced technologies and robust infrastructure form a hub that fulfills living needs of users, as well as growing business needs of enterprises and merchants, covering a massive spectrum of online and offline scenarios. In our core businesses, we are now a leader in leveraging AI to enhance strength and accelerate growth.

We operate the largest communications and social community in China in terms of user base through *Weixin* and *QQ*. *Weixin* and *WeChat* had a combined MAU of 1,439 million, and *QQ* had a mobile device MAU of 520 million as at 30 June 2026. Over the years, we supplement instant messaging with open platforms, and have established a diversified and thriving digital ecosystem. The open platforms extend connectivity with external content and services, where users can fulfil not only their social networking needs, but also their lifestyle pursuits.

We fulfil users' perpetual need to connect with other users, such as friends, family members and business associates, through communicating, sharing and interacting in our ecosystem. Users chat via instant messaging, post in *Moments*, discover via *Weixin Search*, read news and information from *Official Accounts*, entertain through *Video Accounts* and transact in *Mini Shops*. *Video Accounts* complement our other social networking services with short videos and live streaming, as users can watch videos and easily share them in *Moments* and chats. *Mini Shops* are our platform for indexed and standardised merchandise, where merchants can operate storefronts similar to those in eCommerce marketplaces, while leveraging *Weixin* social interactions, content services and payment capabilities.

Enterprises, merchants, advertisers and content providers benefit from the massive traffic and digital transformation brought by our digital ecosystem, which better fulfil their business needs and enhance conversion and efficiency. Services such as *Weixin Pay*, *Mini Programs*, *Video Accounts* and *Mini Shops* are becoming increasingly interconnected and serve as central hubs of mobile connectivity among users, enterprises and content providers, enhancing overall user engagement and usage frequency. *Mini Programs*, a light feature embedded in *Weixin*, enable a simple and innovative way to connect content and service providers online and offline with users, and to convert user interactions into transactions and repeat sales. The close connection of *Video Accounts* with other *Weixin* functions links public and private domains, allowing content providers and merchants to increase user reach and drive transactions. We are embedding AI across the *Weixin* ecosystem to enhance user experience, spanning social interactions, information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. In addition, we have begun a small-scale prototype test for *Xiaowei*, an embedded and context-aware agentic AI service within *Weixin*. *Xiaowei* is powered by a customised model, *WeLM*, built for user privacy, Weixin-specific use cases and cost efficiency.

As a cross-platform instant messaging platform, *QQ* offers a wide range of features including communications, interest-based communities, content and social network, catering to users across different generations. *QQ* empowers users to express themselves freely, discover and engage with interest groups and utilise productivity tools such as file management and photo albums. With *QQ*, users can enjoy diverse social experiences online.

We provide leading digital content services leveraging our rich portfolio of high-quality IPs. We create appealing content based on these IPs to attract paying users, extending our IP value across various formats, such as music, video, literature, anime and games. We offer premium music content through *TME*. We are the leader in the long-form video industry by paying users. We operate *China Literature*, a leading online literature and IP incubation platform in China. We ranked first in music and video by paid subscription, and first in literature by users' paid revenue in China as at 30 June 2026. Our fee-based VAS subscriptions[3] reached 259 million as at 30 June 2026.

We believe we were the largest game developer and publisher, globally by revenues, in 2025. We have a strong and expanding portfolio, led by our evergreen games with various vintages, and we continuously nurture popular new games with evergreen potential. Over the years, we have achieved success across a wide variety of genres, both in domestic and international markets, and across mobile, PC and console platforms. In China, we operated eight out of the top 10 domestic mobile games by average quarterly DAU in the second quarter of 2026, according to QuestMobile. In international markets, we operated 3 out of top 10 international mobile games by average quarterly DAU in the second quarter of 2026, according to Sensor Tower. We have strengthened our global leadership through self-developed titles and collaboration with IP partners and investee companies. In addition to our leadership in gameplay-focused games, including battle arena and action games, we have also achieved initial success in content-driven and narrative games. In 2025, International Games revenue surpassed US$10 billion. In addition, we are also leveraging generative AI to accelerate in-game content production speed and scale, as well as facilitating new user acquisition and existing user retention.

Our massive and engaged user base as well as advanced technology make us the preferred choice for advertisers. We leverage our advertising platform which is powered by foundation models with large language model capabilities, and offer generative AI-empowered tools for advertisers. These tools enable the creation of advertisements, streamline the ad approval and placement process, enhance recommendation algorithms and facilitate performance analysis, ultimately boosting ROI for advertisers. We offer marketing solutions across our digital ecosystem and content platforms, and provide unified access to our own and third-party marketing inventories through mobile advertising network. The significant traffic across our various properties offers ample opportunities for marketing services.

We have spent many years establishing a solid base for FinTech services through our widely used payment platform. We facilitate users' basic payment needs, such as transaction and utility payments, red packets, money transfers with friends and bill sharing. Building on top of our payment services, we offer additional value-added FinTech services, including wealth management services, consumer loan and insurance via deepened cooperations with licensed financial institutions, maintaining an unwavering focus on risk management. FinTech services revenue grew single digit % year-on-year in the second quarter of 2026, driven by increased revenue in commercial payment, wealth management, and consumer loan services.

Our robust technology and infrastructure lay a solid foundation for our cloud services. We offer high-performance computing services that power our enterprise customers across 70 Availability Zones. We have been accelerating AI integration into our cloud business across IaaS, PaaS and SaaS solutions. Through our IaaS solutions, enterprise customers can achieve high performance AI training

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[3] Average daily number of subscriptions during the quarter.

and inference capabilities at scale, while developers can access and deploy mainstream foundation models. Our PaaS platform provides powerful solutions, enabling enterprise customers to customise AI assistants using their own proprietary data and developers to generate mini programs and mobile applications through natural language prompts. We ranked second by PaaS revenue in the first quarter of 2026, according to IDC[1]. Our SaaS products, such as *WeCom*, *Tencent Meeting* and *Tencent Docs*, have achieved strong user and revenue growth and deepened penetration into key verticals. *WeCom*, the enterprise version of *Weixin*, has become an integral communications tool for remote workplaces and the top CRM software by revenue in China. *Tencent Meeting* ranked first among video conferencing software by user time and revenue in China. In the second quarter of 2026, our cloud revenue growth accelerated to low-twenties % year-on-year due to AI-related demand, international expansion, and increased usage and pricing for general cloud services. Our international cloud business is seeing increased demand in the rest of Asia and the Middle East.

Our self-developed *Hy* foundation model enables us to develop end-to-end foundation model capabilities in terms of infrastructure, algorithm, training, alignment and data management, and also to tailor solutions for the different needs of internal and external use cases. Starting in September 2025, we restructured our large language model team and rebuilt our foundational capabilities including enhancing AI infrastructure reliability, ingesting more and better-quality data, and implementing a persistent evaluation feedback loop. In April 2026, we released *Hy3* preview large language model, which was the first *Hy* model trained on re-built foundations and delivered substantial practical utility and cost efficiency, outperforming models in its size class. In July 2026, we released *Hy3* production version with enhanced quality and diversity of post-training data, unlocking integration with internal *Tencent* applications. In August 2026, we launched *Hy4* preview, a large model with substantial performance uplift and cost efficiency in activities, such as office work and website and *Mini Program* creation. *Hy4* preview ranked first among open-source models on the Agent Arena leaderboard in terms of real-world agentic task orchestration[2].

Our Model-as-a-Service ("**MaaS**") business provides a range of models including our own Hy series to meet customers' inference needs. Our MaaS revenue has begun to achieve rapid growth. MaaS already generates positive gross margins, reflecting industry-wide limited supply of GPUs, our large pre-existing client base, our deep infrastructure know-how and our continued cost-down initiatives.

On productivity AI, we are currently the first mover and clear China market leader, with our *WorkBuddy* and *CodeBuddy* productivity AI tools, which are starting to generate subscription revenue from enterprise and prosumer paying customers. Our productivity AI tools, *WorkBuddy* and *CodeBuddy*, ranked first and fourth respectively, among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys.

On consumer AI, we released prototype of agentic AI service, *Xiaowei*, to deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s social existing distribution, social graph, and Mini Programs and payment infrastructure.

We strive to harness our technology, connectivity and platform to create sustainable social value, and have made significant progress integrating sustainability into our strategy, development of products and services, and daily operations. For more details of our ESG initiatives, see "*Environmental, Social and Governance ("ESG") Initiatives*".

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1 IDC Quarterly Public Cloud Services Tracker, 1Q26

2 As of September 28, 2026; Based on signals like tool reliability, task completion, and steerability

OUR STRENGTHS

We believe that the following strengths contribute to our success and differentiate us from our competitors:

Vibrant Digital Ecosystem Based on Fundamental Communication and Social Needs

We have built an integrated and vibrant digital ecosystem with social communications at its core to fulfil the expanding needs of our users and enterprise partners. We operate the largest communications and social community in China in terms of user base, with 1,439 million combined MAU of *Weixin* and *WeChat*.

Our flagship product, *Weixin*, satisfies the most fundamental communications and social needs of users. Messaging fulfills the perpetual social networking needs among friends, family and colleagues, and *Weixin*'s MAU and total time spent increased in 2025. Building upon *Weixin*'s core functionality, our thriving *Weixin* ecosystem is expanding rapidly through an open platform, which seamlessly connects users with products, services and content via *Video Accounts*, *Mini Programs*, *Mini Shops*, *Official Accounts* and *Weixin Search*. We pioneered and proliferated these programs, which complement our native mobile applications and materially enhance our user experience, enterprise relationships, and the development of our marketing, payment and business services.

Our thriving ecosystem continuously enhances value for users, merchants and advertisers, and content providers:

— **Users**: Users can interact and share via messaging and group chats, discover their desired content and services in *Moments*, *Weixin Search* and *Official Accounts*, upload videos to *Video Accounts* and share with other users, as well as enjoy products and services via *Mini Programs*.

— **Merchants and advertisers**: The seamless connections of our merchants and advertisers with users increase their operational efficiency, conversion rates and revenue opportunities. *Video Accounts*, *Mini Programs* and *Mini Shops* empower merchants and advertisers to effectively target a broader audience, increase user engagement and usage frequency, therefore converting user interactions into transactions and repeat sales. These platforms not only lower entry barriers and launch costs for developers and merchants, but also connect them with the broader non-app users within our digital ecosystem. *Mini Programs*' light and easy-to-access nature suits industries that require online-offline integration, and also provides a unique platform for complex apps to offer select popular functions and for low-frequency services to increase exposure. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and have achieved further growth in 2025.

— **Content providers**: Content providers also benefit from the close interactions with users and massive traffic, which help them expand audience reach and nurture the creation of high-quality content. We provide more targeted traffic support for creators in key categories, such as knowledge-based content, lifestyle and music, and have enhanced recommendation algorithms to prioritise original content. We also enriched our content offering in *Mini Programs* with increasingly popular *Mini Games*, whose monthly active user accounts exceeded 500 million in February 2026, and *Mini Dramas*.

We have deeply integrated marketing, payment and business services within our digital ecosystem platform. Through *Weixin Pay*, we enable users and merchants to settle transactions across our ecosystem. Seamless integration with *Weixin*, *Tencent Meeting* and *Tencent Docs* enables *WeCom* to become a core platform with enhanced collaboration and productivity.

We continue to introduce AI features within *Weixin* to enhance communication efficiency and content discovery for our users and as a result, this strengthens our value propositions to the merchants, advertisers and content providers on our platforms. For example, we deploy long-sequence large

model that enhances intelligence of content recommendation for *Video Accounts*, which was the second most popular short video service by DAU in China. Total time spent on *Video Accounts* grew over 20% year-on-year in 2025 and the first half of 2026. For *Mini Programs*, we upgraded developer toolkit architecture so users can better leverage AI plug-ins. Over time, AI agents can use *Mini Programs* code as AI skills, pre-built and context aware tools, within *Weixin*. We enhanced *Mini Shops* customer service and merchandise recommendation with large language model, driving higher sales conversion. In addition, we released prototype of *Xiaowei*, agentic AI which deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s existing distribution, social graph, and Mini Programs and payment infrastructure.

Effective Marketing Services With Improving ROI Driven by Ad Tech, User Engagement and Transaction Ecosystem

We have been powering our advertising technology platform with foundation model and generative AI capabilities which allow for a deeper understanding of merchandise and user interests, enabling better ad targeting and click-through rates and ultimately providing more value to advertisers. Generative AI also enables advertisers to create more ads more efficiently, with greater relevance to users. Our automated ad campaign management solution *AIM+* improved advertisers' return on marketing spending. *AIM+* powered approximately 30% of the total marketing services spending from our advertisers in first quarter of 2026.

Robust advertiser demand for *Video Accounts* has been a key driver behind the strong growth of our marketing services. *Video Accounts* have become an attractive platform for advertisers due to their growing popularity among users. With features like short-form video, live-streaming and user-generated content, *Video Accounts* appeal to a wide range of advertisers, from large-scale consumer brands to small and medium-sized enterprises, who can utilise our marketing tools to enhance content exposure, promote live streams and drive sales conversion.

We have been enhancing the transaction ecosystem within *Weixin*, which has contributed to the growth of closed-loop advertising. We direct a large amount of traffic from various touchpoints such as *Weixin Search*, *Moments* and *Video Accounts*, to advertisers' respective *Official Account*, *Mini Programs* and *Mini Shops*. Users can explore products and services by going through product catalogs or watching live-streams, complete the purchases through *Weixin Pay* and manage after-sales services, all within the *Weixin* ecosystem. This closed-loop model reduces the friction between ad exposure and purchase conversion, making it more appealing to advertisers, as they can track the entire customer journey more effectively from ad impression to conversion and optimise their marketing strategies accordingly.

Leading Global Game Platform With an Expanding Evergreen Games Portfolio and Growing Overseas Presence

Throughout our over 20-year journey with games, we have accumulated industry know-how, user insights, production and distribution capabilities. These strengths enable us to develop and operate many evergreen games across various genres, such as battle arena and action, and on mobile and PC platforms. In 2024, we expanded our evergreen games portfolio to 14 titles, while nurturing new games with evergreen potential. In recent years, we have solidified our leadership in our evergreen gameplay-focused games, launched several major new titles, achieved success in content-driven and casual games and further expanded our leadership in international markets.

In China, we have achieved success with our evergreen games with various vintages and further strengthened our leadership via new games with evergreen potential. We define evergreen games as those that surpass average quarterly DAU of 5 million for mobile or 2 million for PC and generate over RMB4 billion annual gross receipts. Our flagship evergreen games *Honour of Kings* and

Peacekeeper Elite have been in operation since 2015 and 2019, respectively, and remain highly popular and continue to achieve solid growth today. *Honour of Kings*, *Delta Force*, *Peacekeeper Elite* and *Roco Kingdom: World* ranked among the top five games by average quarterly DAU in the second quarter of 2026, according to QuestMobile.

We have extended our market leadership to international games markets. Our international games business has become an increasingly large contributor to revenue, contributing to 32% of games revenues in 2025. We grew our international business through in-house studios and collaborations with external partners via strategic investments and partnerships, and have achieved widespread popularity. In the second quarter of 2026, *Brawl Stars* was a top five mobile game by average quarterly DAU in international markets, according to Sensor Tower.

We continue to launch new games with evergreen potential, such as *Delta Force*, our first in-house developed multi-platform first-person shooter, which has recently qualified for the definition of an evergreen game. *Delta Force* ranked among the top three games by DAU in China in the fourth quarter of 2025, according to QuestMobile, and achieved lifetime high average DAU in the second quarter of 2026, demonstrating strong enduring potential.

We also leveraged generative AI in games to accelerate content production speed and scale, optimize the matching experience by enabling virtual teammates and providing more human-like interactions, enhance marketing for player acquisition and engagement and deliver more realistic graphics via AI rendering techniques.

Digital Content Powerhouse With Significant Monetisation Potential Arising From Self-Owned IPs

We are the leading player in the entire digital content value chain, from IP, production to distribution. We possess a rich, high-quality, differentiated IP and content library that spans across multiple formats, including video, music, audio, literature and comics. With our industry-leading production and distribution capabilities, we can develop these into highly popular digital content works, and then distribute to our massive user base. Our online literature, comics, music and game platforms nurture high quality IPs, while our studios including *New Classics Media* create and convert into premium video content. Our self-owned IPs pave the way for monetisation potential.

By driving synergies across our digital content services, we have significantly enhanced the value of our IP portfolio. We ranked first in music and video by paid subscription and first in literature by users' paid revenue as at 30 June 2026 in China, with these subscription revenues recurring in nature. Our fee-based VAS subscriptions[4] reached 259 million as at 30 June 2026.

We also leverage AI to improve productivity, boost content discovery, enhance content recommendation algorithms and offer personalised experiences. These initiatives enable us to better unlock the potential of our content platforms.

Solid and Expanding FinTech Platform With Prudent Risk Management

We have spent many years building our ubiquitous payment services, which set a solid foundation for our other FinTech services, with strict adherence to regulatory requirements and prudent risk management. Product upgrades have propelled our success in payment services. Over the years, we have launched a series of upgrades and deeply integrated payment services with our ecosystem, fulfilling both the lifestyle needs of users and the business needs of enterprises and merchants. We introduced *Weixin Palm Pay* in 2023, and expanded beyond the Chinese Mainland with a launch in Macau in September 2024. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based transaction tools and enhancing cross-border payment experience. The

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[4] Average daily number of subscriptions during the quarter.

daily average number of commercial payment transactions on *Weixin Pay* has exceeded 1 billion since the fourth quarter of 2019. Commercial payment revenue continued year-on-year growth, despite macro uncertainties, due to increasing numbers of transactions. Our payment business has structurally benefitted from synergies with *Mini Programs*, which provide online and offline solutions for merchants to reduce transaction friction and drive repeat sales.

Leveraging our robust payment platform, we facilitate the distribution of wealth management services as well as consumer loan products and services in collaboration with licensed financial institutions. For wealth management services, we have achieved a strong growth in aggregated customer assets, driven by an increase in users and average assets per user. As we prudently expand our FinTech business beyond payment, risk management continues to be our core strength and focus.

High Quality Revenue Growth Model Powers Sustainable Value Creation

Over the years, we have established a diversified and resilient revenue model encompassing both consumer and enterprise-facing businesses. This approach allows us to maintain resilience amidst economic cycles and capture opportunities during growth periods. We started with consumer-facing businesses, such as social networks, games and digital content, and expanded into enterprise-facing services, such as marketing services, FinTech, cloud and other business services. Our growing international presence, driven by our games and cloud businesses, provides an additional healthy stream of revenue from outside China.

We have consistently generated healthy cash flows from our operations and maintained positive operating cash flows since 2001, even through various economic cycles. A significant majority of our revenues are derived from micro-transactions or subscription revenues generated by our massive user base, which are recurring in nature. Consequently, our business is generally less affected by economic slowdowns and macro or industry headwinds. Since our first bond issuance in 2011, we have achieved 26 times revenue growth and 24 times Adjusted EBITDA growth by 2025, compared with 2011.

We strategically focus on high-quality growth, translating solid revenue growth into faster gross profit and Adjusted EBITDA growth by achieving positive revenue mix shift. In the last twelve months ended 30 June 2026, year-over-year growth in revenue, gross profit and Adjusted EBITDA reached 12%, 16% and 15%, respectively.

We bill and collect a significant amount of our revenues on a prepaid basis, which minimises our working capital needs and results in a high cash flow conversion ratio. For the last twelve months ended 30 June 2026, our operating cash flow increased 8% year-over-year to RMB305,848 million.

Solid Balance Sheet With Prudent Capital Management

We adopt a prudent balance sheet management strategy, and have maintained a strong and stable liquidity position alongside a significant investment portfolio. As at 30 June 2026, our cash and cash equivalents and term deposits and others in total amounted to RMB511.2 billion. The fair value of our shareholdings[5] in listed investee companies (excluding subsidiaries) amounted to RMB487.2 billion as at 30 June 2026, while the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) amounted to RMB387.9 billion as at 30 June 2026. In recent years, we have also diversified our debt funding mix with a broader spectrum of borrowing maturity mix and a diverse set of lending and relationship banks. For the last twelve months ended 30 June 2026, total debt/Adjusted EBITDA was 1.3x, Adjusted EBITDA/interest and related expense was 27.2x, and total debt/total capitalisation was 27.0%.

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

Stable Management Team With Proven Execution Track Record

We have a stable and seasoned senior management team with extensive operating experience in the Internet and technology industries, coupled with strong capabilities in developing and executing innovative business strategies. In addition to our core founders, we have recruited senior talents from leading global firms. We also have competitive training and career development plans in place to continuously build our teams. The collective experience of our management team combines local and international expertise, industry knowledge and complementary skill sets, which have led us to become a leading technology company. We believe our committed and experienced management team will continue to drive our success by creating value for users, enterprises and society.

OUR STRATEGIES

We have strategically shifted our focus into a "High Quality Revenue Growth Model" to support our continued economic value creation. Under this model, we aim to translate solid revenue growth into faster gross and operating profit growth by achieving positive revenue mix shift and delivering greater operating leverage for our existing core businesses. We remain focused to drive high quality revenue streams such as the *Video Accounts* ads, the search ads, value-added FinTech services, the eCommerce technology services fees, and our own games, which continue to grow faster than our overall revenue and contribute substantially higher margins than our blended margin. This approach provides us the capacity to reinvest this leverage for the exciting AI opportunity.

Our investment in AI is both a growth multiplier for our existing businesses and a new growth driver. We believe that in our core businesses, we are now a leader in leveraging AI to strengthen and accelerate growth. Use of AI is already showing positive initial results for our businesses, demonstrated by user engagement and revenue trends.

We aim to continue to implement the following strategies:

Develop New AI Capabilities and Products to Capture Exciting New Opportunities

We have assembled the compute infrastructure, model intelligence and human talent which we believe are preconditions to upgrade our services for the AI era, and to cultivate a virtuous feedback cycle for AI. Our AI strategy includes delivering agentic AI to consumers within the *Weixin* application, delivering agent-to-agent capabilities to merchants through *Mini Programs* and *TenPay* infrastructure, and delivering productivity AI to enterprises and prosumers via our productivity AI tools, *WorkBuddy* and *CodeBuddy*. Through these initiatives, we intend to expand our user base and use cases, add AI engagement to our user interactions, and create new monetization streams. Real-world usage arising from AI engagement, such as users entering prompts into our productivity AI tools, provides proprietary data that enables us to rapidly iterate our AI model intelligence and AI application capabilities.

We will continue to invest in our own family of foundation models. Our AI applications, especially our productivity AI tools, generate substantial and valuable user feedback, enabling us to better train our models and enhance their real world utility. Experience providing AI infrastructure in tandem with operating our own models lets us co-design our compute and models together, and thus drive down inference costs. Possessing our own models, which represent a substantial share of our customers' and our own usage, removes our reliance on any single external model provider and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding

capability. We will also focus on integrating multimodal capabilities to our flagship large language models, especially for 3D and video generation, where we see substantial paying customer demand from specific high value industries. Furthermore, we will customize lightweight flash models to further bring down the inference cost, enhancing cost performance to users.

We plan to unlock huge opportunities in productivity market, including coding and existing office work scenarios, with our productivity AI tools such as *WorkBuddy* and CodeBuddy. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys, and is generating revenue from users paying for tokens through subscriptions or top-ups. We are currently prioritizing market education and extending our leadership position, and we target to improve economics over time as we increase paying penetration, and reduce token costs through improvements in agent efficiency, inference efficiency, and model optimization. We believe productivity AI tools will become a franchise business , as context lock-in effect will bring up switching costs and build user loyalty.

We have begun a small-scale prototype test for *Xiaowei*, the agentic AI embedded within *Weixin*, and intended to enhance the growth and monetisation of the *Weixin* ecosystem with AI. We expect *Xiaowei* to contribute progressively to our revenues over time, through a number of monetization paths including higher advertising revenues driven by more relevant ad targeting, new enterprise revenue arising from providing agent-to-agent facilitation services to merchants and service providers, and increased activity velocity across the *Weixin* ecosystem, which we anticipate will generate additional advertising inventory and a greater volume of payment fee generating transactions. We are currently executing several initiatives to further elevate the *Xiaowei* user experience and then roll out to broader *Weixin* consumer and merchant user base.

For *Yuanbao*, our AI-native chatbot, we will continue to prioritize enhancements to its capabilities and user experience, particularly in search, speech recognition and text-to-speech functionality. The ongoing development of our AI products plays an important role in the co-design flywheel that enhances our *Hy* family of models.

We are accelerating AI integration into our cloud services by introducing a suite of autonomous AI agent products and tools, along with upgraded agent-related infrastructure. We increasingly allocate compute to Model-as-a-Service business, providing a range of models including our flagship *Hy* series to existing and new *Tencent Cloud* customers to meet their inference needs. We remain focused on strengthening our IaaS solutions, and enable enterprise customers to achieve high performance AI training and inference capabilities at scale. For PaaS, we continue to provide powerful solutions supporting enterprise customers and developers. Furthermore, we will focus on enhancing our AI-powered tools to expand and upgrade our SaaS products, enabling more AI functions to enhance user productivity.

For marketing services, we have been enhancing our ad tech platform with LLM capabilities, scaled-up foundation model and upgraded architecture for our runtime advertising recommendation model. For entertainment content, we are utilising generative AI to enhance the creation of high production value games, as well as improving content discovery and user experience for short form video and music.

We will continue to train foundation models, step up development of new AI-native products and support surging inference demand for core businesses. We sharpened our focus on both fast product innovation and deep model research, matching our stepped up execution momentum and decision making velocity. We will continue to invest in our own models and accelerate the development of AI applications across our business groups. Additionally, we are investing in marketing to build user awareness and promote the adoption of our AI native products. We believe these investments will yield good economic returns over time.

Enrich our Ecosystem Through Better User Engagement and Strengthening Transaction Capabilities

We believe that the depth of user engagement within our vast online communities is one of our key competitive advantages. Our goal is to further increase user engagement by enhancing their experience and connecting them to our broadening online and offline products and services. We will continuously enhance functionalities and enrich high-quality content across our various digital content platforms, including games, music and video in collaboration with third-party developers, merchants and content providers, and further integrate them to our ecosystem to enhance the holistic and differentiated social experience for our users.

We will continue to boost user engagement through *Video Accounts* by refining recommendation algorithms and providing more original and local content. Additionally, we will focus on emerging popular content such as *Mini Games* and *Mini Dramas*, to further enrich our platform's offerings.

We will continue to drive transactions within our *Weixin* ecosystem. We aim to provide more support for *Mini Shops* merchants to enrich product listings on our platforms and add features leveraging users' social graph to stimulate new and repeat transactions. We will also offer more monetisation support for *Video Accounts* creators, such as facilitating merchandise sales through live streaming and matching creators with brands for marketing campaigns. As a result, we aim to ramp up monetisation in higher-margin businesses such as *Video Accounts* marketing services and eCommerce technology services.

Moreover, there is still tremendous room to expand *Weixin* use case and consumption scenarios to increase utility values for users, merchants, advertisers and content providers. We are well positioned to capture business opportunities arising from the structural shift from offline to online through business and industry digitalisation. With our rich experience in empowering the digital transformation of many enterprises, we will continue to build up our vibrant ecosystem and connect users to a wide variety of online and offline content and services.

Leverage Our Technology Expertise and Operational Know-How To Expand Game and Cloud Businesses Internationally

Global expansion has been an important growth engine for us, and is integral to our long-term growth strategy. By leveraging our industry expertise, domestic operational excellence and strategic investments, we have achieved initial success in international expansion. Going forward, we plan to selectively assess and expand our overseas presence in order to capture additional growth opportunities.

We seek to maintain existing partnerships and establish new ones with leading global game companies. We target to release more evergreen games in international markets, utilising our strong in-house game development capabilities, expertise in operating large-scale games and events, as well as our global publishing and operation experience.

Cloud business also plays a pivotal role in our international expansion strategy. By leveraging *Tencent Cloud*'s technological capabilities in cloud computing, big data and AI, we will continue to establish a vast infrastructure network globally and offer reliable services to a wide range of enterprise customers worldwide.

BUSINESS OPERATIONS

Communications and Social Networks

We develop and provide a wide range of easy-to-use instant messaging and social networks, which primarily consist of *Weixin* and *QQ*. Through *Weixin* and *QQ*, we operate the largest communication and social community in China in terms of user base. The basic features of our social network services are generally provided for free. We generate revenues from membership privileges and subscriptions of a diverse and comprehensive range of digital content services such as literature, video and music, as well as from virtual item sales. We intend to improve user activeness and interaction through enhancements in content, functionalities, diversity of third-party applications and online and offline member privileges.

Weixin

Our *Weixin* ecosystem consists of an open platform centered around *Weixin Chat*, extending connectivity with services including *Video Accounts, Mini Shops, Mini Programs*, *Official Accounts, Moments* and *Weixin Search*. As at 30 June 2026, the combined monthly active user accounts of *Weixin* and *WeChat* exceeded 1.4 billion. *Weixin* has increasingly become a hub of mobile connectivity in which we connect our users, enterprises, merchants, advertisers and content providers with access to a wide variety of online and offline content and services. We have integrated AI into *Weixin* and *WeChat* to optimize core features such as information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. To deliver an embedded and context-aware AI experience within *Weixin*, we have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*.

Video Accounts are a separate ID-based, short-form content creation product to enable video uploads and sharing to a public audience of informative and educational content, as well as live streaming, offered to users through enhanced social and algorithmic recommendations and traffic support. *Video Accounts* also enable merchants and content providers to broaden their audience reach and drive transactions, especially via links to *Mini Programs* and *Mini Shops*. We aggregate content providers' digital assets within *Weixin*, supported by *Official Accounts* and *Mini Programs* to reinforce branding and facilitate user engagement and transactions. We also link public and private domains to provide a unique channel for businesses to acquire and manage customers efficiently. By deploying a longer-sequence AI model that captures broader user signals, we have enhanced our video recommendation algorithm to drive higher user engagement and more effective content distribution. In addition, we have introduced the *@Yuanbao* feature in video accounts comment boxes, allowing users to effortlessly generate summaries of content and explore follow-up questions. Total time spent on *Video Accounts* grew over 20% year-on-year in the second quarter of 2026, benefitting from enriched content, upgraded interactive features and introduction of a new multi-variable content ranking system.

Mini Shops is a platform for indexed and standardised merchandise, where merchants can operate virtual shops, while leveraging *Weixin* social interactions, content services and payment capabilities. *Mini Shops* not only enables customisable design and development but also provides a secure and efficient transaction experience. We introduce features on *Mini Shops* to deepen integration with *Weixin*'s ecosystem, such as enabling merchants to port a SKU library from *Mini Programs* and unify loyalty programs across platforms, encouraging users to share products and shops with friends on *Weixin* and *Moments*, and extending the gifting feature from *Mini Shops* to *Mini Programs, Video Accounts* and *Official Accounts*. We also introduced new promotional features to help merchants enhance brand awareness and drive product discovery, and upgraded incentives to support customer retention and lifetime value. We enhanced merchandise recommendation with foundation model capabilities to deepen understanding of user interests based on content consumption within *Weixin* ecosystem, driving higher sales conversions in *Mini Shops*. We monetise via technology services fees collected on *Mini Shops* transactions.

Mini Programs connect online and offline services with users on *Weixin*. Service providers and developers utilise the feature of mini-programs on the *Weixin* platform that cater to their business needs and targeted user demographics. Service providers benefit from the increased traffic arising from integration in *Mini Programs* and conversion of user interactions into transactions and repeat sales. *Mini Programs* provides access to a wide range of use cases embedded to cater to various demands of users, including *Mini Games*. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and has achieved further growth in 2025. We upgraded *Mini Programs* developer toolkit architecture, so users can better leverage AI plug-ins, such as *CodeBuddy*, to create and debug mini programs more efficiently. We will, over time, enable *Mini Programs* code to evolve into tools or skills for AI agents to use within *Weixin*. *Xiaowei*, our agentic AI prototype in *Weixin*, leverages the unique *Mini Programs* ecosystem to help users discover products, make purchase decisions and place orders, laying the groundwork for agent-to-agent transaction capabilities.

Within *Mini Programs*, *Mini Games* are game features that are embedded in *Weixin* with a large variety of genres. Users may also engage in social interactions, make in-app purchases and share game achievements with friends. *Mini Games* are also an important part of our social networks and marketing services businesses. Powered by technical upgrades such as broader compatibility with advanced game engines, improved image rendering and reduced load times, *Mini Games* bolsters user engagement and contributes to the overall conversion of users interactions into monetisation across the platform. The total gross receipts from *Mini Games* increased 20% year-on-year in the second quarter of 2025.

Official Accounts allow individuals, media and businesses to share original content and engage with readers/customers, which strengthens brand awareness and enhance content management. We introduced AI-powered citation to content, enabling users to activate contextual AI commentary on related information when reading articles on *Official Accounts*. *Weixin Service Accounts* provide companies and organisations with powerful business services and user management capabilities to quickly reach and better serve users. *Weixin Subscription Accounts* provide media and individuals with a new way of posting stories and information, which innovates author-reader interaction and content management.

Moments allow users to share videos, photos and articles and interact with friends. We enabled sharing live streaming to broaden information-sharing channels and facilitate one-to-many user interactions. We also launched *Status* for *Weixin* users to share current emotions and thoughts and connect with like-minded friends.

Weixin Search offers a comprehensive search feature enabling users to seamlessly access personal content, content and services within the *Weixin* ecosystem and across the web. It helps users discover products and services and direct them to eventually complete the transactions in *Mini Programs* or *Mini Shops*. *Weixin Search* has become an increasingly popular search tool, with over 100 million DAU in 2023. *Weixin Search* overall query volume grew at a rapid rate due to AI enhancement to search results, and increased 25% year-on-year in the first quarter of 2026, benefitting from LLM-powered ranking and broadening AI search coverage to include image-based queries.

QQ

QQ is one of our communication and social services and allows users to send and receive instant messages and interact in the *QQ* community. It allows users to meet new friends and establish new social circles based on location and interests. In addition, through the *QQ client*, our users can have access to a variety of our services such as *QQ Mail*, *Qzone, WeGame, QQ Music* and *QQ Reading*.

Digital Content

We operate leading digital content services offering a broad range of high-quality IPs and content. We have curated popular IPs and created appealing content based on these IPs to attract paying users, extending our IP value across various forms, such as video, music, literature and anime. Across our digital content offerings, we utilise AI to enhance production workflow efficiency, generate visually compelling special effects, and distribute media through intelligent content recommendations.

Through *China Literature*, we incubate original IPs from a Chinese language online literature platform, which are subsequently adapted on a range of digital entertainment mediums, including comics, animation, film, TV series, web series, games, short dramas and AI-animated dramas. We offer a wide range of literature content on *China Literature*'s platforms. We create and promote IPs mainly through *QQ Reading* and *Qidian*, as well as our studios, including *New Classics Media*, a renowned film and TV drama series production house in China. We distribute and develop literature content through a variety of self-owned/operated and third-party channels so as to enhance IP value. We operate a freemium model where we typically offer the beginning chapters of a literary work for free and then monetise via a pay-as-you-read and subscriptions model. We are integrating AI into various formats such as audiobooks, radio dramas, animation and videos to further accelerate the development of our IP. We introduced AI-powered tools to support writing, plot development, and

inspiration for content creation, including the *Buddy* series of AI agents purpose-built for the creative content industry. Our AI translation models have accelerated global spread of Chinese literary works through our international reading platform, with over 30,000 AI-translated titles available on *WebNovel*, contributing to our overseas expansion.

We provide self-commissioned and licensed long-form video content from domestic and overseas content providers through *Tencent Video*, including drama series, movies, variety shows, animation and documentaries. Eight of *Tencent Video*'s self-commissioned animated series ranked top ten industry wide by video views in the first quarter of 2026. We operate a freemium model and content sales model, and offer subscription plans which provide users with access to premium content and a range of added features. We have established a huge subscriber base with drama series developed from *China Literature* IPs and produced internally.

Through TME, we offer music streaming services in China. We operate four major music mobile applications, i.e. *QQ Music*, *Kugou Music*, *WeSing* and *Kuwo Music*, through which we provide online music and social entertainment services to address the diverse music entertainment needs of a massive audience in China. The recent acquisition of Ximalaya, a leading online audio company, broadens TME's audio content formats and strengthens the content supply relationship between *China Literature* and Ximalaya, and provides users with new content formats such as audiobooks and podcasts. We licence music content from several domestic and overseas music labels, including Sony Music Group, Universal Music Group and Warner Music Group. We also support independent artists to produce quality music content and enable them to reach an extensive user base. We have created a wide variety of use cases for our users, including listening to streaming music, watching music videos, participating in fan-based activities and games, as well as singing along with the music. We operate a freemium model and content sales model, and also offer subscription plans which provide users with access to premium content and a range of added features. In addition, we enhance user activity and engagement through the sale of virtual items. We are incorporating AI technology across our product offerings to enhance music content creation, production, discovery and recommendation.

Games

We are a leading global game platform offering a wide variety of domestic and international games across multiple channels including mobile, PC and console, covering a variety of popular genres such as MOBA, tactical shooters and role playing games. We have developed and continue to develop multiple evergreen games, which surpassed average quarterly DAU of 5 million for mobile or 2 million for PC, and generated over RMB4 billion annual gross receipts, across different genres. Our flagship evergreen games *Honour of Kings*, *Peacekeeper Elite*, *Delta Force* and *Fight of the Golden Spatula* ranked among the top five games by average quarterly DAU in the first quarter of 2026, according to QuestMobile. We have also achieved proven success in content-driven games such as *Naruto Mobile,* and *Roco Kingdom: World*.

Our games revenues are derived primarily from sales of virtual items, such as avatars and accessories, that enhance gameplay experience, as well as season passes and copy sales. These in-game items primarily allow players to personalise the appearance of a game character. Our game monetisation strategy is also empowered by marketing activities across our e-sports engagement and game communication collaboration. We expand value creation through e-sports tournaments which attract large-scale audience to enhance popularity of our marketing offerings. We collaborate closely with game communities and influencers to drive marketing activities that expand content reach. By leveraging community and influencer partnerships, we extend the lifecycle of our games, stimulate in-game spending and deepen the bond between users and our products and services.

We have strong in-house development capabilities, demonstrated by our highly acclaimed in-house games in a variety of genres such as MOBA (*Honour of Kings, League of Legends, Brawl Stars*), tactical tournament (*PUBG MOBILE* and *Peacekeeper Elite*), tactical shooter (*VALORANT*), extraction shooter (*Delta Force*), real-time strategy (*Clash Royale*) and creature collecting

open-world RPG (*Roco Kingdom: World*). We are also the partner of choice for game publishers due to our leading distribution capabilities in China and globally. We work with other major game developers and operators from China and overseas, and customised and localised their games to suit the culture and needs of the Chinese market.

We also leveraged AI technologies in games to optimise matching experience, improve game balance and facilitate AI coaching for new players, empowering our evergreen games strategy. Our games business is increasingly deploying generative AI to accelerate 3D asset production and animation. We enrich core gameplay experience with AI features such as virtual teammates in PvP games and realistic non-player characters in PvE games. We also use generative AI to facilitate new user acquisition and existing user retention through measures such as targeted ads and personalised daily highlight reels.

Marketing Services

We offer a wide spectrum of marketing services through our social networks, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts* and *Weixin Search*, as well as our content platforms, such as video, music, news and our games inventories.

In addition to leveraging our own advertising inventories, we also operate a mobile advertising network to help third-party advertisers to reach targeted audience and promote their products and services. We have introduced a content marketing mutual selection platform, *Weixin Creator Marketplace*, where advertisers can collaborate with a large number of KOLs, influencers and content creators to promote their products and services. We also organise eSports tournaments and events which attract large viewers, creating significant opportunities for brand exposure and adding unique value to our marketing services.

Our continued investment in AI technology for marketing services enabled us to enhance our targeting capability and increase our advertising monetisation efficiency, thereby achieving a revenue growth rate which exceeded industry average. We have embedded large model capabilities in our advertising system to enable the analysis of long-sequence user behavior across multiple properties, while improving the advertising ranking mechanism to drive higher engagement and click-through rates. The integration of large language model capabilities further enhanced efficiency by accelerating advertising content approval, improving merchandise categorisation, and better identification of user commercial intent. These advancements also automated and scaled creative production for advertisers, leading to improved targeting accuracy and cost efficiency. In 2025, we scaled up our advertising foundation model and introduced our automated ad campaign solution, *AIM+*, under which advertisers can automate targeting, bidding and placement. In 2026, we further upgraded *AIM+* with end-to-end execution capabilities for advertisers, enabling automated product selection, ad creative generation and dynamic bidding. We also significantly scaled up our ad AI recommendation system to capture user interests with more granularity and improve conversions. *AIM+* powered approximately 30% of total marketing services spending from our advertisers in the first quarter of 2026.

Leveraging our ongoing adtech enhancements, closed-loop marketing solutions within *Weixin* ecosystem, mobile network distribution and innovative content marketing formats, we provide merchants and brands with effective marketing solutions to optimise their return on marketing spending, which in turn help us to generate sustainable revenue growth in marketing services.

FinTech Services

Our FinTech services primarily consist of payment and FinTech products which cover wealth management, consumer loan and other FinTech value-added services. We have spent many years building a solid base for FinTech services in the form of our widely used payment services, with straight adherence to regulatory requirement and careful risk management. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based tools and enhancing the

cross-border transaction experience. Leveraging this solid base, we also provide products and services by collaboration with licensed financial institutions. Furthermore, we utilise lightweight AI models to enhance credit scoring processes and facilitate fraud detection, contributing to us sustaining better than industry nonperforming loan rates.

Payment

We provide support and mobile payment solutions to connect merchants and consumers through *Weixin Pay*, a consumer-facing mobile payment tool with expanding use cases. *Weixin Pay* services are available in 78 markets and support transactions in 36 currencies as at 31 December 2025. Daily average number of commercial payment transactions on *Weixin Pay* exceeds 1 billion since the fourth quarter of 2019. Our *Weixin Pay* platform goes beyond a payment tool, but also serves as a comprehensive solution that supports everyday utilities functions, such as processing fare and utilities bill and other consumer services. As we provide our users with a frictionless experience for completing either online or offline transactions, our commercial payment transaction volume is growing rapidly and diversifying from large merchants to small to mid-sized offline merchants. We collect take rate from merchants on commercial transactions and also cash withdrawal fees and credit card repayment charges collected from users. Our robust payment system provides high-level payment security, service reliability and transaction speed. For commercial payment, the number of transactions grew year-on-year in the second quarter of 2026, while the decline in value per transaction continued to narrow.

Other FinTech Services

We offer a wide spectrum of financial services such as wealth management, consumer loan and other FinTech value-added services. Our *Weixin Pay* provides a channel for financial institutions to distribute FinTech products. For wealth management service, the products are primarily low-risk money market funds. This generates high margin fee income from a large, growing pool of aggregated customer assets. Our consumer lending facilitation services is a distribution channel primarily for licensed financial institutions to originate short-term consumption related loans to our payment service users. Our lightweight FinTech AI models have enhanced credit scoring process to further reduce non-performing loan rates. Our insurance service provider, *WeSure*, has cooperated with licensed financial institutions to offer a range of products covering life, health and auto insurance, among others.

Business Services

We provide enterprises and developers with a suite of cloud services, including IaaS (such as compute, networking and storage), PaaS (such as database, audio and video cloud solutions, security) and SaaS (such as *Tencent Meeting*, *WeCom* and *Tencent Docs*), as well as other enterprise-facing services. Building upon our advanced cloud and AI technologies, top-tier foundation model *Hy*, we have built a holistic ecosystem which offers a comprehensive suite of business products and services.

Cloud Services

Through *Tencent Cloud*, we provide global infrastructure coverage and leading cloud services to games and live broadcast sectors. Combining our advanced security, data analytics and artificial intelligence technologies, we have built an expanding portfolio of cloud products and customised industry solutions, accelerating our expansion in different industries. We charge usage-based billings or services fees on IaaS, PaaS and SaaS and technology solutions from enterprise customers. We have begun to more rapidly add compute capacity and are now making a portion available through Tencent Cloud to paying external customers on a Model-as-a-service basis. Revenue from *Tencent Cloud* increased at a rate of low-twenties percentage year-on-year in the second quarter of 2026, driven by AI-related demand, international expansion, increased usage and pricing for general cloud services.

We embed AI agents across our productivity software to autonomously complete multi-step tasks such as taking notes, summarising concurrent meetings for users, and generating intelligent summaries of customer service histories for merchants. Our enterprise software product *WeCom* was the most popular CRM software by revenue in China and *Tencent Meeting* was the most popular video conferencing software by user time and revenue in China.

The enterprise version of *Tencent Meeting* has gained access to key accounts in the energy, healthcare and education industries. We also offered new conference room solutions via *Tencent Meeting Rooms* and *Connector*, which are compatible with our users' existing equipment and facilitate high-quality, real-time communication. We have deepened the integration between *Weixin* and *WeCom* to facilitate customer management and sales conversion, and millions of enterprises use *WeCom* to support flexible work arrangements. We introduced multiple cooperation models to grow partnerships with OA application vendors and leverage synergies with *Tencent Cloud*. For *Tencent Docs*, we strengthened integration with other software to expand its use cases.

AI TECHNOLOGIES

We apply AI technology across key areas of our businesses to improve user experience and support the growth of enterprise partners. Our proprietary foundation model, *Hy*, launched in 2023, is equipped with strong Chinese creation capabilities, logical reasoning capabilities and reliable task execution capabilities. Since launch, we have continued to iterate and upgrade *Hy*, expanding its context understanding depth and deepening integration with our platforms to deliver higher performance and accuracy. We will continue to invest in our own family of foundation models. With user feedback derived from our applications, especially via productivity AI tools, we have the opportunity for *Hy* family to become one of the leading model families in China in terms of intelligence, delivering context-aware assistance, and drive down the inference cost. With our own model taking an increasing share of the work done in our applications over time, we can reduce reliance on any single third-party model and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding capability. We will also focus on enhancing our foundation models with multimodal capabilities to capture demand for vertical use cases, such as 3D and video generation. Furthermore, we will customize lightweight models to further bring down the inference cost, enhancing cost performance to users.

Our productivity AI agent solutions, *WorkBuddy* and *CodeBuddy,* are designed to enhance efficiency across coding and office work scenarios. *WorkBuddy* is a one-stop workspace that coordinates with multiple agents to handle complex tasks end-to-end. Users can control tasks remotely via *Weixin* and *WeCom* or directly via PC, access over 100,000 skills from Tencent Cloud's *SkillHub*, and execute transactions through embedded *Weixin Pay* functionality. *WorkBuddy* and *CodeBuddy* have been experiencing fast user growth with high retention rates and growing paid adoption through subscriptions and token consumption top-ups. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys Tencent applications that are already widely used within and by enterprises such as *Weixin*, *WeCom* and *Tencent Meeting*, provide a foundation for *WorkBuddy* to monetise enterprise relationships over time.

Our long-term technology strategy focuses on the development of agentic AI in productivity AI and consumer-facing AI, expanding our foundation model capabilities beyond simple conversational interfaces toward autonomous task execution. These agents are integrated directly into our core communication platforms, *Weixin* and *QQ*, to automate software engineering and complex administrative tasks right where our users interact. According to industry survey, *Weixin* and *WeCom* are the most used gateways for controlling agentic AI. *Weixin* and *WeCom* are gateways of 45% and 36% surveyed Claw users for controlling agentic AI, respectively. We have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*, leveraging Weixin's existing distribution, social graph, and Mini Programs and payment infrastructure. *Xiaowei* is powered by a customised

model, *WeLM*, built for user privacy, *Weixin*-specific use cases and cost efficiency. *Xiaowei* is designed to help users navigate content and services within the *Weixin* ecosystem and leverage *Mini Programs* to help users discover products, make purchase decisions and place orders. We are integrating AI capabilities into *Weixin* on a cost-controlled basis, with the objective of enhancing growth and monetization across the *Weixin* ecosystem.

Hy also serves as the foundation model for our AI chatbot, *Yuanbao*, which offers users capabilities such as intelligent search, content creation, image processing and document summarisation and provides access to proprietary high-quality content from the Tencent ecosystem. We are focused on improving *Yuanbao*'s capabilities and user experience, particularly in search, automatic speech recognition and text-to-speech. Over time, functionalities developed through *Yuanbao* can be applied across other products including *WorkBuddy*, *CodeBuddy* and *Weixin*, while its conversational use cases also generate feedback that contributes to the improvement of *Hy* models. Enterprise customers can utilise *Hy* in our cloud via APIs or MaaS, for functions such as coding, data analysis and customer service automation.

We continue to accelerate the integration of AI across enterprise-facing services by leveraging a full stack of IaaS, PaaS, and SaaS capabilities. On the IaaS level, our *Hyper Computing Cluster* delivers high-performance AI training and inference with low latency and elastic scalability. On the PaaS level, our *TI Platform* supports fine-tuning and inference, and the *Tencent Cloud Agent Development Platform* empowers enterprises to build tailored customer service and coding assistants with proprietary data. Additionally, *Tencent CloudBase* enhances developer productivity by enabling natural language-driven creation of mini programs and mobile apps. On the SaaS level, *Tencent Meeting* now provides AI-powered transcription, recording and automated summaries, and *Tencent Docs* boosts efficiency in documentation and content generation.

CORPORATE OPERATIONS

Intellectual Property

We regard our patents, copyrights, trademarks and other intellectual property as critical to our success. We rely primarily on a combination of patent, trademark, copyright, trade secret and other intellectual property-related laws and contractual restrictions to establish and protect our intellectual property rights. We require that substantially all of our employees enter into agreements requiring them to keep confidential all proprietary and other confidential information relating to our customers, methods, technology, business practices and trade secrets, and such obligations shall survive the expiration or earlier termination of their employment with us. Our employees are required to acknowledge and recognise that all inventions, trade secrets, works of authorship, developments and other processes, whether or not patentable or copyrightable, made by them during their employment are our property. We have independently developed key software used in our business and have registered a number of these software copyrights. As at 30 June 2026, we had over 55,000 issued patents that cover our self-developed key technologies and infrastructure.

Despite our precautions, it may be possible for third parties to obtain and use our intellectual property without our authorisation. Furthermore, the validity, enforceability and scope of protection of intellectual property rights in the Internet and telecommunications-related industries are uncertain and still evolving. Infringement and misappropriation of our intellectual property could materially harm our business. We have been, and may in the future be, subject to intellectual property lawsuits or other legal proceedings and also be involved as an applicant or opposing party in several administrative actions involving trademark disputes.

We have registered domain names, including "*qq*.com" and "tencent.com", with the Internet Corporation for Assigned Names and Numbers and the domain names "tencent.com.cn" and "tencent.cn" with CNNIC, a domain name registration organisation in China. In addition, we have registered over 11,000 domain names with various domain name registration services as at 30 June 2026.

Our "*QQ (stylised)*" mark, the "*penguin*" device, the "*Weixin*" and "*WeChat*" marks and many associated marks have been registered as trademarks in various classes in China, Hong Kong and other jurisdictions. We have also registered our "*QQ (stylised)*" mark and the "*penguin*" device in various classes in jurisdictions including the United States, Japan, Hong Kong, Singapore, India, Malaysia and the European Union. In addition, a series of "*QQ*" marks, the "penguin" device and the "*Weixin*" and "*WeChat*" marks have also been registered as copyrighted artworks in China.

We licence our trademarks from time to time to increase our brand recognition and further penetrate the consumer market in China. We have licenced the *QQ* brand to manufacturers of various products, including electronic and consumer goods products. Our trademarks have also appeared along with trademarks of other corporate entities for joint marketing, co-branding and merchandising initiatives.

Research and Development

We believe that our ability to develop technology and Internet, mobile and online entertainment applications has been a key factor in the success of our business. To maintain and enhance our leadership position, we will need to continue to invest in research and development in order to enhance our services and products. Research and development expenses constituted 11%, 11%, 11%, 11% and 12% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Our self-developed technologies include communication technologies, social and other interactive technologies. We also licence some services and technologies from third parties such as database technology and audio/video codec technology. We have established an in-house research institute and an integrated customer research and user experience design centre. We will continue to develop our core technologies in-house and when required, licence technology from third parties.

Our R&D strategy continues to be supported by the rebuilding of our large language model team, alongside a comprehensive redesign of our pre-training and reinforcement learning frameworks from the ground up to optimize our infrastructure. In 2026, these efforts culminated in the launch of the *Hy3* preview large language model, followed by the full *Hy3* production version, which has quickly become a leading reasoning model in China and top-ranked on OpenRouter token measure for its cost-efficiency and utility in real-world deployment. Moving forward, our R&D efforts are focused on scaling toward larger parameter models, utilizing higher-quality datasets and advanced reinforcement learning to continuously enhance context understanding and agentic capabilities across our ecosystem.

Sales and Marketing

We believe that our large *Weixin* and *QQ* user base in themselves are key drivers of our business growth, as many Internet users in China seek to join an established and vibrant online community. We market our value-added services primarily through our products and portals. In our online community, "word of mouth" is important as positive feedback from users can be quickly communicated by various channels, including *QQ* and *Weixin*. Selling and marketing expenses constituted 6%, 6%, 6%, 5% and 6% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Our sales and marketing efforts are supported by a network of sales and marketing teams throughout China. We conduct a variety of online and offline marketing and promotion activities, including joint marketing activities with telecommunications operators and device manufacturers, in-game promotional events, marketing and advertisements on our portals. Going forward, we will further enhance our position as a mainstream digital content service provider in China. For sales and marketing in the international market, we will also utilise both online and offline marketing and promotional activities to enhance our brand awareness.

Employees

The number of employees employed by us varies from time to time, depending on needs. Our employee count was approximately 116,000 as at 30 June 2026. Most of our employees are based in China.

The remuneration policy and package of our employees is 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. Our total remuneration costs were RMB107,675 million, RMB112,826 million, RMB130,699 million, RMB64,979 million and RMB64,518 million (US$9,509 million) for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, respectively.

All of our management and key executives, and substantially all of our other employees, have entered into employment agreements with us, which contain confidentiality and non-competition provisions.

Insurance Coverage

Insurance companies in China offer limited business insurance products and do not, to our knowledge, offer business liability insurance. While business interruption insurance is available to a limited extent in China, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to subscribe for such insurance. As a result, we do not have any business liability, disruption or litigation insurance coverage for our operations in China. Any business disruption or litigation, or any liability or damage to, or caused by, our facilities or our personnel may result in our incurring substantial costs and the diversion of resources. We carry mandatory automobile liability insurance and property insurance.

Competition

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of disruptive technology, we also face potential competition from AI native companies, including players in generative and agentic AI, foundation models and AI native applications. We aim to compete by continuing to invest in talent and technologies that bring quality products and services to improve our user experiences.

Legal Proceedings

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property claims, breach of contract claims, unfair competitive practice claims, labour and employment claims and other matters. Internet media companies are frequently involved in litigation based on allegations of infringement or other violations of intellectual property rights and other allegations based on the content available on their website or services they provide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES

Sustainability is vital to the development of our strategy and operations, and we strive to integrate social responsibility into our products and services. We execute our Environmental, Social and Governance strategy through our corporate risk management process, which manages existing ESG issues and monitors emerging risks, while integrating sustainable social value creation into our daily operations and product development.

Environmental

Driven by enhanced energy efficiency, accelerated transition to green electricity and supply chain decarbonisation, we stay firmly on course to meet our carbon targets. Year-over-year, we enhanced the Power Usage Effectiveness performance of owned data centres from 1.257 to 1.246. The share of green electricity consumption increased from 49.8% to 82.9% in owned data centres and from 3.8% to 21.4% in leased data centres. These initiatives enabled us to maintain our decarbonisation progress despite rising AI-related power demand, with carbon intensity in 2025 reduced by 24.4% against the 2021 base year.

With the application of AI in species identification, we enabled field researchers to improve the efficiency and accuracy of data collection while facilitating public participation in urban ecological observation. These efforts were recognised as one of the 2025 Exemplary Cases for Business Biodiversity Conservation by the Centre for Environmental Education and Communications of China's Ministry of Ecology and Environment.

Social

We are committed to advancing technological inclusivity. Beyond physical accessibility, we expanded our scope to cognitive health with our new, clinically validated training software. Within the *Nearby Jobs* Mini Program, we have introduced a dedicated section for people with disabilities, integrating approximately 3,000 job openings certified by China Disabled Persons' Federation Employment Service Platform.

We supported social innovation and philanthropic initiatives to advance the United Nations Sustainable Development Goals. The Xplorer Prize and the New Cornerstone Investigator Program have provided long-term and stable funding to over 430 outstanding scientists. In 2025, our annual Giving for Good initiative generated 530 million engagements in philanthropic activities.

Governance

We formalised our commitment to Responsible AI principles, which are anchored in our Tech for Good mission and govern the ethical development and deployment of AI across our businesses and operations. *Tencent Cloud* obtained additional security certifications in key markets and attained ISO 42001 AI management systems certification. We further strengthened privacy governance by establishing a group-level Personal Information Protection Committee.

In business ethics, our anti-fraud and compliance management systems received international and Chinese certifications. We joined the Sustainable Value Chain Leaders Alliance initiated by the United Nations Global Compact and launched an ESG training course on our supplier portal.

In 2025, our efforts in sustainability development were recognised with inclusion in major ESG indices, improvements in ESG ratings, such as an MSCI rating upgrade from BBB to A, and ESG awards.

The sub-section entitled "*General Regulation on Internet and Telecommunications Industries — Regulations Relating to Intellectual Property*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

The Copyright Law of the PRC (著作權法), adopted in 1991 and revised in 2001, 2010 and 2020, together with its implementing rules (著作權法實施條例), promulgated in 2002 and revised in 2011 and 2013, protects copyright and explicitly covers computer software copyrights. On 20 December 2001, the State Council promulgated the new Regulations on Computer Software Protection (計算機軟件保護條例), which became effective from 1 January 2002 and were revised in 2011 and 2013, which are intended to protect the rights and interests of computer software copyright holders and encourage the development of the software industry and information economy. The Provisional Measures on Voluntary Registration of Works (作品自願登記試行辦法), promulgated by National Copyright Administration of the PRC on 31 December 1994 and effective on 1 January 1995, further provide for a voluntary registration system to be administered by the National Copyright Administration and its local branches. In the PRC, software developed by PRC citizens, legal persons or other organisations is automatically protected by copyright immediately after its development without an application or approval. The Copyright Protection Centre of China may provide a certificate of registration to registrants, which may serve as preliminary evidence of the ownership of the copyright and other registered matters. On 20 February 2002, the National Copyright Administration of the PRC introduced the Measures on Computer Software Copyright Registration (計算機軟件著作權登記辦法), as amended in 2004, which outlines the application procedures for software copyright registration, licence contract registration and transfer contract registration.

On 18 May 2006, the State Council promulgated the Regulations on Protection of the Right of Dissemination through Information Networks (信息網絡傳播權保護條例) ("**Protection Regulations**"), which became effective on 1 July 2006 and were amended on 30 January 2013 and further became effective on 1 March 2013. The Protection Regulations require that any organisation or individual who disseminates a third party's work, performance, audio or visual recording products to the public through information networks shall obtain permission from and pay compensation to the legitimate copyright owner of such products, unless otherwise provided under relevant laws and regulations. The legitimate copyright owner may take technical measures to protect his or her right to disseminate through information networks and any organisation or individual shall not intentionally avoid, destroy or otherwise assist others in avoiding or destroying such protective measures unless permissible under law.

On 17 December 2012, the PRC Supreme People's Court promulgated the Provisions of the PRC Supreme People's Court on Several Issues Concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Communication to the Public on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which took effect on 1 January 2013, and were further amended on 29 December 2020 and became effective on 1 January 2021. This judicial interpretation aims to solve disputes in connection with the infringement of the right of communication through the Internet and protect lawful rights in this respect. This rule places the burden on Internet service providers to take necessary measures to remove not only links or contents that have been specifically mentioned in the notices of infringement and preliminary evidence of infringement from rights holders, but also links or contents that they "should have known" link to infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any contents made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights.

On 4 November 2016, SAPPRFT issued the Circular on Strengthening the Copyright Administration of Internet Literary Works (關於加強網絡文學作品版權管理的通知), which became effective on the same day. Pursuant to the circular, Internet service providers who provide literary works through information networks and render relevant network services shall: (i) strengthen the copyright supervision and administration, establish a sound infringing works handling mechanism, and fulfil the obligation to protect the copyright of Internet literary works according to the law; (ii) establish a copyright complaint mechanism, actively accept complaints from right holders and resolve the legitimate demands of rights holders in a timely manner according to the law; and (iii) delete infringing works and disconnect the relevant links within 24 hours after receipt of such notices and complaints from rights holders.

On 29 April 2005, GAPP and MIIT issued the Measures on Administrative Protection of Internet Copyright (互聯網著作權行政保護辦法) which became effective on 30 May 2005. Pursuant to the measures, if an Internet information service provider clearly knows of an Internet content provider's tortious act of infringing upon other's copyright through Internet, or fails to take measures to remove relevant contents after receipt of the copyright owner's notice although it does not know it clearly, and meanwhile such tortious act damages public benefits, the copyright administration department may order the service provider to stop the tortious act, and may impose the following administrative penalties: (i) confiscation of the illegal proceeds; and (ii) imposing a fine of not more than 3 times the illegal business amount; if the illegal business amount is difficult to be calculated, a fine of not more than RMB100,000 may be imposed.

On 17 April 2015, SAPPRFT issued the Circular on Regulating the Order of Internet Reproduction of Copyrighted Works (關於規範網絡轉載版權秩序的通知), which became effective on the same day. Pursuant to the circular: (i) Internet media shall comply with the relevant provisions of copyright laws and regulations, and must acquire permission from and pay remuneration to the copyright owners, and shall indicate the name of the author, as well as the name and the source of the work, except as otherwise provided by laws and regulations; (ii) Internet media shall not make any substantial revision to the contents of the works when reproducing other people's works; (iii) SAPPRFT shall encourage press and Internet media to establish a cooperation mechanism for Internet reproduction; and (iv) the copyright administrative departments at various levels shall strengthen the supervision of copyrights of Internet media.

On 19 August 2026, the PRC Supreme People's Court issued the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Copyright Civil Dispute Cases (《最高人民法院關於審理著作權民事糾紛案件適用法律若干問題的解釋》), which took effect on 1 September 2026. The amendments: (i) further clarify the standard for determining "making available to the public" by removing the requirement that publication be made "by the copyright owner or with the copyright owner's permission", thereby confirming that works disclosed due to infringement also constitute publication; (ii) refine the rules for fair use by expanding the scope of "public places" from "outdoor public places" to "public places" (consistent with the 2020 Copyright Law amendment) while adding a proviso that the person who copies, draws, photographs or video-records artworks in public places may re-use their results in a reasonable manner and scope, but may not set up, display or publicly disseminate the works in the same manner without the copyright owner's permission; and (iii) clarify the scope of statutory licence for periodical reprinting by specifying that "newspapers and periodicals" refer to paper newspapers and periodicals approved for publication by the competent authorities and their digitised versions with identical content and layout, and that mutual reprinting between newspapers/periodicals and Internet information service providers, or among Internet information service providers, does not fall within the scope of statutory licence and requires the copyright owner's permission and payment of remuneration.

Patent

The SCNPC adopted the Patent Law (專利法) in 1984, and amended it in 1992, 2000, 2008 and 2020. To further enforce the Patent Law, the State Council promulgated the Implementing Rules of the

Patent Law (專利法實施細則) in 2001, as amended in 2002, 2010 and 2023. The purpose of the Patent Law together with its implementing rules is to protect the lawful interests of patent holders, encourage invention, foster applications of invention, enhance innovative capabilities and promote the development of science and technology. Patentable inventions can be divided into three categories: invention, utility models and designs. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, substances obtained by means of nuclear transformation or a design which identifies the patterns or colors or a combination of both patterns and colors of graphic print products.

The Patent Office, under the China National Intellectual Property Administration (CNIPA), is responsible for receiving, examining and approving patent applications. The amended Patent Law provides for a term of twenty years for invention patents, fifteen years for design patents (extended from ten years by the 2020 amendment), and ten years for utility models. A third-party user must obtain consent or a proper licence from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights.

Trademark

The Trademark Law of the PRC (商標法), adopted in 1982 and revised in 1993, 2001, 2013 and 2019, together with its implementing rules (商標法實施條例), promulgated in 2002 and amended in 2014, protects registered trademarks. The China National Intellectual Property Administration (CNIPA) is responsible for trademark registrations. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Upon the registration of a trademark, the applicant will have the right to exclusive use of the trademark for ten years. Registered trademark licence agreements must be recorded with CNIPA. The newly revised Trademark Law, adopted on 26 June 2026 and will take effect on 1 January 2027, strengthens regulations against malicious trademark registration, trademark squatting and hoarding, and increases penalties for trademark agencies that assist in bad faith trademark filings.

Domain Name

Internet domain name registration and related matters are primarily regulated by Implementation Rules of National Top Level Domain Name Registration (國家頂級域名註冊實施細則) issued by CNNIC on 18 June 2019 which replaced the Implementing Rules on Registration of Domain Names (域名註冊實施細則), which became effective on 5 June 2009, as amended on 28 May 2012, and the Measures on National Top Level Domain Name Disputes Resolution (國家頂級域名爭議解決辦法) issued by CNNIC on 18 June 2019, which became effective on the same day. These regulations provide that domain name registrations will be handled through domain name service agencies and that applicants become domain name holders upon successful domain name registration. In July 2001, the PRC Supreme People's Court issued the Judicial Interpretation on Certain Issues Concerning the Application of Laws in the Trial of Cases Involving Civil Disputes over Computer Network Domain Names (最高人民法院關於審理涉及計算機網絡域名民事糾紛案件適用法律若干問題的解釋) as further amended on 29 December 2020 and effective on 1 January 2021 to clarify certain issues involved in civil disputes in registration and use of computer network domain names. On 24 August 2017, MIIT promulgated Measures on Administration of Domain Names (互聯網域名管理辦法), which took effect on 1 November 2017. Pursuant to Measures on Administration of Domain Names, MIIT shall supervise the domain names services nationwide and publicise PRC's domain name system. Furthermore, Measures on Administration of Domain Names adopts a "first-to-file" rule to allocate domain names to applicants.

The section entitled "*Description of Other Material Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

The following summary of the principal terms of the instruments governing our material indebtedness does not purport to be a complete description of all of the terms of these instruments and may not contain all of the information that may be important to prospective investors. Investors should read the consolidated financial statements included elsewhere in this Offering Circular for additional information about our indebtedness.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the TME 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes.

U.S. Dollar Bank Borrowings, JPY Bank Borrowings, EUR Bank Borrowings, HKD Bank Borrowings and RMB Bank Borrowings

The aggregate principal amounts of short-term USD, HKD and RMB bank borrowings as at 30 June 2026 were US$30 million, HKD15,980 million and RMB70,731 million, respectively. Applicable interest rates are at 3.70% for USD bank borrowings, HIBOR + 0.08% ~ 0.10% for HKD bank borrowings, and 0.75% ~ 3.50% and 1-year LPR - 0.70% ~ - 0.30% for RMB bank borrowings per annum.

The aggregate principal amounts of long-term USD, JPY, EUR, HKD and RMB bank borrowings as at 30 June 2026 were US$6,900 million, JPY193 million, EUR2,080 million, HKD12,402 million and RMB140,506 million, respectively. Applicable interest rates are at SOFR + CAS + 0.80% for USD bank borrowings, 0.60% ~ 1.36% and TIBOR + 1.70% for JPY bank borrowings, EURIBOR + 0.70%~ 0.75% for EUR bank borrowings, HIBOR + 0.25% ~ 0.60% for HKD bank borrowings, 2.52% ~ 3.10%, 1-year LPR - 0.65% ~ + 0.15%, and 5-year LPR - 0.85% for RMB bank borrowings per annum.

These USD, JPY, EUR and HKD bank borrowings were entered into by certain offshore subsidiaries as borrowers, under which they have agreed to certain customary covenants relating to, among other things, securities over their assets, disposals of their assets and mergers and acquisitions. These bank borrowings contain certain customary events of default, including breaches of terms of the facilities agreement, any events or circumstances that result in a materially adverse change in the business or financial condition of the borrower, borrower's dissolution and insolvency, misleading statements or material omissions, cessation of all or a material part of the borrower's business, change in ownership of the borrower and cross defaults under other loans. The banks are entitled to demand immediate repayment of all or part of the outstanding loans and any accrued interest upon the occurrence of an event of default.

These USD, EUR and HKD bank borrowings are generally guaranteed by the Company.

2028 Notes

On 19 January 2018, we issued the 3.595% Senior Notes due 2028 in an aggregate principal amount of US$2,500 million for general corporate purposes under the Programme. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. Interest on the 2028 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. The 2028 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2028 Notes are set forth in the relevant pricing supplement.

2029 Notes

On 11 April 2019, we issued the 3.975% Senior Notes due 2029 in an aggregate principal amount of US$3,000 million for general corporate purposes under the Programme. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2029 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. The 2029 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2029 Notes are set forth in the relevant pricing supplement.

2030 Notes

On 3 June 2020, we issued the 2.390% Senior Notes due 2030 in an aggregate principal amount of US$2,250 million for refinancing and general corporate purposes under the Programme. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. Interest on the 2030 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. The 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2030 Notes are set forth in the relevant pricing supplement.

TME 2030 Notes

On 3 September 2020, TME issued the 2.000% Notes due 2030 in an aggregate principal amount of US$500 million for general corporate purposes. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. Interest on the TME 2030 Notes will be payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. The TME 2030 Notes are constituted by, are subject to and have the benefit of an indenture dated 3 September 2020.

September 2030 Notes

On 23 September 2025, we issued the 2.10% Senior Notes due 2030 in an aggregate principal amount of CNY2,000 million for general corporate purposes under the Programme. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2030 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. The September 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2030 Notes are set forth in the relevant pricing supplement.

2031 Notes

On 22 April 2021, we issued the 2.880% Senior Notes due 2031 in an aggregate principal amount of US$500 million for refinancing and general corporate purposes under the Programme. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. Interest on the 2031 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. The 2031 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2031 Notes are set forth in the relevant pricing supplement.

2035 Notes

On 15 July 2015, we issued the 4.700% Senior Notes due 2035 in an aggregate principal amount of US$100 million for general corporate purposes under the Programme. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. Interest on the 2035 Notes will be payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. The 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2035 Notes are set forth in the relevant pricing supplement.

September 2035 Notes

On 23 September 2025, we issued the 2.50% Senior Notes due 2035 in an aggregate principal amount of CNY6,000 million for general corporate purposes under the Programme. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2035 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. The September 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2035 Notes are set forth in the relevant pricing supplement.

2036 USD Notes

On 16 June 2026, we issued the 5.00% Senior Notes due 2036 in an aggregate principal amount of US$1,750 million for general corporate purposes under the Programme. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. Interest on the 2036 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. The 2036 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 USD Notes are set forth in the relevant pricing supplement.

2036 CNY Notes

On 16 June 2026, we issued the 2.50% Senior Notes due 2036 in an aggregate principal amount of CNY11,000 million for general corporate purposes under the Programme. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2036 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. The 2036 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 CNY Notes are set forth in the relevant pricing supplement.

2038 Notes

On 19 January 2018, we issued the 3.925% Senior Notes due 2038 in an aggregate principal amount of US$1,000 million for general corporate purposes under the Programme. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. Interest on the 2038 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. The 2038 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2038 Notes are set forth in the relevant pricing supplement.

2041 Notes

On 22 April 2021, we issued the 3.680% Senior Notes due 2041 in an aggregate principal amount of US$900 million for refinancing and general corporate purposes under the Programme. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. Interest on the 2041 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. The 2041 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2041 Notes are set forth in the relevant pricing supplement.

2046 USD Notes

On 16 June 2026, we issued the 5.60% Senior Notes due 2046 in an aggregate principal amount of US$700 million for general corporate purposes under the Programme. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. Interest on the 2046 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. The 2046 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2046 USD Notes are set forth in the relevant pricing supplement.

2049 Notes

On 11 April 2019, we issued the 4.525% Senior Notes due 2049 in an aggregate principal amount of US$500 million for general corporate purposes under the Programme. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2049 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. The 2049 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2049 Notes are set forth in the relevant pricing supplement.

2050 Notes

On 3 June 2020, we issued the 3.240% Senior Notes due 2050 in an aggregate principal amount of US$2,000 million for refinancing and general corporate purposes under the Programme. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. Interest on the 2050 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. The 2050 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2050 Notes are set forth in the relevant pricing supplement.

2051 Notes

On 22 April 2021, we issued the 3.840% Senior Notes due 2051 in an aggregate principal amount of US$1,750 million for refinancing and general corporate purposes under the Programme. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. Interest on the 2051 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. The 2051 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2051 Notes are set forth in the relevant pricing supplement.

September 2055 Notes

On 23 September 2025, we issued the 3.10% Senior Notes due 2055 in an aggregate principal amount of CNY1,000 million for general corporate purposes under the Programme. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2055 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. The September 2055 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2055 Notes are set forth in the relevant pricing supplement.

2056 CNY Notes

On 16 June 2026, we issued the 3.10% Senior Notes due 2056 in an aggregate principal amount of CNY4,000 million for general corporate purposes under the Programme. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2056 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. The 2056 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2056 CNY Notes are set forth in the relevant pricing supplement.

2060 Notes

On 3 June 2020, we issued the 3.290% Senior Notes due 2060 in an aggregate principal amount of US$750 million for refinancing and general corporate purposes under the Programme. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. Interest on the 2060 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. The 2060 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2060 Notes are set forth in the relevant pricing supplement.

2061 Notes

On 22 April 2021, we issued the 3.940% Senior Notes due 2061 in an aggregate principal amount of US$1,000 million for refinancing and general corporate purposes under the Programme. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. Interest on the 2061 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. The 2061 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2061 Notes are set forth in the relevant pricing supplement.

The section entitled "*General Information*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

GENERAL INFORMATION

1. Listing

Application has been made to the SEHK for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of the Offering Circular. The issue price of Notes listed on the SEHK will be expressed as a percentage of their nominal amount. Notes to be listed on the SEHK are required to have a denomination of at least HK$500,000 (or equivalent in other currencies).

2. Authorisation

The establishment and the update of the Programme and the issue of the Notes thereunder were authorised by resolutions of the board of directors of the Issuer passed on 28 March 2014, 21 April 2015, 21 March 2018, 28 March 2021 and the committee resolutions dated 11 September 2025, 25 May 2026 and 23 September 2026 duly passed by all members of a committee of the board of directors of the Issuer (established by the board of directors of the Issuer pursuant to the written resolutions passed by the board of directors of the Issuer dated 28 March 2021). The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. Auditor

The Issuer's audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025, which are included elsewhere in this Offering Circular, have been audited by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**IAASB**") as stated in its reports appearing herein.

The Issuer's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026, which are incorporated by reference into this Offering Circular, have been reviewed by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB.

4. No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the business of the Group since 30 June 2026.

5. Documents on Display

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Issuer at Tencent Binhai Towers, No. 33 Haitian 2nd Road, Nanshan District, Shenzhen, 518054, the PRC and the specified office of the Principal Paying Agent at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for so long as the Notes are capable of being issued under the Programme:

(i) the memorandum and articles of association of the Issuer;

(ii) the audited consolidated financial statements of the Group for the years ended 31 December 2024 and 2025;

(iii) the unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026;

(iv) copies of the latest annual report and audited annual consolidated financial statements, and any unaudited interim condensed consolidated financial statements published subsequently to such audited annual financial statements, of the Group;

(v) each Pricing Supplement (save that a Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area and the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or the POATRs will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and identity);

(vi) a copy of this Offering Circular together with any supplement to this Offering Circular;

(vii) the amended and restated Trust Deed dated 15 September 2025 (which contain the forms of the Notes in global and definitive form);

(viii) the amended and restated Issue and Paying Agency Agreement dated 15 September 2025;

(ix) the amended and restated Dealer Agreement dated 8 June 2026; and

(x) the Programme Manual.

6. Clearing of the Notes

The Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). We may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. In addition, we may make an application for any Restricted Notes or DTC Unrestricted Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Notes will be confirmed in the relevant Notes. The relevant ISIN, the Common Code, the Committee on the Uniform Security Identification Procedure ("**CUSIP**") number and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

7. Cayman Islands Data Protection

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "**DPA**") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice Introduction

The purpose of this notice is to provide Noteholders with information on the Issuer's use of their personal data in accordance with the DPA.

In the following discussion, "Issuer" refers to the Issuer and its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Noteholder's associated interactions with the Issuer (including any subscription (whether past, present of future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing the Issuer with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA ("**Investor Data**"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with the Issuer, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Noteholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

(i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;

(ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering, beneficial ownership transparency or FATCA or the Common Reporting Standard requirements); and/or

(iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), the Issuer will contact the applicable Noteholders.

Why the Issuer May Transfer a Noteholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority, the competent authority for purposes of the Beneficial Ownership Transparency Act (As Revised) of the Cayman Islands or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Pricing Supplement dated 13 October 2026

Tencent Holdings Limited (the "Issuer")

Issue of US$500,000,000 6.75% Senior Notes due 2046 (the "Notes")
under the Global Medium Term Note Programme of Tencent Holdings Limited
with Maximum Limit of US$30 Billion (the "Programme")

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**") for the purpose of giving information with regard to the Issuer and the Issuer and its subsidiaries taken as a whole (the **"Group**"). The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on SEHK is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on SEHK on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 8 June 2026 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement (including the Schedule to this Pricing Supplement) and the Offering Circular. For the avoidance of doubt, the Issuer's unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting has been incorporated by reference into the Offering Circular.

1.	Issuer:		Tencent Holdings Limited
2.	(i)	Series Number:	34
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		United States Dollar ("**US$**")
4.	Aggregate Nominal Amount:		
	(i)	Series:	US$500,000,000
	(ii)	Tranche:	US$500,000,000
5.	(i)	Issue Price:	99.880 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds	Approximately US$496,900,000 (after deducting the management and underwriting commissions but not the offering expenses)
6.	(i)	Specified Denominations:	US$200,000 and integral multiples of US$1,000 in excess thereof
	(ii)	Calculation Amount:	US$1,000
7.	(i)	Issue Date:	21 October 2026
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		21 October 2046
9.	Interest Basis:		6.75 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Not Applicable
12.	Put/Call Options:		Issuer Call (further particulars specified below)
13.	Listing:		SEHK (expected effective listing date: 22 October 2026)
14.	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	6.75 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Dates:	21 April and 21 October in each year, commencing 21 April 2027, not adjusted
	(iii)	Fixed Coupon Amount:	US$33.75 per Calculation Amount
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	30/360
	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions:		Not Applicable
17.	Zero Coupon Note Provisions:		Not Applicable
18.	Index-Linked Interest Note/other variable-linked interest Note Provisions:		Not Applicable
19.	Dual Currency Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:		Applicable
	(i)	Optional Redemption Date(s):	At any time in whole or in part upon giving proper notice
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	The Optional Redemption Amount shall be equal to: • in the case of an Optional Redemption Date (Call) prior to 21 April 2046 (the date that is six months prior to the Maturity Date for the Notes), the greater of (x) 100 per cent. of the principal amount of the Notes to be redeemed and (y) the sum of (1) the present value of the principal amount of the Notes to be redeemed, assuming a scheduled repayment thereof on 21 April 2046, plus (2) the present value of the remaining scheduled payments of interest to and

including 21 April 2046 (exclusive of interest accrued to the date of redemption), in each of cases (1) and (2), discounted to the Optional Redemption Date (Call) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months, and in the case of an incomplete month, the actual number of days elapsed) at the Treasury Yield plus 20 basis points, and in each of cases (x) and (y), plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call); or

- in the case of an Optional Redemption Date (Call) on or after 21 April 2046 (the date that is six months prior to the Maturity Date for the Notes), 100 per cent. of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call).

(iii) If redeemable in part:

(a) Minimum Redemption Amount: US$200,000 per Noteholder

(b) Maximum Redemption Amount: Not Applicable

(iv) Notice period: Not less than 10 nor more than 60 days' notice

21. Put Option: Not Applicable

22. Final Redemption Amount of each Note: US$1,000 per Calculation Amount

23. Early Redemption Amount

(i) Early Redemption Amount (*Tax*) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from Principal Amount

		that set out in the Conditions):	
	(ii)	Early Redemption Amount (*Triggering Event*) per Calculation Amount payable on redemption for triggering event and/or the method of calculating the same (if required or if different from that set out in the Conditions):	101 per cent. of Principal Amount
	(iii)	The Redemption Amount per Calculation Amount payable on redemption of Zero Coupon Notes prior to the Maturity Date and/or the method of calculating the same (if different from that set out in the Conditions):	Not Applicable
24.		Early Termination Amount	
		Early Termination Amount(s) per Calculation Amount payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions) :	Principal Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Registered Notes: Unrestricted Global Note Certificate exchangeable for unrestricted Individual Note Certificates in the limited circumstances described in the Unrestricted Global Note Certificate and Restricted Global Note Certificate exchangeable for restricted Individual Note Certificates in the limited circumstances described in the Restricted Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable

27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	The provisions in Condition 21 (*Further Issues*) apply
32.	Any applicable currency disruption /fallback provisions:	Not Applicable
33.	Other terms or special conditions:	Use of proceeds: General corporate purposes

DISTRIBUTION

34.	(i)	If syndicated, names of Managers:	*Joint Global Coordinators:* J.P. Morgan Securities (Asia Pacific) Limited Goldman Sachs (Asia) L.L.C. The Hongkong and Shanghai Banking Corporation Limited Morgan Stanley & Co. International plc (together, the "**Joint Global Coordinators**") *Other Managers:* ABCI Capital Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch Merrill Lynch (Asia Pacific) Limited China Construction Bank (Asia) Corporation Limited

			Citigroup Global Markets Limited Industrial and Commercial Bank of China (Asia) Limited MUFG Securities Asia Limited (together with the Joint Global Coordinators, the "**Managers**")
	(ii)	Stabilising Manager(s) (if any):	Any of the Joint Global Coordinators appointed and acting in its capacity as Stabilising Manager (or persons acting on behalf of any of them)
35.	If non-syndicated, name and address of Dealer:		Not Applicable
36.	Total commission and concession:		0.50 per cent. of the Aggregate Nominal Amount
37.	U.S. Selling Restrictions:		Reg. S Category 2 TEFRA not applicable Rule 144A Eligible
38.	Prohibition of Sales to EEA Retail Investors		Applicable
39.	Prohibition of Sales to UK Retail Investors:		Applicable
40.	Additional selling restrictions:		Not Applicable

OPERATIONAL INFORMATION

41.	ISIN Code:	Rule 144A Notes: US88032WBH88 Regulation S Notes: US88032XBH61
42.	Common Code:	Rule 144A Notes: 352061603 Regulation S Notes: 352061662
43.	CUSIP:	Rule 144A Notes: 88032WBH8 Regulation S Notes: 88032XBH6
44.	CMU Instrument Number:	Not Applicable
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU Service and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment

47. Additional Paying Agent(s) (if any): Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into United States dollars at the rate of [●], producing a sum of (for Notes not denominated in United States dollars):	Not Applicable
49.	Ratings:	The Notes have a preliminary rating of A1 and A+ from Moody's and S&P, respectively, which will be confirmed by Moody's and S&P, respectively, shortly after the Issue Date. Credit ratings are not recommendations to buy, sell or hold the Notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.

HONG KONG SFC CODE OF CONDUCT

50.	Rebates:	Not Applicable
51.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	investor.info.hk.oc.bond.deals@jpmorgan.com gs-hk-dcm-omnibus@gs.com hk_syndicate_omnibus@hsbc.com.hk omnibus_debt@morganstanley.com
52.	Marketing and Investor Targeting Strategy:	As described in the Offering Circular

For the purposes of this Pricing Supplement:

"**Business Day**" means a day other than a Saturday, Sunday or a day on which banking institutions or trust companies in The City of New York, Hong Kong or Beijing are authorized or obligated by law, regulation or executive order to remain closed.

"**Comparable Treasury Issue**" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed (assuming for this purpose that the Notes matured on 21 April 2046) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such Notes .

"**Comparable Treasury Price**" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if we obtain fewer than three such Reference Treasury Dealer Quotations, the average of all quotations obtained.

"**Independent Investment Banker**" means one of the Reference Treasury Dealers appointed by us.

"**Reference Treasury Dealer**" means each of any three investment banks of recognized standing that is a primary U.S. government securities dealer in the United States, selected by us in good faith.

"**Reference Treasury Dealer Quotation**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the fifth Business Day before such redemption date.

"**Treasury Yield**" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the fifth Business Day before such redemption date) of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

STABILISING

In connection with this issue, any of the Joint Global Coordinators appointed and acting in its capacity as stabilising manager (each a "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Managers (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

OFFERS AND SALES INTO THE UNITED STATES

None of ABCI Capital Limited, Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and MUFG Securities Asia Limited is a broker-dealer registered with the United States Securities and Exchange Commission or under the securities or "**blue sky**" laws of any state.

To the extent either ABCI Capital Limited, Bank of China (Hong Kong) Limited, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, Industrial and Commercial Bank of China (Asia) Limited and MUFG Securities Asia Limited intends to make any offers or sales of the Notes in the United States, or to nationals or residents of the United States, it will do so only through one or more registered broker-dealers in compliance with applicable securities laws and regulations, and the rules of Financial Industry Regulatory Authority, as well as with applicable laws of the various States.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the SEHK of the Notes described herein pursuant to the US$30,000,000,000 Global Medium Term Note Programme of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Tencent Holdings Limited

/s/Ma Huateng

By: _____
Duly authorised

SCHEDULE TO THE PRICING SUPPLEMENT

The section entitled "*Summary Financial Information of the Issuer*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The selected consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 have been derived from our audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025 included elsewhere in this Offering Circular, each of which has been prepared in accordance with IFRS Accounting Standards, and from our unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting, which has been incorporated by reference into this Offering Circular.

The summary financial data below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the audited consolidated financial statements included elsewhere in this Offering Circular and the unaudited interim condensed consolidated financial information incorporated by reference into this Offering Circular. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 may not provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. None of the Arrangers, Dealers nor any of their directors, officers, employees, representatives, agents, advisers or affiliates makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of our financial condition and results of operations, and potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 should not be taken as an indication of our expected financial condition or results of operations for the full financial year ending 31 December 2026 and they are not comparable to the financial information for the years ended 31 December 2023, 2024 and 2025.

Amounts in the Company's consolidated financial statements are stated in Renminbi. The translation of Renminbi amounts into U.S. dollars is for convenience only and has been made at the rate of RMB6.7851 to US$1.00 as at 30 June 2026. No representation is made that Renminbi amounts have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

SELECTED CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Revenues:						
VAS	298,375	319,168	369,281	183,501	194,524	28,669
Marketing Services[(1)]	101,482	121,374	144,973	67,615	81,736	12,046
FinTech and Business Services	203,763	211,956	229,435	110,443	120,171	17,711
Others	5,395	7,759	8,077	2,967	4,812	710
Total revenues	**609,015**	**660,257**	**751,766**	**364,526**	**401,243**	**59,136**
Cost of revenues	(315,906)	(311,011)	(329,173)	(159,020)	(171,545)	(25,283)
Gross profit	**293,109**	**349,246**	**422,593**	**205,506**	**229,698**	**33,853**
Selling and marketing expenses	(34,211)	(36,388)	(41,727)	(17,276)	(23,212)	(3,421)
General and administrative expenses	(103,525)	(112,761)	(136,127)	(65,585)	(72,608)	(10,701)
Other gains/(losses), net[(2)]	4,701	8,002	(3,177)	(4,975)	773	114
Operating profit[(2)]	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Net gains/(losses) from investments and others[(2)]	(6,090)	4,187	10,168	4,045	13,112	1,932
Interest incomes[(2)]	13,808	16,004	16,909	7,869	8,227	1,213
Finance costs	(12,268)	(11,981)	(15,130)	(7,801)	(5,958)	(878)
Share of profit/(loss) of associates and joint ventures, net	5,800	25,176	23,740	9,054	(6,373)	(939)
Profit before income tax	**161,324**	**241,485**	**277,249**	**130,837**	**143,659**	**21,173**
Income tax expense	(43,276)	(45,018)	(47,448)	(25,068)	(26,290)	(3,875)
Profit for the year/period	**118,048**	**196,467**	**229,801**	**105,769**	**117,369**	**17,298**

Notes:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

(2) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023, 2024 AND 2025 AND 30 JUNE 2026

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Cash and cash equivalents	172,320	132,519	141,041	206,930	30,498
Term deposits	185,983	192,977	236,801	214,275	31,580
Total current assets	**518,446**	**496,180**	**595,460**	**663,424**	**97,776**
Term deposits	29,301	77,601	70,302	52,724	7,771
Total non-current assets	**1,058,800**	**1,284,815**	**1,443,526**	**1,495,970**	**220,479**
Total assets	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**
Borrowings	41,537	52,885	42,618	86,292	12,718
Notes payable	14,161	8,623	10,542	—	—
Total current liabilities	**352,157**	**396,909**	**412,751**	**515,481**	**75,972**
Borrowings	155,819	146,521	208,369	212,650	31,341
Notes payable	137,101	130,586	126,204	154,021	22,700
Total non-current liabilities	**351,408**	**330,190**	**385,170**	**421,400**	**62,107**
Total liabilities	**703,565**	**727,099**	**797,921**	**936,881**	**138,079**
Total equity	**873,681**	**1,053,896**	**1,241,065**	**1,222,513**	**180,176**
Total liabilities and equity	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**

SELECTED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities[(1)]	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities[(2)]	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Notes:

(1) Includes, among others, payments for capital expenditures as well as media content. Payments for capital expenditure represents the amount paid for investments in IT infrastructure (including computer equipment, components and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the six months ended 30 June 2025 and 2026, respectively.

(2) Includes, among others, dividends paid to our shareholders and non-controlling interest owners, which amounted to RMB21,788 million, RMB31,244 million and RMB39,907 million for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB39,400 million and RMB43,257 million (US$6,375 million) for the six months ended 30 June 2025 and 2026, respectively.

OTHER FINANCIAL DATA

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(US$ in millions, except for %)
EBITDA[(1)]	214,381	256,310	310,767	153,284	169,943	25,046
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Adjusted EBITDA margin[(2)]	39%	42%	45%	46%	45%	45%
Net cash[(3)]	54,740	76,798	107,145	74,592	58,191	8,576

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(US$ in millions, except for ratios)
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Interest and related expenses	11,885	12,447	13,456	6,927	6,346	935
Ratios:						
Adjusted EBITDA[(1)] to interest and related expenses[(5)]	20x	22x	25x	23x	27x	27x
Total debts[(4)] to Adjusted EBITDA[(1)(5)]	1.48x	1.22x	1.15x	1.29x	1.29x	1.29x

Notes:

(1) 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. EBITDA and Adjusted EBITDA are not standard measures under IFRS Accounting Standards. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA and Adjusted EBITDA should not be considered in isolation or as any other measure of performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA and Adjusted EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA and Adjusted EBITDA because we believe they are a useful supplement to cash flows data as a measure of our performance and our ability to generate cash flows from operations to cover debt service and taxes. EBITDA and Adjusted EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA or Adjusted EBITDA to the EBITDA or Adjusted EBITDA presented by other companies because not all companies use the same definition.

(2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.

(3) Net cash represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, including highly liquid investment products held for treasury purposes, minus borrowings and notes payable.

(4) Total debts consist of borrowings and notes payable.

(5) Adjusted EBITDA to interest and related expenses ratio and total debts to Adjusted EBITDA ratio for the six months ended 30 June 2025 and 2026 are calculated using Adjusted EBITDA for the last twelve months and interest and related expenses for the last twelve months.

The following table reconciles our operating profit under IFRS Accounting Standards to our EBITDA and Adjusted EBITDA for the years/periods indicated.

	Year ended 31 December			Six months ended 30 June		
	2023[1]	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Operating profit	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Adjustments:						
Other (gains)/losses, net (excluding depreciation and amortization)	(4,701)	(8,002)	3,177	4,975	(870)	(128)
Depreciation of property plant and equipment and investment properties	19,908	21,141	26,580	11,371	17,887	2,636
Depreciation of right-of-use assets	6,397	6,191	6,219	3,070	3,175	468
Amortisation of intangible assets and land use rights	32,703	28,881	33,229	16,198	15,100	2,225
EBITDA	**214,381**	**256,310**	**310,767**	**153,284**	**169,943**	**25,046**
Equity-settled share-based compensation expenses	21,073	20,702	25,660	13,397	11,046	1,628
Adjusted EBITDA	**235,454**	**277,012**	**336,427**	**166,681**	**180,989**	**26,674**

Note:

(1) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

OPERATING DATA

The following data sets forth certain operating statistics relating to our Internet platforms and VAS as at the dates presented:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	(in millions)	(in millions)	(in millions)	(in millions)
Combined MAU of *Weixin* and *WeChat* [1]	1,343	1,385	1,418	1,439
Mobile device MAU of *QQ* [2]	554	524	508	520
Fee-based VAS subscriptions[3]	244	262	267	259

Notes:

(1) Combined MAU of *Weixin* and *WeChat* figures refers to the total number of user accounts that logged in and sent a message, or conducted an activity in *Moments*, games, etc. during the last month prior to the relevant date.

(2) Mobile device MAU of *QQ* figures denote the total number of MAU that logged in via applications on smart devices (iOS, Android) and sent a message, or conducted an activity in *Qzone*, *Tencent Channels*, etc. during the last month prior to the relevant date.

(3) Adjusted to report the average daily number of subscriptions since the first quarter of 2024. Historical comparative figures have been restated for the year ended 31 December 2023.

The sub-section entitled "*Risk Factors — Risks Relating to Our Business and Industry*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to Our Business and Industry

We operate in a very competitive market. If we fail to compete effectively, we may lose users to competitors and our business, future results of operations and prospects could be materially and adversely affected.

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of technology, we also face potential competition from companies which provide foundation models, AI native applications and other AI features.

If we are unable to compete effectively in our business, it could negatively affect our ability to maintain user engagement, and monetise our services, any of which could materially and adversely affect our business, future results of operations and prospects.

If we fail to keep up with the technological developments and users' changing requirements, we may not be able to monetise our business, and future results of operations and prospects could be materially and adversely affected.

Our business and prospects will depend on our ability to respond to rapidly changing technologies, adapt our services to evolving industry standards and improve the performance and reliability of our services. Our failure to adapt to such changes could harm our business. In addition, changes in user behavior resulting from technological developments may also adversely affect us. Furthermore, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or integrate our products, services or technologies. If we fail to anticipate and adapt to material technological changes, our market share could suffer, which in turn could materially and adversely affect our business, future results of operations and prospects.

We operate in a rapidly evolving environment. If we fail to continue to launch attractive new services or products, our business could be harmed.

We operate in a dynamic and evolving industry with the rapid emergence of new technologies and new services and products. To remain competitive, we must introduce new services and products to diversify our portfolio, adapt to new technologies, appeal to changing consumer trends and preferences and generate additional revenue. We may continue to exit some legacy business areas in order to focus on the key drivers of our growth. Further, some of our new services and products may attract users from our existing offerings. Some of our existing services and products may also become incompatible with emerging technologies and new devices. If we are unable to continue to launch new services and products that can offset the loss of popularity of our maturing services and products, our market share could erode, which in turn could materially and adversely affect our financial condition and results of operations.

If we fail to maintain and enhance our brand recognition, or if we incur excessive expenses in this effort, our business, future results of operations and prospects could be materially and adversely affected.

It is critical for us to maintain and develop our brands so as to effectively maintain and increase our business partnerships and grow our revenue. Well-recognised brands are critical to increasing the number and engagement of our users and, in turn, enhancing our attractiveness to advertisers. Since we operate in a highly competitive market, maintaining and enhancing our brands directly affects our ability to maintain our market position. Our main competitors have established brands and are continuing to take steps to increase their brand recognition. We must also continue to maintain and enhance the recognition and value of our brands. In order to attract and retain users, we may need to substantially increase our expenditures for creating and maintaining brand loyalty. As a result, our selling and marketing expenses may increase significantly, which may impact our profitability.

Our success in promoting and enhancing our brands, as well as our ability to remain competitive, will also depend on our success in offering high-quality content, features and functionality. If we are unable to maintain and enhance our brand recognition, our business, future results of operations and prospects could be materially and adversely affected.

We may not be successful in implementing our growth strategies or sustaining our historical growth rate.

We are pursuing a number of growth strategies, including developing new AI capabilities and products to capture exciting new opportunities, enriching our ecosystem through better user engagement and strengthening transaction capabilities, and leveraging our technology expertise and operational know-how to expand game and cloud businesses internationally. We are also pursuing opportunities for growth through acquisitions and investments. Although we have achieved significant growth in the past, we cannot be assured that this level of significant growth will be sustainable or achieved at all in the future. For example, future saturation in the market for online services could hamper our ability to continue to monetise our services. As we expand into new markets, we may face challenges from local incumbents and have difficulty gaining consumer mindshare. Also, as we expand into new services, such as AI foundation models and AI agent services, we may become subject to new technical challenges and regulatory requirements that could restrict our ability to effectively grow these new business lines.

As we enter into new business segments, we may not be able to maintain our historical margins. Further, we cannot assure you whether all or any of these strategies will be successful. If we are unable to implement our growth strategies, our competitiveness may be materially and adversely affected, which would have a material and adverse effect on our results of operations and prospects.

We face uncertainties regarding the growth of the game industry and continuous market acceptance of our games and in-game items.

We have derived a significant portion of our revenue from the game industry, which is rapidly evolving. Revenue from games under VAS business constituted 30%, 30%, 32%, 33% and 32% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of the game industry is subject to a high degree of uncertainty. Our future results of operations associated with this industry will depend on numerous factors, including:

- whether the global game industry continues to grow and the rate of any such growth;

- laws, rules, regulations, policies and approvals affecting the game industry, including regulatory action (or inaction) limiting or prohibiting our ability to licence, market or release new games;

- general economic conditions, particularly economic conditions that impact the level of discretionary consumer spending;

- the availability and popularity of other forms of entertainment;

- changes in consumer demographics, public tastes and preferences;

- our ability to develop, licence or acquire new games and related products to meet market demand and user preferences;

- the popularity and price of new games and in-game items that we and our competitors launch and distribute; and

- our ability to timely upgrade and improve our existing games to extend their lifespans and to maintain their competitive positions in the game market.

Due to these challenges and uncertainties, we cannot assure you that our game business will continue to grow at the rates it achieved in the past. Our failure to successfully develop this business could have a material and adverse effect on our results of operations and prospects.

The online game industry is highly regulated in China, which may affect our business operations and prospects.

The regulatory environment of online games in China has been changing over the years. The regulatory bodies of the online game industry in the PRC suspended the registration of online games and issuance of publication numbers for publication of online games for most of 2018, and imposed a second suspension of approximately eight months from August 2021 to April 2022. Furthermore, in December 2018, the Online Games Ethics Committee of the PRC was established, which carries out moral assessment of online games and related services that may cause or have caused moral disputes and social opinions and provide reference for the decision-making of the regulatory bodies of the online game industry.

Although the registration of online games and issuance of publication numbers has resumed in recent years, there is no assurance that a similar cessation in online video games approval will not occur again in the future, and we may face similar or other regulatory hurdles in obtaining approvals for our new online games in the future. Consequently, there is no assurance that we will continue to obtain approval for our new online games in a timely fashion or at all, and any failure, delay or other limitations in obtaining regulatory approvals for our new online games could materially and adversely affect our business, revenue and profits and results of operations.

If we are unable to consistently develop additional successful games, our business, future results of operations and prospects could be materially and adversely affected.

In order to maintain our long-term profitability and operational success, we must continue to develop, acquire, co-develop or licence new games that are attractive to users before our existing games reach the end of their commercial lifespans. This requires us to maintain and grow our in-house game development capability to anticipate changing consumer tastes and preferences, adopt new technologies, attract, retain and motivate talented game developers and effectively execute game development plans. There is no assurance that we can successfully maintain or develop our in-house game development capability in such manner. In addition, games we develop for one market may not always be successful in other markets.

There is no assurance that the games which we have developed will be attractive to users and will always comply with relevant content restrictions such as government regulations. If we are not able to mitigate the potential adverse impact as a result of competition or disputes among our overseas licensors and consistently develop games with continuing appeal to users, our business, future results of operations and prospects could be materially and adversely affected.

The online video and music industries are highly regulated in China. Our failure to comply with any government policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation.

The PRC government regulates the online video and music industry extensively. A number of regulatory authorities, such as MOCT, MIIT, NRTA and NCA, regulate different aspects of the online video and music industry. These governmental authorities promulgate and enforce laws and regulations that cover many aspects of the online video and music industry, including entry into such industries, scope of permitted business activities, licences and permits for various business activities and foreign investments into such industry. Operators are required to obtain various government approvals, licences and permits in connection with their provision of Internet information services, Internet culture services, online audio-visual products and other related value-added telecommunications services. If we fail to obtain and maintain approvals, licences or permits required for our business, we could be subject to liabilities, penalties and operational disruption and our business could be materially and adversely affected. In addition, if applicable laws and regulations are tightened by any regulatory authorities, or if there are new laws or regulations introduced to impose additional government approvals, licences, permits and requirements, our business may be disrupted and our results of operations may suffer.

Meanwhile, under PRC laws, to secure the rights to provide video or music content on the Internet or for our users to download or stream video or music from our platform, or to provide other related online video or music services, we must obtain licences from the appropriate copyright owners. However, we cannot assure you that we have obtained licences for copyrights with respect to all video or music content offered on our platform, and we cannot assure you that we will not be subject to any potential copyright infringement claims by third parties in relation to such services.

The marketing services market is subject to many uncertainties, which could cause our marketing services revenue to be materially and adversely affected.

The revenue for marketing services represented approximately 17%, 18%, 19%, 19% and 21% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of our marketing services revenue relies on increased revenue from the sale of marketing solutions and advertising inventories from our various platforms, which could be affected by the following factors:

- growth of the marketing services market;
- acceptance of marketing services as an effective marketing channel;
- our development of tailored marketing solutions to meet marketing clients' needs;
- changes in government rules and regulations impacting the marketing industry;
- alternative methods and strategies available to marketing clients to promote their brands and products; and
- development and acceptance of an independent and reliable standard for measuring the effectiveness of marketing services.

We also may be unable to respond adequately to changing trends in marketing services or advertiser demands or preferences or keep up with technological innovations and improvements in the measurement of user traffic and marketing services. If we are unable to capture and retain a sufficient share of the marketing services market, our ability to maintain or increase our current level of marketing services revenue could be materially and adversely affected.

Our cloud services business is subject to a number of laws and regulations. If we fail to adhere to applicable laws and regulations, our business of cloud services would be materially and adversely affected.

Our cloud services business is subject to extensive and evolving laws and regulations in China. Cloud service operators must obtain a value-added telecommunication service operating licence for Internet data centre business and are required to conduct business activities in accordance with the applicable national standards in respect of cloud services. Cloud service providers must comply with the regulations of the Cyber Security Law, including by taking technical and organisational measures to safeguard the operations of networks, formulate emergency response plans for cybersecurity incidents, prevent illegal and criminal activities and maintain the integrity, confidentiality and availability of network data. For the crucial information infrastructure operators, the personal information and important data collected during business activities must be stored within the territory of China. Where such data needs to be transferred overseas, a security assessment must be completed and passed prior to such transfer. Any failure or perceived failure to comply with all applicable laws and regulations may result in legal proceedings or regulatory actions against us, and could have a material adverse effect on our business and results of operations.

Our payments business is subject to a number of laws and regulations, including those governing banking, cross-border and domestic money transmission, foreign exchange and payment services.

Our payments business is subject to various laws and regulations in China, and any future expansion of our payments business would be subject to various laws and regulations in other jurisdictions where we operate. These laws include those governing banking, cross-border and domestic money transmission, foreign exchange and payment services, such as payment processing and settlement services. The legal and regulatory requirements that apply to our payments business vary in the markets where we operate and have increased over time as the geographical scope and complexity of our business and products have expanded. While our payments business has a compliance programme focused on compliance with applicable laws and regulations, there can be no assurance that we will not be subject to fines or other enforcement actions in one or more jurisdictions or be required to make changes to our business practices or compliance programmes to comply in the future. For example, regulatory authority has prescribed rules relating to third-party payment, whereby non-bank payment institutions are required to place customer funds in a centralised reserve with the PBOC. In addition, pursuant to the Circular on Transfer of Online Payment Business Conducted by Non-Bank Payment Institutions from Directly Connected Model to the NetsUnion Platform (關於將非銀行支付機構網絡支付業務由直連模式遷移至網聯平台處理的通知) ("**Circular 209**") issued by the Payment and Settlement Department of PBOC on 4 August 2017 and effective as at 30 June 2018, all online payments involving bank accounts conducted by non-bank payment institutions must be processed by the unified platform operated by the NetsUnion Clearing Corporation. The State Council of China issued the Regulations on the Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例) in December 2023, which became effective on 1 May 2024. The PBOC issued the Implementing Rules for the Regulations on Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例實施細則) on 9 July 2024. The new regulations fundamentally restructured the regulatory framework for non-bank payment institutions, including reclassifying payment business into two new categories (which may require existing licencees to convert their licences), imposing enhanced shareholder supervision requirements, strengthening systems and data security obligations (including onshore IT system and data localisation requirements), and requiring overseas non-bank institutions providing cross-border payment services to domestic users to establish a non-bank payment institution within China. The PBOC has been

actively strengthening enforcement, and the number of payment licences revoked has increased in recent years. Any new laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional licensing requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines, enforcement actions, changes in compliance requirements or limits on our ability to grow our business could have a material adverse effect on our business, future results of operations and prospects.

Our payments business is subject to anti-money laundering, counter-terrorist financing and sanctions laws and regulations.

Our payments business is, and any future expansion of our payments business would be, subject to various anti-money laundering, counter-terrorist financing and sanctions laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing anti-money laundering, counter-terrorist financing and sanctions legal and regulatory requirements. However, any errors, failures or delays in complying with anti-money laundering, counter-terrorist financing and sanctions laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new anti-money laundering, counter-terrorist financing and sanctions laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business, could have a material and adverse effect on our business, future results of operations and prospects.

Our payments business is subject to consumer protection laws and regulations.

Our payments business is subject to consumer protection laws and regulations in China, and any future expansion of our payments business would be subject to various consumer protection laws and regulations in other jurisdictions where we operate. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing consumer protection requirements. However, any errors, failures or delays in complying with such consumer protection laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new consumer protection laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business could have a material and adverse effect on our business, future results of operations and prospects.

We are subject to risks associated with our micro-loan business.

We provide online consumer loan services. Micro-finance is a highly regulated business in China subject to the supervision of and regulation by the PBOC and the relevant local government authorities, and our failure to comply with any current or future laws, rules and regulations could subject us to liability, enforcement action by regulators and could harm our reputation. Our credit assessment model may not accurately predict the creditworthiness of our borrowers, and our actual losses could materially exceed our allowances for doubtful accounts. If losses on our portfolio of loans are greater than we expect, whether due to inaccuracies with our credit assessment model or changes in economic conditions or otherwise, our net income could be materially and adversely reduced. In addition, because we continue to be exposed to risk of loss with respect to a portion of losses on the loan portfolio, any failure of borrowers to repay their underlying loans could adversely affect our business, financial condition and results of operations.

We are subject to risks and uncertainties associated with the evolving AI regulations, potential infringement claims and increasing costs for regulatory compliance.

We are making significant initial progress on our new AI products, as well as continuing to utilise AI to grow our existing core businesses. However, as with most emerging technologies, AI comes with its own set of risks and challenges that could affect its adoption and our business. AI algorithms may be flawed, and the data used could be incomplete or biased. Generative AI technologies are prone to processing errors, creating inaccurate or biased outputs, and may be manipulated via adversarial prompting to bypass security protocols. Integrating AI algorithms into our existing business segments such as automated advertising bidding or content moderation could lead to automated errors, discriminatory pricing vulnerabilities, or systemic service disruptions if an algorithm misbehaves at scale. Inappropriate or controversial data practices, by us or by others, could limit the acceptance of our AI products or AI-enhanced products and content. Deploying large language models may subject us to third-party copyright and misappropriation lawsuits regarding AI training sets or outputs. Certain AI applications could trigger ethical issues. Should our AI-related offerings become controversial due to their effects on privacy, security or other social matters, we risk reputational harm or legal repercussions. In addition, uncertainties regarding the development and application of AI technology present a potential risk. There remains the possibility that AI technology may not progress as anticipated or deliver expected benefits, which could limit the acceptance and popularity of our AI-related offerings.

Furthermore, the regulatory and legal framework on AI is evolving rapidly and might not fully address every aspect of its research, development and use. Government authorities have sped up creating laws for generative AI-related technologies, such as algorithms and deep synthesis. For example, on 10 July 2023, the CAC, together with six other regulatory authorities, issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法), which imposes compliance requirements on providers of generative AI services. The Measures require generative AI service providers to take effective measures to enhance the accuracy and reliability of the AI-generated content. Specifically, the service providers must: (i) assume the responsibilities as content producers and fulfil obligations related to network information security; (ii) assume the responsibilities as processors of personal information and ensure the protection of such data; and (iii) process training data, including conducting pre-training optimisation in compliance with applicable laws and regulations. In addition, the providers of generative AI services that possess public opinion influence or the capability for social mobilisation are required to undergo a security assessment and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (互聯網信息服務算法推薦管理規定). In March 2025, the CAC and other regulatory authorities jointly issued the Measures for Labeling AI-Generated Content (人工智能生成合成內容標識辦法), effective from 1 September 2025, which mandates service providers to add explicit labels (such as text or watermarks) and implicit labels (such as metadata) to AI-generated content. In October 2025, the Cyber Security Law was amended to include provisions specifically addressing AI, emphasising ethical governance and risk monitoring requirements for AI development. The CAC and other regulatory authorities issued the Interim Measures for the Administration of Anthropomorphized Artificial Intelligence Services (人工智慧擬人化互動服務管理暫行辦法), effective from 15 July 2026, which regulate AI services that simulate human personalities and emotions, including emotional companion chatbots and virtual personalities. If we are unable to comply with the relevant requirements, or if we have any dispute with any third party relating to intellectual property, data security or other aspects, our business operation may be adversely affected.

Our past and future acquisitions and investments could have a material and adverse effect on our ability to manage our business.

As part of our strategy to further expand our business, we may continue to acquire or make investments in additional products, assets, technologies or businesses that are complementary to our existing business if and when appropriate opportunities arise. Future acquisitions and investments as well as the subsequent integration of new products, assets, technologies and businesses into our existing business would require attention from our management and result in diversion of resources from our existing business. The areas where we face risks include:

- diversion of management time and focus from operating our business to address challenges in relation to acquisition integration and business collaboration;
- implementation or remediation of controls, procedures and policies at the acquired company;
- integration of the acquired company's accounting, human resource and other administrative systems and coordination of product, engineering and sales and marketing functions;
- transition of operations, users and customers onto our existing services;
- cultural challenges associated with integrating employees from the acquired company into our organisation, and retention of employees from the businesses we acquire;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties;
- the ability of SAMR to require the subsequent unwinding of completed M&A transactions or impose significant fines in respect of such transactions;
- in the case of overseas acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- failure to successfully further develop the acquired technology.

Also, acquired products, assets, technologies or businesses and investments may not yield the results that we anticipate. In addition, acquisitions and investments could result in the use of substantial amounts of cash, significant amortisation expenses related to identifiable intangible assets and exposure to potential impairment or write-offs of such investments, the relevant goodwill and/or identified intangible assets or potential unknown liabilities of any such acquired business. Moreover, the costs of identifying and consummating acquisitions and investments may be significant. We may also have to obtain approval from the relevant government authorities for the acquisitions and investments and comply with any applicable laws and regulations, which could result in increased costs and delays. Further, the value of our investments is subject to market and non-market fluctuations which are attributable to factors beyond our control.

Our failure to properly and timely address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realise the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally.

Future acquisitions or investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortisation expenses, write-offs of goodwill, or even provisions for prolonged impairment in value, any of which could have a material and adverse effect on our business, future results of operations and prospects.

We may face additional risks as we expand our business to new international markets.

From time to time we evaluate opportunities to expand our business, services and product offerings to markets outside China. Expanding our business, services and product offerings into new overseas markets may expose us to risks that are additional to or different from those that we currently face, including:

- difficulties in identifying and maintaining good relationships with business counterparties or partners;
- uncertainties in developing products and services catering to overseas markets and in renewing the licence agreements with licencees upon their expiration;
- our ability to maintain our brand name and the reputation of our products and services in situations where our products and services are operated by licencees or partners in the overseas markets pursuant to their own standards;
- difficulties in staffing and managing foreign operations;
- difficulties and costs associated with protecting and enforcing our intellectual property rights overseas;
- difficulties and costs relating to compliance with the different commercial and legal requirements of the overseas markets, such as licensing and certification requirements, import regulatory procedures, taxes and other restrictions and expenses;
- requirements under different local regulatory systems, some of which may conflict with each other, including potential service interruptions of our online services due to national security laws or policies in the international markets in which we operate;
- exposure to claims and litigations in markets where the laws and overall environment are unfamiliar to us;
- competition from established local competitors;
- laws and business practices that favour local competitors or prohibit or limit foreign ownership of certain businesses;
- difficulties in integrating with local payment providers, including banks, credit and debit card networks and electronic fund transfer systems;
- potentially adverse tax consequences, including local taxation of our fees or transactions on our websites/applications;
- fluctuations in currency exchange rates;
- our ability to repatriate funds from abroad; and
- interruptions in cross-border Internet connections or other system or network failures.

Our inability to expand our business internationally or any risks associated with conducting business in new overseas markets may have a material and adverse effect on our business, future results of operations and prospects.

Certain U.S. laws and Executive Orders with respect to technology and communications products and services may have negative impacts on our business, and we cannot assure you that the U.S. government will not issue similar authorities in the future.

In the past several years, the U.S. government has enacted or issued a number of laws, Executive Orders and regulations to restrict or prohibit the use of information and communications technology products and services supplied by Chinese companies, including in some cases authorities (which were subsequently rescinded without being fully implemented) that have directly authorised restrictions on transactions in the United States involving certain of our products. To date, none of our products, services and transactions have become prohibited as a result of the implementation of such authorities, but there can be no assurance that future actions taken under these authorities will not have an adverse effect on the operation of our business, particularly if such actions specifically target our products or services in the United States. There is also no assurance that the United States will not issue additional similar laws, Executive Orders or regulations that may adversely affect our business and financial conditions.

On 7 January 2025, the U.S. Department of Defense published the Notice of Availability of Designation of Chinese Military Companies. Pursuant to such notice, the Deputy Secretary of Defense has included us in the list of Chinese Military Companies (the "**CMC List**"). As we are neither a Chinese military company nor a military-civil fusion contributor to China's defense industrial base, we believe that our inclusion in the CMC List is a mistake. Unlike other lists maintained by the U.S. Government for sanctions or export control measures, inclusion in the CMC List relates only to U.S. government procurement, which does not affect the business of us and our subsidiaries. We are currently taking steps to resolve this matter, with an aim to secure a removal from the CMC List. Previously, we were successfully removed from the Notorious Markets for Counterfeiting and Piracy List by the Office of the U.S. Trade Representative as a result of our efforts and progress in protecting IP rights on its platforms, as well as its constructive and effective engagement with relevant U.S. authorities. However, there can be no assurance that our efforts to seek removal from the CMC List will be successful. There is also no assurance that the United States will not issue additional Executive Orders or other laws or regulations that may add additional consequences to our inclusion on the CMC List that may cause it to adversely affect our business and financial condition.

Inclusion on the CMC List is distinct from inclusion on the List of Chinese Military Industrial Complex Companies ("**CMICs**") maintained by the U.S. Treasury Department's Office of Foreign Assets Control pursuant to Executive Order 13959, as amended by Executive Order 14032. U.S. persons are prohibited from purchasing or selling publicly traded securities of listed CMIC entities or publicly traded securities that are derivative of or provide investment exposure to such securities. Although we are not currently impacted by the prohibitions of the CMIC sanctions program, a number of Chinese telecommunications companies have been designated as CMICs pursuant to Executive Order 14032. Pursuant to Executive Order 14032, the U.S. government has significant discretion to make or revise such designations, and if it were to do so, this could have a material adverse impact on a broader range of companies, which could potentially include us.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade restrictions may materially and adversely affect our business, financial condition and results of operations.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and restrictions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labour conditions, increased duties, taxes and other costs and political instability. The recent political tensions between the United States and China have escalated.

The United States has taken efforts to limit U.S. investment in China. On 28 October 2024, the U.S. Treasury Department issued a final rule (the Outbound Investment Rule) implementing Executive Order 14105 and creating a regime restricting investment by U.S. persons in targeted sectors in "countries of concern" (currently limited to China). On 21 February 2025, the White House released the "America First Investment Policy" memorandum, which outlined several initiatives to restrict investments involving China. On 18 December 2025, the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") was enacted as part of the 2026 National Defense Authorization Act. The COINS Act requires the Treasury Department to make certain changes to the Outbound Investment Rule, with implementing regulations required within 450 days of enactment.

The U.S government has also adopted various export controls targeting China-based companies. In October 2022, the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") released a series of export control measures on China, including new regulations restricting the export to China of advanced computing chips, advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors, and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. In October 2023, BIS released additional rules that became effective in November 2023, expanding and strengthening export control measures to further restrict China's access to advanced computing chips and semiconductor manufacturing equipment. These measures also restrict the ability of U.S. persons to provide "support" for semiconductor manufacturing and related activities in China and may seriously affect the ability of Chinese companies to purchase or obtain certain semiconductor manufacturing equipment or advanced chips. In January 2025, BIS released an interim final rule that established licensing requirements for the export of advanced computing integrated circuits that facilitate advanced AI research and development, as well as certain AI model technology; however, BIS announced in May 2025 that it would no longer enforce and intended to rescind and replace this rule, and BIS has since adopted more permissive licensing policies for exports of certain advanced computer chips to China, though significant restrictions remain in place. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the United States in the future, may impose restrictions on our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. For example, export control restrictions on high-end hardware, graphics processing units, and cloud-computing infrastructure could negatively affect our AI model capabilities, slow down R&D cycles, or inflate the capital expenditures required to acquire alternative infrastructure.

Since February 2025, the U.S. government has imposed a number of different tariffs on Chinese imports under several different legal authorities, some of which apply broadly to all Chinese imports and others of which are product- or industry-specific. In response, China imposed retaliatory tariffs on U.S. imports and other countermeasures. Currently, consistent with the Joint Statement on China-US Economic and Trade Meeting in Geneva issued on 12 May 2025 and subsequent discussions, certain of the tariffs and countermeasures have been suspended at least through 10 November 2026. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no assurance as to whether the United States will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. Additionally, certain of the U.S. tariffs have been found to be unlawful by the U.S. Supreme Court and others are subject to ongoing legal challenges; collectively, these legal proceedings create further uncertainty as to whether the tariffs will remain in place or may be removed or modified. Changes to national trade or investment policies, treaties and tariffs or fluctuations in exchange rates could adversely affect the financial and economic conditions in the jurisdictions in which we operate, which may in turn affect our financial condition and results of operations.

China has also issued regulations to give itself the ability to unilaterally nullify the effects of certain foreign restrictions that are deemed to be unjustified to Chinese individuals and entities. The Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures, promulgated by the MOFCOM on 9 January 2021, provide that, among other things, Chinese individuals or entities are required to report to the MOFCOM within 30 days if they are prohibited or restricted from engaging in normal business activities with third-party countries or their nationals or entities due to non-Chinese laws or measures; and the MOFCOM, following the decision of the relevant Chinese authorities, may issue prohibition orders contravening such non-Chinese laws or measures. Furthermore, on 10 June 2021, the Standing Committee of the National People's Congress ("**SCNPC**") promulgated the Anti-foreign Sanctions Law. The Anti-foreign Sanctions Law prohibits any organisation or individual from implementing or providing assistance in implementation of discriminatory restrictive measures taken by any foreign state against the citizens or organisations of China. In addition, all organisations and individuals in China are required to implement the retaliatory measures taken by relevant departments of the State Council of the PRC. In March 2025, the State Council issued the Regulations on the Implementation of the Anti-foreign Sanctions Law, which further refines the enforcement mechanisms and expands the scope of available countermeasures. Since 2024, Chinese authorities have significantly increased anti-sanctions enforcement activities, including designating a growing number of foreign entities to the Unreliable Entity List and the Countermeasures List. In addition, in recent years, China has introduced a series of regulatory measures targeting the import and use of U.S.-origin AI-related chips, particularly in response to escalating U.S. export controls on advanced semiconductors. For example, in May 2023, the CAC announced that products from U.S. memory chipmaker Micron Technology had failed a cybersecurity review due to possessing serious network security risks. The products would be banned from use in China's critical information infrastructure. In April 2024, Chinese authorities ordered major state-owned telecommunications companies to phase out foreign-made chips, including those from Intel and AMD, from core network infrastructure by 2027.

Rising political tensions between the United States and China could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets.

We rely on a number of third parties to provide us with content, various services and technologies. Any disruption in the provision of this third-party content or these services or technologies could materially and adversely affect our business, future results of operations and prospects.

One of our principal strengths is our ability to create a distinct online community through our services and content. We rely on a number of third parties to create traffic and provide content in order to make our products and services more attractive to consumers and advertisers, through which we may sustain and grow our online community. Third parties that provide content for our websites and services include both commercial content providers with which we have contractual relationships and our registered community members who post articles and other content on our products. If these third parties fail to develop and maintain high-quality content, our websites or other open platform offerings could lose users and advertisers. Most of our contractual arrangements with third-party content providers are not exclusive and are short-term, or may be terminated at any time for any reason by either party. There can be no assurance that our existing relationships with third-party content providers, if maintained, will result in sustainable business partnerships, successful service offerings, an acceptable level of traffic on our websites or revenue, or will not be terminated. Also, a majority of this third-party content is also available from other sources or may be provided to other Internet, SNS or other social media companies. If other Internet, SNS or other social media companies present the same or similar content in a superior manner, this could reduce our visitor traffic, which could have a material and adverse effect on our business, future results of operations and prospects.

In addition, our business also depends upon services provided by, and relationships with, third-party service and technology providers such as advertising agencies that represent advertisers, game developers, online payment vendors and other content providers. We generally do not have long-term cooperation agreements or exclusive arrangements with these third parties and they may elect to direct business opportunities to our competitors. With respect to game developers, we have revenue sharing arrangements that require periodic renewals. If we fail to retain and enhance our business relationships with these third parties, or renew our business arrangements with these third parties on the same or more favorable terms to us, our business, future results of operations and prospects may be materially and adversely affected.

We face uncertainties regarding the legal liability for providing third-party services, products, content and applications on our platforms.

A number of third-party services, products, content and applications have been, and will continue to be, provided on or through our platforms through commercial cooperation agreements we entered into with third parties. It is also possible that third parties may engage in illegal, obscene or incendiary conversations or activities that may be deemed unlawful under PRC laws and regulations on our platform. In addition, our users may generate and display content on our platforms which may involve illegal, obscene or incendiary conversations or activities. If any content on our platform is deemed illegal, obscene or incendiary, or if appropriate licences and third-party consents of such services, products, content and applications as required have not been obtained, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of such objectionable information. Although such commercial agreements provide general contractual provisions to limit or exclude our legal liabilities, we cannot assure you that we may not incur any liability caused by providing these third-party services, products, content or applications on our platforms if they are found to be in breach of the relevant rules and regulations in China or any intellectual property rights, especially in light of the fact that the current PRC laws remain uncertain regarding our liability in connection with any third-party content and applications. The Regulations on Network Information Protection (as defined below) require Internet operators to supervise and manage these third-party services with respect to collection and use of user information so as to ensure information security and privacy. The Civil Code of the PRC (中華人民共和國民法典) (the "**Civil Code**"), promulgated in 2020 and replacing certain laws including the Tort Law of the PRC (中華人民共和國侵權責任法), has further elaborated the circumstances where Internet operators may be found liable for the infringement conducted by third parties using network services provided by the Internet operators. Furthermore, the Network Data Security Management Regulation (網絡數據安全管理條例), effective from 1 January 2025, further reinforces the obligations of online platform operators to supervise and manage data processing activities carried out by users and third parties on their platforms. However, the allocation of liabilities between Internet operators and such third-party service providers is subject to legal uncertainty. Any regulatory actions or liability incurred by these third parties may disrupt our business and cause damage to our reputation.

We have been and may continue to be exposed to liability for copyright or trademark infringement and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through or published or posted on our platform. Defense of any such actions could be costly and involve significant time and attention of our management and other resources. In addition, if we are found to have not adequately monitored the content on our platform, PRC authorities may impose legal and administrative sanctions on us, including, in serious cases, suspending or revoking the licences necessary to operate our platform, which could have a material and adverse effect on our business, future results of operations and prospects.

Unauthorised use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business, future results of operations and prospects.

We regard our intellectual property rights, including our patents, trademarks and content copyrights, as critical to our success. We seek to protect our intellectual property rights by relying on a combination of patent, copyright and trademark protection and contract laws. Despite our precautions, it may be possible for third parties to use such intellectual property without authorisation. The validity, enforceability and scope of protection of intellectual property in Internet-related industries are uncertain and still evolving in China and protection and enforcement of our intellectual property rights may not be as effective as in other countries with established legal regimes. Moreover, policing and enforcing against unauthorised use of proprietary technologies are difficult and expensive. Any unauthorised use of our intellectual property could have a material and adverse impact on our business and results of operations. From time to time, we have, and may have to resort to, litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of resources.

We are subject to intellectual property rights laws in a number of jurisdictions and have been involved in lawsuits or other legal proceedings in such jurisdictions from time to time.

As a leading integrated Internet services company operating a broad range of Internet services, such as games, digital content and marketing services, we may face liability for defamation, negligence, copyright, misappropriation, patent or trademark infringement or other intellectual property rights violations of third parties. We have been involved and may continue to be involved in intellectual infringement disputes, lawsuits and other legal proceedings. Intellectual property claims and litigations are expensive and time-consuming to investigate and defend, and may divert resources and management attention from the operation of our business. If determined adversely against us, our business may be materially interrupted. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our websites to reduce the risk of future liability, could also have a material and adverse effect on our business, future results of operations and prospects.

We may receive notices of claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement claims arising from our use of technology, content offered on our Internet portals, internally developed games or merchandise and services sold on our eCommerce platforms. We could also be subject to claims based upon content that is accessible on our websites or through our services, such as content and materials posted by users on message boards, online communities, voting systems, email or Internet groups. On 17 December 2012, the Supreme People's Court of the PRC promulgated a judicial interpretation, namely, the Provisions of the Supreme People's Court of the PRC on Several Issues concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Dissemination on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which was amended by the Supreme People's Court of the PRC on 29 December 2020. This judicial interpretation regulates dissemination of infringing materials through the Internet. This judicial interpretation, like certain court rulings and certain other judicial interpretations, provides that the courts will place the burden on Internet service providers to remove not only links or content that have been specifically mentioned in the notices of infringement from right holders, but also links or content Internet service providers "should have known" to contain infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any content made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights. The provisions under this interpretation are also consistent with requirements under other PRC laws and regulations, including the Civil Code. This interpretation, as well as other PRC laws, regulations and judicial interpretations, could subject us and other Internet service providers to significant administrative burdens and litigation risks.

With respect to games and applications developed by third parties, we have procedures designed to reduce the likelihood of infringement. However, such procedures might not be effective in preventing third-party games and applications from infringing other parties' rights.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies. As a result, there could be material and adverse effects on our business, future results of operations and prospects.

In China, the valid periods for utility model patent rights, design patent rights and invention patent rights are 10 years, 15 years and 20 years, respectively. None of such patent rights are extendable. Currently, we have been granted patents and have patent applications pending in China, but we cannot assure you that we will be granted patents pursuant to our pending applications. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future. When our existing patents expire, we will lose any proprietary protection or competitive advantages they originally provided to us and we may face increased competition. The rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Further, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others will bar us from licensing and from exploiting any patents that issue from our pending applications. Issued patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

We depend on our key personnel, and our business and growth prospects may be severely disrupted if we lose their services.

Our success depends on the continuous effort and services of our current executive team and other key personnel, and we rely on their expertise in business operations, including the development of new VAS and products and maintenance of our relationships with other strategic partners. If one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to easily replace them and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business. Our present and future success will continue to depend on our ability to attract and retain highly skilled technical, managerial, editorial, marketing and customer service personnel. There is no assurance that we may be able to successfully attract, assimilate or retain the personnel we need to succeed. As competition for talent in the technology industry intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel. If we are unable to attract additional highly skilled personnel or retain or motivate our existing personnel, we may not be able to grow effectively.

Legal proceedings or allegations of impropriety against us or our key personnel could have a material and adverse impact on our reputation, results of operations and financial condition.

From time to time, we have been, and may be in the future, involved in lawsuits or subject to allegations brought by our competitors, individuals or other entities against us or our key personnel, including claims of unfair, unethical or otherwise inappropriate business practices. See "*Business — Legal Proceedings*". Any such lawsuit or allegation, with or without merit, or any perceived unfair, unethical or inappropriate business practice by us could generate negative publicity about us, harm our reputation and divert resources and management attention from the operation of our business. We cannot assure you that we will not be involved in lawsuits or subject to allegations of a similar nature

in the future. In addition, we could incur substantial costs, divert the attention of our management in dealing with these claims, and suffer reputational damage, even if we are successful in our defense or counterclaims, which could have a material and adverse effect on our business, future results of operations and prospects.

Online communications among our users may lead to adverse moral, emotional or physical consequences, which may damage our reputation, lead to litigation or government investigation and have a material and adverse effect on our business, future results of operations and prospects.

Our users engage in highly personalised exchanges over our platforms. Users who have met online through our services may become involved in emotionally charged situations and could suffer adverse moral, emotional or physical consequences. Such occurrences could be highly publicised and have a significant negative impact on our reputation. Users who have suffered such adverse consequences may bring litigation against us to claim compensation in such events. Government authorities may also require us to discontinue or restrict those services that have led, or may lead, to such events. As a result, our business, future results of operations and prospects could be materially and adversely affected.

Undetected programming errors or defects in our products or unauthorised use of our products could harm our reputation and increase user dissatisfaction, which could materially and adversely affect our business, future results of operations and prospects.

Our products may contain undetected programming errors or other defects. In addition, parties unrelated to us may use our products in unauthorised or unintended ways, such as online cheating programmes that enable users to acquire superior features for our games that they would not have otherwise. Certain cheating software programmes created independently by parties unrelated to us could allow users to eliminate superior features for our games that have been acquired by other users or otherwise affect the fairness of the game environment for our games. The occurrence of undetected errors or defects in our products, and our failure to discover and disable unauthorised or unintended uses, could disrupt our operations, damage our reputation and detract from our products' user experience. As a result, such errors, defects and cheating programmes could materially and adversely affect our business, future results of operations and prospects.

Unexpected network interruptions caused by system failures, security breaches, malware or computer or mobile device system viruses may disrupt our business operations, harm our reputation, and may require us to expend significant capital and other resources to protect our websites.

We may experience unexpected system interruptions and delays (including those caused by natural disasters such as earthquakes and floods) or security breaches, which may expose us or our users to a risk of loss or misuse of user information, prevent us from efficiently providing services or efficiently fulfilling orders or cause significant harm to our user relations and reputation and our ability to attract and maintain users and advertisers. We may be required to expend significant capital and other resources to protect our websites against the threat of computer viruses and hackers and to alleviate any problems caused by them. There is no assurance that these measures will be adequate and prevent potential future attacks. In addition, any security breach caused by hacking, which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could have a material and adverse effect on our business, future results of operations and prospects.

We maintain a distributed server network architecture hosting servers across China. We have limited backup systems and have experienced system failures and electrical outages from time to time in the past, which have disrupted our operations. Although we have a certain number of disaster recovery plans in place in the event of damage from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events and will continue to

develop additional plans, our existing backup systems and disaster recovery plans may not be effective for such events. If any of the foregoing occurs, we may experience system failures and electrical outages, which could have a material and adverse effect on our business, future results of operations and prospects.

Our users may use our products or services for critical transactions and communications, especially business communications. As a result, any system failures could result in damages to such users' businesses. These users may seek significant compensation from us for their losses. We could incur substantial costs and divert the attention of our management in defending ourselves against these claims even if we are successful in such defense.

Failure of information security could subject us to penalties, damage our reputation and brand, and harm our business, future results of operations and prospects.

The Internet and mobile industries are facing significant challenges regarding information security and privacy, including the storage, transmission and sharing of confidential information. We transmit and store over our systems confidential and private information of our users, customers, distributors and partners, such as personal information, including names, user IDs and passwords, and payment or transaction related information. We are required by PRC laws to ensure the confidentiality, integrity, availability and authenticity of the information of our users, customers, distributors and partners, which is also essential to maintain their confidence in our online products and services. In addition, we are subject to a number of international information security regulations.

We have adopted strict information security policies and deployed advanced measures to implement the policies, including, among others, encryption technologies. However, advances in technology, increased level of sophistication and diversity of our products and services, increased level of expertise of hackers, new discoveries in the field of cryptography or others could still result in a compromise or breach of the measures that we use. We have experienced and may continue to experience security breaches and hacking attacks. The Internet service providers are required to take measures to ensure confidentiality of information of users by relevant PRC laws and regulations. The Cyber Security Law and the Civil Code also require the Internet operators to take necessary technical measures or other measures to protect personal data. Particularly, for the operators of crucial information infrastructure, personal data and crucial data should be stored in the territory of China, under circumstances that such data need to be provided to overseas parties due to business requirements, a security assessment shall be conducted before the transmission of the data. However, the effect of these new laws and regulations on curbing hacking and other illegal online activities still remains to be seen.

In recent years, the PRC government has tightened the regulation of cybersecurity and data protection. According to the institutional reform plan of the State Council approved by the National People's Congress on 10 March 2023, the National Data Bureau has been established under the administration of the NDRC on 25 October 2023. The National Data Bureau is responsible for, among other things, advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources and promoting the digitalisation of China's economy and society. A series of cybersecurity and data protection related laws and regulations have been adopted in recent years, including the PRC Data Security Law (中華人民共和國數據安全法) which took effect on 1 September 2021, the PRC Personal Information Protection Law (中華人民共和國個人信息保護法) which took effect on 1 November 2021, the Cybersecurity Review Measures (網絡安全審查辦法) which became effective on 15 February 2022, the Security Assessment Measures for Outbound Data Transfers (數據出境安全評估辦法) which took effect on 1 September 2022, the Provisions on Promoting and Regulating the Cross-Border Flow of Data (促進和規範數據跨境流動規定) which was issued on 22 March 2024, and the Regulations on Network Data Security Administration (網絡數據安全管理條例) which took effect on 1 January 2025. The Cyber Security Law (中華人民共和國網絡安全法), formulated in 2016 as a fundamental legal framework in the field of cybersecurity, was amended on 28 October 2025 and such amendment took effect on 1 January

2026. On 11 September 2025, the CAC announced the Administrative Measures for the Reporting of National Cybersecurity Incidents (國家網絡安全事件報告管理辦法) (the "**Cybersecurity Incidents Reporting Measures**"), which became effective on 1 November 2025 and provides that network operators that build or operate networks or provide services through networks within the territory of the PRC shall report incidents that endanger cybersecurity. These new laws and regulations have established China's current regulatory system for cybersecurity and data protection related matters, including data classification, personal information protection, cybersecurity review and outbound data transfer. Since these laws and regulations are relatively new, uncertainties still exist in relation to their interpretation and implementation. Any future change in laws and regulations relating to cybersecurity and data protection could affect our compliance and operating costs in providing our products and services and results of operation.

Significant capital, managerial and human resources are required to comply with legal requirements, enhance information security and to address any issues caused by security failures. If we are unable to protect our systems or the information stored in our systems from unauthorised access, use, disclosure, disruption, modification or destruction, such problems or security breaches could cause loss or give rise to our liabilities to the owners of confidential information, such as our users, customers, distributors and partners, subject us to penalties imposed by administrative authorities and disrupt our operations. This will become more difficult as we continue to grow the number and scale of our cloud-based offerings and store and process increasingly large amounts of information in an environment increasingly hostile to information security. Any negative publicity on the safety or privacy protection mechanism and policy of our websites or mobile or platform services could also have a material and adverse effect on reputation and brand and harm our business, future results of operations and prospects.

We could be liable for fraudulent or unlawful activities of sellers and users.

Our online payments services are susceptible to potentially illegal or improper use, including fraudulent sales of goods or services, illicit sales of controlled substances, restricted or unlawful items, piracy of software, movies, music and other copyrighted or trademarked goods, money laundering, terrorist financing, bank fraud, child pornography, drug trafficking, online securities fraud, identity theft and encouraging, promoting, facilitating or instructing others to engage in illegal activities. Although we have implemented policies to restrict these activities on our platforms, we may not be able to prevent all such misuse by our users. Excessive misuse of our services by users could result in fines, the suspension of our services or reputational harm. We may be subject to claims from customers that merchants have not performed or that their goods or services do not match the merchant's description, whether those arise from merchant fraud or from an unintentional failure to perform by the merchant. While we are indemnified by our partners, we may not be able to recover in full if our partners are unwilling or unable to pay. We may also be subject to claims from users for unauthorised purchases. Negative publicity and customer sentiment generated as a result of fraudulent or deceptive conduct through our online payments services and transactions could damage our reputation, reduce our ability to attract new users or retain existing users and adversely impact our brands. Any costs incurred as a result of potential liability relating to the alleged or actual sale of unlawful goods or the unlawful sale of goods could harm our business. In addition, governmental agencies could require us to modify our business practices and discontinue or restrict our services.

We are subject to complex and evolving laws and regulations regarding privacy, data protection and cybersecurity.

We are subject to privacy, data protection and cybersecurity regulations from a number of jurisdictions. From time to time, concerns have been expressed about whether our products, services or processes compromise the privacy of users and others. Concerns about our practices with regard to the collection, use, disclosure or security of personal information or other privacy related matters, even if unfounded, could damage our reputation and adversely affect our operating results.

Regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. In addition, the interpretation and application of consumer and data protection laws in the Chinese Mainland, United States, Europe and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and could have a material and adverse effect on our business, future results of operations and prospects.

We may become the target of anti-monopoly and unfair competition claims, which may result in our being subject to fines as well as constraints on our business.

The PRC anti-monopoly regulators have in recent years strengthened enforcement under the anti-monopoly and competition laws and regulations. In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the departments under the NDRC, the SAIC and the MOFCOM. In November 2021, the National Anti-Monopoly Bureau was inaugurated by the State Council, which aims to further implement the fair competition policies and strengthen anti-monopoly supervision in the PRC, especially to strengthen oversight and law enforcement in areas involving the platform economy, innovation, science and technology, information security and people's livelihoods.

The PRC Anti-Monopoly Law (中華人民共和國反壟斷法) (the "**Anti-Monopoly Law**"), which was issued on 30 August 2007 and took effect on 1 August 2008, and most recently amended on 24 June 2022 by the SCNPC provides the regulatory framework for the PRC anti-monopoly. Under the Anti-Monopoly Law, the prohibited monopolistic acts include monopolistic agreements, abuse of a dominant market position and concentration of businesses that may have the effect to eliminate or restrict competition. The Anti-Monopoly Law stipulates that even where a concentration of undertakings does not meet the notification thresholds as required by the State Council, the anti-monopoly enforcement agency may order the operators to file the concentration of undertakings if there is evidence that the concentration of undertakings has or may have the effect of eliminating or restricting competition. In addition, if operators fail to notify the concentration of undertakings which has or may have the effect of eliminating or restricting competition, the anti-monopoly enforcement agency may impose orders on such operators including suspension of implementation of concentration, disposal or transfer of shares, assets and/or business within a prescribed time frame, or take other necessary measures to restore to the state before the concentration, and impose a fine of up to 10% of the sales revenue in the previous year. To the extent that any operator fails to make requisite filings of any concentration in a timely manner which does not have the effect of eliminating or restricting competition, a fine of up to RMB5,000,000 may still be imposed on such operators.

In addition, the Anti-Monopoly Law provides a private right of action for stakeholders to bring anti-monopoly claims against companies. In recent years, an increasing number of stakeholders have been exercising their right to seek relief under the Anti-Monopoly Law. As public awareness of rights under the Anti-Monopoly Law increases, more stakeholders may seek remedies under the law to improve their competitive position, regardless of the merits of their claims.

The PRC anti-monopoly regulators may also issue implementation rules or guidelines from time to time to reinforce their regulation, including among others, the Anti-Monopoly Compliance Guideline for Operators (經營者反壟斷合規指南), which was issued by the Anti-Monopoly Committee of State Council on 11 September 2020 and amended on 25 April 2024.

On 7 February 2021, the Anti-Monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines on the Platform Economy (國務院反壟斷委員會關於平台經濟領域的反壟斷指南) (the "**Platform Economy Anti-Monopoly Guidelines**"). The Platform Economy Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of Internet platforms in order to protect market competition and safeguard interests of users and undertakings

participating in Internet platform economy, including but not limited to prohibiting platforms with dominant positions from abusing their market dominance (such as using big data and analytics to discriminate customers in terms of pricing and other transactional conditions, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interfaces, favorable positioning in search results of goods displays, using bundle services to sell services or products, compulsory collection of unnecessary user data). In addition, the Platform Economy Anti-Monopoly Guidelines for Internet Platforms also reinforces antitrust merger review for transactions related to Internet platforms in order to safeguard market competition. Furthermore, on 28 January 2026, the SAMR issued the Anti-Monopoly Compliance Guidelines for Internet Platforms (互聯網平台反壟斷合規指引) (the "**Internet Platforms Anti-Monopoly Guidelines**"), which became effective on the same date. The Internet Platforms Anti-Monopoly Guidelines require platform operators to strengthen anti-monopoly compliance management. The Internet Platforms Anti-Monopoly Guidelines restated that internet platform operators are prohibited from using data, algorithms, technology, capital advantages, platform rules or other means to engage in monopolistic conduct prohibited under the Anti-Monopoly Law, entering into monopolistic agreements, abusing a dominant market position and organising or providing substantial assistance to other operators in reaching monopolistic agreements. In addition, platforms with significant market share or market power are encouraged to assess periodically whether they may be deemed to hold a dominant market position. Whilst we will continue to enhance our antitrust compliance system in accordance with the applicable laws and guidelines, we cannot estimate the impact it may have on our business operations.

On 10 March 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings (經營者集中審查規定), the Provisions on the Prohibition of Monopoly Agreements (禁止壟斷協議規定), the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions (禁止濫用市場支配地位行為規定), and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition (制止濫用行政權力排除、限制競爭行為規定), all of which took effect on 15 April 2023. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimised the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. In addition, the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (關於經營者集中申報標準的規定) issued by the State Council in 2008, with its latest amendment on 22 January 2024, further adjusts the filing threshold for concentration of undertaking as, during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year.

To our knowledge, a certain number of PRC Internet companies have adopted Variable Interest Entity Structure ("**VIE structure**"), but there have been few precedents where Internet companies with a VIE structure were investigated for being involved in the concentrations of undertakings until recently. It has been long debated whether transactions involving Internet companies with a VIE structure are subject to prior filing of notification requirements. Due to such regulatory history in the industry and as a matter of common industry practice in the past, we did not notify concentrations of undertakings with the relevant authorities. In April 2020, the SAMR published a case of concentration of undertaking where a VIE structure was involved (such case was concluded and approved unconditionally in July 2020). In November 2020, the Draft Platform Economy Anti-Monopoly Guidelines (關於平台經濟領域的反壟斷指南(徵求意見稿)) also, for the first time, expressly stipulates that concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered. Furthermore, in December 2020, SAMR has, for the first time, formally penalised three Internet companies with a VIE structure for failure to notify the implementation of concentrations. Hence, since 2020, SAMR has been reviewing historical non-filing cases of concentrations of undertakings of Internet companies with a VIE structure, and any

gun-jumping cases may be investigated and penalised. The Platform Economy Anti-Monopoly Guidelines which was officially promulgated on 7 February 2021 also confirmed that the concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered.

We may receive intensive scrutiny from government agencies under the Anti-Monopoly Law and may be subject to the law, regulations and guidelines in connection with our business practices, investments and acquisitions. Any anti-monopoly lawsuit or administrative proceeding initiated against us may result in our being subject to profit disgorgement, heavy fines and various constraints on our business, or result in negative publicity which could harm our reputation. We have received penalties from the SAMR in the past few years related to gun-jumping cases in connection with our previous acquisitions; for example, in March 2021 and in December 2020, each of us and one of our subsidiaries, *China Literature,* received from the SAMR an official notice of imposition of a fine of RMB500,000, respectively, due to the foregoing reason. There remains a possibility that we or any of our subsidiaries may be subject to more penalties in the future and our ability to implement strategic acquisitions may be affected. These constraints could include forced termination of any anti-competitive agreements or arrangements that are determined to be in violation of anti-monopoly laws, divestitures and rectifications of certain business practices, which may limit our ability to innovate and thereby increase our operating costs. For example, in July 2021, SAMR issued a decision that required each of us and one of our subsidiaries, Tencent Music Entertainment Group, to terminate exclusive music copyright licensing arrangements and submit an annual compliance report to SAMR. Moreover, the merger control regulation enforced by SAMR may limit our investment ability. For example, in July 2021, SAMR announced its decision to block the proposed merger between a non wholly-owned subsidiary of the Company, HUYA Inc., and one of our investee companies, DouYu International Holdings Limited. These types of constraints could result in more uncertainties and regulatory challenges to our business practice.

Failure to comply with the terms of our indebtedness could result in acceleration of indebtedness, which could have an adverse effect on our cash flow and liquidity.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable under the Programme comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes. See "*Description of Other Material Indebtedness*". Under the terms of our current indebtedness and any debt financing arrangement that we may enter into in the future, we are, and may be in the future, subject to financial and other covenants that could, among other things, restrict our business and operations. If we breach any of these covenants, including by failing to maintain certain financial ratios, our lenders or noteholders will be entitled to accelerate our debt obligations. Any default under our indebtedness could potentially require us to repay these loans or redeem the notes prior to maturity as well as limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity.

We are subject to interest rate risk in connection with our indebtedness.

We are exposed to interest rate risk related to our indebtedness. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. Although we regularly monitor our interest rate risk to identify if

there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risks by using interest rate swaps, when necessary, we cannot guarantee the fluctuation of interest rates will not materially impact our financing costs, which in turn may have a material adverse effect on our cash flow and liquidity.

We may need additional capital but may not be able to obtain it.

We may require additional cash resources due to future growth and developments of our business, including any investments or acquisitions we may decide to pursue, any repurchase of shares or any repurchase or redemption of bonds we may decide to conduct from time to time, or for other business changes. If cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, the liquidity of international capital and lending markets, PRC governmental regulations over foreign investment and the technology industry in China. In addition, incurring indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, if at all.

If we are unable to raise additional funds on terms favourable to us, or at all, this could have a material and adverse effect on our business, financial condition and results of operations. For example, we may not be able to carry out parts of our growth strategy or invest in technologies necessary to maintain our growth and competitiveness.

We have limited business insurance coverage.

Insurance companies in the Chinese Mainland offer limited business insurance products. As a result, although we have insurance for property damage, we do not have any product liability, business liability or disruption insurance coverage for our operations in the Chinese Mainland, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business and reputation. Any business disruption, litigation or natural disaster could expose us to substantial costs and diversion of resources.

We face risks relating to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our business, financial condition and results of operations.

The occurrence of a natural disaster or an outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. Health epidemics or fear of spread of contagious diseases, such as the outbreak of Ebola virus disease ("**EVD**"), coronavirus disease 2019 ("**COVID-19**"), Middle East respiratory syndrome ("**MERS**"), severe acute respiratory syndrome ("**SARS**"), H1N1 flu, H7N9 flu, and avian flu could cause a temporary closure of facilities we operate, affect the health of our employees and their work efficiency, and impact our users, merchants and business partners.

The laws and regulations governing the Internet and telecommunications and other related industries in China are developing and subject to future changes. If we fail to adhere to applicable regulations, or if we fail to obtain or maintain all applicable permits and approvals, our business, future results of operations and prospects could be materially and adversely affected.

The Internet and telecommunications and other related industries in China are highly regulated by the PRC government. See "*General Regulation on Internet and Telecommunications Industries*". Various regulatory authorities of the PRC government, including, but not limited to, State Council, the Cyberspace Administration of China ("**CAC**"), MIIT, SAMR, Ministry of Culture and Tourism ("**MOCT**"), National Radio and Television Administration ("**NRTA**"), Publicity Department of the

Central Committee of the Communist Party of China ("**Publicity Department of the CCCPC**"), the MOFCOM and the Ministry of Public Security ("**MPS**"), are empowered to promulgate and implement regulations governing various aspects of the Internet and telecommunications and other related industries and we are thus required to obtain applicable licences, permits and approvals from a number of these regulatory authorities in order to conduct our business. Although we have obtained the licences essential to operating our business, these licences are subject to periodical government review. For example, the periodic renewal applications of a few of our licences are currently being reviewed by the government. Although we do not expect any obstacles for their renewals, we cannot assure you that such renewals will be successfully obtained.

As the Internet and telecommunications and other related industries mature, the PRC government authorities are likely to continue to issue new regulations governing these industries and hence require new and additional licences, permits and approvals. While in recent years the PRC government has implemented pilot programs to ease foreign investment restrictions in certain value-added telecommunications services in designated areas, regulatory requirements and compliance obligations continue to evolve. As we further develop and expand our product and services offerings and functions, including new services and products, we and our users may in the future become subject to additional or new regulations (such as stricter regulations relating to content publication, user identity, privacy, consumer and data protection, artificial intelligence services and the provision of online payment services), and we may also need to obtain additional qualifications, permits, approvals or licences. There is no assurance that we can obtain and renew those licences, permits and approvals in a timely or cost-effective manner. Failure to obtain them could materially and adversely affect our business, future results of operations and prospects.

The PRC government has promulgated a series of rules, regulations and policies that may have negative impact on the online game industry, and we cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future.

The online game industry is highly regulated in China. The PRC government has adopted a series of rules, regulations and policies to monitor and control the online game industry in response to, among other things, perceived addiction to online games and its perceived negative social effects, particularly for minors.

On 25 October 2019, the NPPA issued the Notice on Preventing Minors from Addiction to Online Games (關於防止未成年人沉迷網絡遊戲的通知) (the "**Addiction Prevention Notice**") which came into effect on 1 November 2019. The Addiction Prevention Notice requires online game operators to establish and implement real-name registration system for users and not provide any game services for users not completing real-name registration from 1 November 2019, and online game enterprises must require all their existing users to complete real-name registration and stop providing game services for users who have not completed real name registration within two months after the Addiction Prevention Notice took effect. In addition, period and length of time for playing online games by minors are strictly controlled. Online game operators are not permitted to provide game services for minor users from 22:00 to 8:00 and the length of time for playing online games by minors shall not exceed three hours on each statutory holiday and 1.5 hours on each working day. The Addiction Prevention Notice also regulates for-charge services provided by online game operators to minors, e.g., online game operators shall not provide for-charge service to minors under the age of eight; the recharge amount shall not exceed RMB50 once and RMB200 every month by game users who have reached the age of eight but not the age of 16, and not exceed RMB100 once and RMB400 every month by minors who have reached the age of 16, etc.

On 30 August 2021, the NPPA promulgated the Notice of Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games (國家新聞出版署關於進一步嚴格管理切實防止未成年人沉迷網絡遊戲的通知) (the "**Further Addiction Prevention Notice**"), which came into effect on 1 September 2021. Compared to the Addiction Prevention Notice, the Further Addiction Prevention Notice imposes stricter time limits for playing online games by minors

(individuals under the age of 18), which requires all online game operators can only provide game services to minors (under the age of 18) from 20:00 to 21:00 on each Friday, Saturday, Sunday and statutory holiday. This Further Addiction Prevention Notice also requires that all the online games must be connected to the real-name registration and game addiction prevention system, emphasising the requirements that online game operators shall strictly implement the real-name registration system for users and shall not provide game services in any form to users not registering and logging in without real-name authentication. On 20 October 2021, the Ministry of Education, the Publicity Department of the CCCPC, the CAC, the MIIT, the MPS and the SAMR jointly issued the Notice on Strengthening the Management of Preventing Primary and Middle School Students from Indulging in Online Games (教育部辦公廳等六部門關於進一步加強預防中小學生沉迷網絡遊戲管理工作的通知) (the "**Addiction Prevention Management Notice**"), which became effective on the same day, providing substantially the same requirements as the Further Addiction Prevention Notice. For example, the Addiction Prevention Management Notice addresses the requirement of pre-approval for online games operation. This Addiction Prevention Management Notice also emphasises online game operators are banned from providing game services in any form to minors under the age of 18 unless in the permitted time slots stipulated in the Further Addiction Prevention Notice. On 16 October 2023, the State Council promulgated the Regulations on the Online Protection of Minors (未成年人網絡保護條例) (the "**Minor Protection Regulations**"), which came into effect on 1 January 2024. The Minor Protection Regulations set out in detail the responsibilities of the online platforms, online product or service providers, personal information processors and manufacturers and sellers of smart terminal products. If we fail to comply with the requirements under the Minor Protection Regulations, the competent authorities can order us to make rectifications, issue a warning and confiscate the illegal gains, as well as impose monetary fines. If we refuse to make rectifications or the circumstances are serious, we may be ordered to suspend our relevant business, cease our business for rectification, close our website or revoke our relevant permits or business licence. The responsible managerial personnel and other directly liable staff could be subject to monetary fines.

On 22 December 2023, the NPPA released for public comment the Measures for the Administration of Online Games (Draft for Comments) (網絡遊戲管理辦法(草案徵求意見稿)) (the "**Online Games Measures Draft**"). According to the Online Games Measures Draft, the publishing authority is responsible for the supervision and management of online game publishing and operating activities. The Online Games Measures Draft sets forth provisions on the establishment, administration and supervision of online game publication and operation entities, restrictions on the excessive use and high consumption of games, protection of minors, etc., which further regulates activities concerning publication and operation of online games. The release of the Online Games Measures Draft caused significant market volatility, resulting in a sharp decline in the share prices of major gaming companies. Although the formal adoption of the Online Games Measures Draft has not yet occurred, there remains substantial uncertainties as to how and when the measures will be enacted, interpreted or implemented and how they will affect our operations. If there are any new supervision requirements in the future for the distribution and operation of online games, there is no assurance that we can meet all such supervision requirements in a timely or cost-effective manner. Failure to comply with the supervision requirements could materially and adversely affect our business, future results of operations and prospects.

We cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future, particularly during periods when public opinion does not favor online games. Such rules, regulations and policies could significantly reduce our revenue and materially and adversely affect our business, future results of operations and prospects.

Any administrative changes in regulatory government authorities may impact market conditions which could in turn affect our results of operations.

Our operations of online games are subject to the supervision and administration of multiple government authorities in China. Any administrative changes in regulatory government authorities may also impact market conditions which could in turn affect our results of operations. In early 2018, the responsibilities of the SAPPRFT, being the government authority responsible for pre-approval of online games, in respect of administration of press and publication were transferred to the Publicity Department of the CCCPC. In addition, it is reported that no new online games were approved during the period from April 2018 to December 2018, and a second suspension of approximately eight months occurred from August 2021 to April 2022. On 30 August 2018, eight PRC regulatory authorities at national government level, including the NPPA and the Ministry of Education, released the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (綜合防控兒童青少年近視實施方案) (the "**Implementation Programme**"). As a part of the plan to prevent myopia among children, the Implementation Programme plans to regulate the number of new online games and restrict the amount of time children spend playing on electronic devices. On 14 December 2018, SAMR issued the Action Plan for the Implementation of the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (貫徹落實《綜合防控兒童青少年近視實施方案》行動方案), which stipulates that SAMR will conduct an inspection of the anti-fatigue system of online games at the proper time. Any future suspension of online game approvals and filings by the relevant government authorities, as well as the Implementation Programme, may impact our introduction of new online games and expansion of our operational scales. If such adverse market conditions persist, our results of operations may be materially and adversely affected.

In addition, on 18 September 2026, the CAC issued the Provisions of the State Council on Safeguarding Minors' Healthy and Safe Use of the Internet (Draft for Comments) (國務院關於保障未成年人健康安全使用網絡的規定(徵求意見稿)) (the "**Minor Internet Protection Draft**"). The Minor Internet Protection Draft sets forth enhanced compliance requirements for internet service providers covering social networking, content services and online game businesses, including prohibiting the provision of certain internet services to minors, mandating the application of minor mode for certain internet services, strengthening minor user identification capabilities, and requiring the performance of statutory minor internet protection obligations. The draft is currently open for public comments and has not been officially finalized and implemented, however, substantial uncertainties remain regarding its final provisions, official interpretation and effective timeline. If there are any new regulatory requirements for our internet services in the future, there is no assurance that we can meet all such regulatory requirements in a timely and cost-effective manner. Failure to comply with the relevant regulatory requirements could materially and adversely affect our business, future results of operations and prospects.

Currently, there is no law or regulation specifically governing virtual property rights and therefore it is not clear what liabilities, if any, online game operators may have for virtual property.

In the course of playing online games, users may acquire and accumulate some virtual property, such as virtual Avatars, game tokens, special equipment and other accessories. Such virtual property may be important to online game players and have monetary value and in some cases may be traded among players for actual money. In practice, virtual property can be lost for various reasons, often through unauthorised use of user accounts by other users and occasionally through data loss caused by a delay of network service, a network crash or hacking activities. The Civil Code contains a general provision in respect of the protection of data and network virtual property. However, there is no PRC law or regulation specifically governing virtual property rights. As a result, there is uncertainty as to who is the legal owner of virtual property, whether and how the ownership of virtual property is protected by law, and whether an online game operator would have any liability to game players or other interested parties (whether in contract, tort or otherwise) for loss of such virtual property. In case of a loss of virtual property, we may be sued by our game players and held liable for damages, which may negatively affect our reputation and business and financial condition.

Based on recent PRC court judgements, the courts have typically held online game operators liable for losses of virtual property by game players if the operators are found to have failed to fulfil their reasonable security obligations, and in some cases have allowed online game operators to return the lost virtual property to game players in lieu of paying damages. If we are sued by our game players or users and held liable for damages, our business, future results of operations and prospects may be negatively affected.

Compliance with the laws or regulations governing virtual currency may result in us having to obtain additional approvals or licences or change our current business model.

The issuance and use of "virtual currency" in China has been regulated since 2007 in response to the growth of the online game industry in China. In January 2007, the MPS, MOC, MIIT and GAPP jointly issued the Notice on Regulating the Operation of Online Games and Investigating to Prohibit Gambling by Way of Online Games (關於規範網絡遊戲經營秩序查禁利用網絡遊戲賭博的通知), which has implications for the use of virtual currency. To curtail online games that involve online gambling, as well as address concerns that virtual currency could be used for money laundering or illicit trade, the circular: (i) prohibits online game operators from charging commissions in the form of virtual currency in relation to winning or losing of games; (ii) requires online game operators to impose limits on use of virtual currency in guessing and betting games; (iii) bans the conversion of virtual currency into real currency or property; and (iv) prohibits services that enable game players to transfer virtual currency to other players. On 4 June 2009, MOC and MOFCOM jointly issued a notice regarding strengthening the administration of online game virtual currency (關於加強網絡遊戲虛擬貨幣管理工作的通知) (the "**Virtual Currency Notice**") which, among other things, stipulates that a single enterprise may not operate both virtual currency issuing services and virtual currency trading services. The Online Game Measures and other rules and guidelines issued by MOC also imposed restrictions on virtual currency related business. However, since the MOCT no longer assumes the responsibility for the administration of online game industry and the Online Game Measures was abolished, it is unclear whether the responsibility for supervising the virtual currency will be undertaken by another government agency and to what extent the issuance and trading of virtual currency shall be subject to relevant rules and guidelines that were issued by MOC and have not been officially abolished.

We issue game tokens to game players and our users use them to purchase various virtual items or time units to be used in our online games. We believe we only offer game tokens for in-game consumption, which are not transferable among our user accounts and are not convertible into real currency. In addition, we do not offer secondary trading services of the game tokens. Nonetheless, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and that we may not be subject to certain penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could have a material and adverse effect on our business and results of operations. In addition, the Virtual Currency Notice prohibits online game operators from setting game features that involve the direct payment of cash or virtual currency by players for the chance to win virtual items or virtual currency based on random selection through a lucky draw, wager or lottery. The notice also prohibits game operators from issuing currency to game players through means other than purchases with legal currency. Although we believe that we do not engage in any of the above-mentioned prohibited activities, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and deem such feature as prohibited by the Virtual Currency Notice, thereby subjecting us to penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could materially and adversely affect our business, future results of operations and prospects.

Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for content displayed on or linked to our websites.

The PRC government has adopted regulations governing Internet access and the distribution of news and other information over the Internet. Under these regulations, Internet content providers and Internet publishers are prohibited from posting or displaying content over the Internet that, among other things, violates PRC laws and regulations, impairs the national dignity of China or is reactionary, obscene, superstitious, fraudulent or defamatory. Further, MIIT or its local branches may shut down the website of any local Internet service provider that violates such content restrictions, suspend its operations or revoke its ICP licence. If the PRC government takes any action to limit or prohibit the distribution of information through our network or any of our platforms, or to limit or regulate any current or future content or services available to users on our network, our business could be adversely impacted. Failure to comply with the applicable requirements may result in the revocation of licences to provide Internet content and other licences, the closure of the concerned websites and may subject the website operator to potential liabilities for such censored information displayed on or linked to the website. If our network or any of our platforms is found to be in violation of any such requirements, we may be penalised by relevant authorities, and our operations or reputation could be adversely affected.

We are also subject to potential liability for content on our websites that is deemed inappropriate by the PRC government and for any unlawful actions of our users or website visitors. When Internet and mobile service providers find that any obscene, superstitious, fraudulent or defamatory information has been transmitted on their platforms, they are required to terminate the transmission of such information or delete such information immediately, keep records and report to relevant authorities. Mobile network operators like *China Mobile*, *China Telecom* and *China Unicom* also have their own policies prohibiting or restricting the distribution of inappropriate content. On 15 December 2009, the MIIT issued the Notice Regarding Plan for Further Regulating Obscene Materials on Mobile Phones (關於進一步深入整治手機淫穢色情專項行動工作方案的通知) ("**Circular 672**"). Under Circular 672, mobile network operators are required to examine their business, promotional channels, as well as the business of their partners, and must immediately terminate such business if any obscene material is involved. Mobile service providers involved in distributing or publishing such obscene materials on mobile handsets are subject to immediate suspension or termination of cooperation with mobile network operators, and violations are reported to relevant authorities. Mobile network operators and mobile service providers must examine all websites accessed through mobile handsets and conduct full daily inspection of such websites. If any obscene material is found, access and transmission must be ceased and be reported to authorities. On 12 August 2013, the MOC issued the Administrative Rules on Content Review by Internet Culture Operating Entities (網絡文化經營單位內容自審管理辦法), which became effective on 1 December 2013, pursuant to which companies operating Internet culture businesses are required to employ personnel certified to conduct content review on their products before they are released to the public and retain records of the content review for at least two years.

In addition, the CAC has also issued rules from time to time to enhance the Internet service provider's obligations to monitor the information displayed on the information platform and prevent dissemination of illegal content. At the end of 2019, the CAC issued the Provisions on the Management of Network Information Content Ecology (網絡信息內容生態治理規定) (the "**CAC Order No. 5**"), which became effective on 1 March 2020, to further strengthen the regulation and management of network information content. Pursuant to the CAC Order No. 5, each network information content service platform is required, among other things: (i) not to disseminate any information prohibited by laws and regulations, such as information jeopardising national security; (ii) to strengthen the examination of advertisements published on such network information content service platforms; (iii) to promulgate management rules and platform conventions and improve user agreements, such that such network information content service platform could clarify users' rights and obligations and perform management responsibilities required by laws, regulations, rules and conventions; (iv) to establish convenient means for complaints and reports; and (v) to prepare annual

work report regarding its management of network information content ecology. In addition, a network information content service platform must not, among other things (a) utilise new technologies such as deep-learning and virtual reality to engage in activities prohibited by laws and regulations, (b) engage in online traffic fraud, malicious traffic rerouting and other activities related to fraudulent accounts, illegal transaction accounts or maneuver of users' accounts or (c) infringe a third party's legitimate rights or seek illegal interests by way of interfering with information display. The CAC has intensified its enforcement activities through regular targeted campaigns such as the Qinglang campaigns, which have expanded to address algorithm transparency, AI misuse, deep synthesis and data security.

Although we attempt to monitor the content in our online communities, we are not able to control or restrict the content of other Internet content providers linked to or accessible through our websites, or content generated or placed on our other online communities by our users. If third-party websites linked to or accessible through our websites operate unlawful activities such as online gambling on their websites, PRC regulatory authorities may require us to report such unlawful activities to relevant authorities and to remove the links to such websites, or they may suspend or shut down the operation of such websites. To the extent that the PRC regulatory authorities find any content displayed on our websites objectionable, they may require us to limit or eliminate the dissemination of such information on our websites. For example, on 23 January 2019, CAC issued a notice requiring us to make further changes to content we deliver on one of our apps. The notice also stated that the agency had shut down over 9,000 apps and 700 websites since 3 January 2019 due to harmful content. If in the future the PRC government authorities decide to restrict the dissemination of information via microblog services or online postings in general, they may temporarily block access to certain websites for a period of time, require us to discontinue or restrict certain services and websites or levy penalties or fines for violations of relevant rules and regulations arising from content displayed on or linked to our websites. We may also be required to delete content that violates PRC laws and report content that we suspect to violate PRC laws. Any of these actions may adversely affect user confidence in our services and lead to reduced user traffic, which in turn may materially and adversely affect our reputation, business and results of operations.

We also need to monitor the advertising content shown on our websites to ensure that such content is true, accurate and in full compliance with applicable PRC laws and regulations. On 25 February 2023, the SAMR published the Administrative Measures for Internet Advertising (互聯網廣告管理辦法) ("**Measures of Internet Advertising**"), which came into force on 1 May 2023. The Measures of Internet Advertising emphasises, among other things, the responsibilities of Internet advertising operators and publishers. Internet advertising operators and publishers shall establish and improve the management systems regarding acceptance, registration, review and filing of the Internet advertising businesses according to the relevant regulations and shall examine, verify and register the identity information of advertisers such as their names, addresses and valid contact details, set up registration files and check and update them on a regular basis. Violation of these laws, rules or regulations may result in penalties, including fines up to RMB2 million or of other amounts calculated based on the advertising fees involved, confiscation of advertising revenues, and orders to cease the dissemination of advertisements. In case of serious violations, the PRC government may suspend or revoke our licences. The Enforcement Guidelines 1 on the Application of the PRC Advertising Law (《中華人民共和國廣告法》適用問題執法指南(一)) issued by the SAMR in June 2025 provided a detailed definition of "advertisement" aimed at distinguishing commercial advertisements from other forms of commercial promotion. The guidelines also introduce a checklist to help identify situations where advertising laws and regulations apply. The costs associated with complying with these laws, rules and regulations, including any penalties or fines resulting from non-compliance, could have a material adverse effect on our business, financial condition and results of operations.

The sub-section entitled "*Risk Factors — Risks Relating to the Chinese Mainland*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to the Chinese Mainland

The PRC legal system is evolving and the interpretation and implementation of PRC laws and regulations involves uncertainties.

The PRC legal system is based on written statutes, while People's Courts of all levels carry out trials of similar cases with reference to guiding cases issued by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, competition and anti-trust, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of guiding cases, interpretation and enforcement of these laws and regulations involve uncertainties. As the PRC legal system develops, changes in such laws and regulations, or in their interpretation or enforcement, could have a material and adverse effect on our business operations. For example, we may be subject to competition and anti-trust investigations by the PRC government from time to time in the future. The outcomes of such investigations may prevent us from offering certain features, functions, services or products; requiring a change in our business practices or requiring development of non-infringing services, products or technologies, which could have a material and adverse effect on our business operations.

We may face uncertainties regarding the regulation and administration of our businesses and operations after the institutional reforms of PRC government authorities, as well as uncertainties in the changes and enforcement of certain laws, regulations and policies, which may have an effect on our business operations. For example, in May 2019, the MOCT issued the MOCT Adjustment Notice to adjust the applicable scope of the Network Culture Operating Permit (關於調整《網絡文化經營許可證》審批範圍進一步規範審批工作的通知), or "the MOCT Adjustment Notice". Pursuant to the MOCT Adjustment Notice, the MOCT would no longer be the authority supervising the online game industry in the PRC and therefore the business scope of a Network Culture Operating Permit issued by it and its local counterparts would not include online games. On 10 July 2019, the Online Game Measures was abolished by the MOCT. On 22 December 2023, the Measures for the Administration of Online Games (Draft for Comments) (《網絡遊戲管理辦法》(徵求意見稿)) drafted by the NPPA is released to the public for comments, despite that no final rules are enacted thereafter. Tencent Computer and some other entities in our group have obtained the Network Culture Operating Permit for online games. These Network Culture Operating Permits for online games will not be renewed after their expiration and those also covering other network culture business may be renewed with the online games removed from the approved business scope. As there are uncertainties regarding the authority supervising the online game industry in the Chinese Mainland, we cannot assure you that we will be able to obtain any other licences necessary for us to carry out online game business, or that our existing licences will continue to cover all aspects of our online game operations upon their renewal. In addition, on 29 December 2023, the SCNPC promulgated the amended PRC Company Law, which came into effect on 1 July 2024. The amended PRC Company Law imposes stricter requirements on capital contributions for companies established in the PRC. The State Council on Implementing the Registered Capital Registration and Management System under the Amended PRC Company Law (國務院關於實施《中華人民共和國公司法》注冊資本登記管理制度的規定) issued by the State Council on 1 July 2024 further specify the detailed requirements and measures for the registration and management of registered capital under the amended PRC Company Law. Pursuant to these new laws and regulations, we may need to fulfil capital contribution obligations to our subsidiaries or provide financial support to the nominee shareholders of the variable interest entities within a much shorter time frame than required before. On 5 May 2026, the State Council issued the Regulations on Outbound Investment (國務院關於對外投資的規定), which became effective on 1 July 2026. The regulations establish a comprehensive regulatory framework governing overseas

investment by PRC investors. Pursuant to the regulations, PRC investors are prohibited from exporting Chinese goods, technologies, services or data that are subject to export prohibitions, including by dispatching technical personnel overseas, arranging for employees to work abroad, providing cross-border technical consulting services, or organizing international training. PRC investors are also prohibited from exporting restricted Chinese goods, technologies, services or related data without approval. However, since these laws and regulations are still relatively new, there remains uncertainty regarding the law and provisions' implementation and interpretation. In addition, on 21 August 2026, the NDRC issued the Measures for the Administration of Outbound Investment (Revised Draft for Comments) (對外投資管理辦法(修訂徵求意見稿)), which proposes to revise Administrative Measures for the Outbound Investment by Enterprises (企業境外投資管理辦法) by, among other things, expanding the scope of regulated investors to include resident individuals and other organisations, introducing a pre-investment reporting system, broadening offshore reinvestment reporting obligations, clarifying the application of the regime to QDII investments, and extending security review requirements to both investment and exit stages, although substantial uncertainties remain as to its final provisions and implementation timeline.

Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to those in common law jurisdictions. In addition, it may be time-consuming for us to obtain satisfactory enforcement of laws in the PRC or the enforcement of judgements by a court in another jurisdiction.

China's economic, political and social conditions as well as government policies could adversely affect our business, future results of operations and prospects.

China's economy differs from the economies of most developed countries in many respects, including government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. China's economy has been transitioning from a planned economy to a more market-oriented economy, and the PRC government has implemented measures emphasising economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. There can be no assurance that the PRC government will continue to pursue a policy of economic reform or that any such reforms will not have an adverse effect on the way we operate our business. Our business and financial condition could also be materially and adversely affected by any changes in PRC laws and regulations (or the interpretation thereof), as well as changes in the political, economic and social conditions of China.

We may be adversely affected by a severe downturn of the global or China's economy.

While China's economy has experienced significant growth in the past decades, the growth rate of China's economy has gradually slowed since 2010, which trend may continue. Any adverse changes in economic conditions in China could adversely affect our business and operating results, lead to reduction in demand for our products and services and adversely affect our financial results. Other economies around the globe have also experienced stagnant or negative growth. Whether this will lead to a severe downturn in the global economy is still unknown.

There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. The U.S. Federal Reserve's monetary policy has undergone significant changes in response to economic challenges over the past few years. The U.S. federal government implemented reductions in 2020 due to the COVID-19 pandemic, reaching a historic low of 0% to 0.25%. As the economy began to recover in 2022, the U.S. federal government shifted its focus to address rising inflation and the economic impacts of the Russia-Ukraine conflict, resulting in a series of rate hikes that brought the federal funds rate to a range of 5.25% to 5.50% by 2023. From September to December 2024, the U.S. Federal Reserve announced total cuts of 100 basis points in the benchmark federal funds rate, followed by total cuts of 75 basis points from September to December 2025, bringing it to a new target range of 3.50% to 3.75%.

Furthermore, the Russia-Ukraine conflict, the war in the Gaza Strip, the ongoing conflict among the United States, Israel and Iran since February 2026, terrorist threats and the potential for war in the Middle East and elsewhere, elevated inflation levels, trade war, sanctions and high food and energy prices may increase market volatility across the globe. It is unclear whether these challenges and uncertainties will be contained or resolved and what effects they may have on the global political and economic conditions in the long term. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China.

Any slowdown in China's economy and globally may lead to reduced Internet-related activities and consumer spending. The deterioration in economic conditions in China and globally may harm the business of our customers, who may experience reduced business volume, and therefore decrease or delay in marketing service spending, or reduce their budgets or other spending across our platforms. In addition, there may be decreases in demand for our cloud projects due to the negative impact on our enterprise customers by the deterioration in economic conditions. We may also see decreases in demand for our FinTech services from users, such as payment, lending and wealth management services. This may have a negative impact on our business, results of operations and financial condition, and continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

If the PRC tax authorities determine that we are a "resident enterprise", we and the Noteholders may face unfavorable tax consequences.

Under the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法) effective on 1 January 2008, and subsequently amended on 24 February 2017 and on 29 December 2018 (the "**2008 EIT Law**"), enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises". The Regulation on the Implementation of the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法實施條例) (the "**Implementation Rules**") defines "de facto management body" as an organisation that exercises substantial and overall management and control over an enterprise's manufacturing, or business operation, personnel, accounting and property. In addition, the STA has promulgated the Circular on Identification of China-Controlled Overseas-Registered Enterprises as Resident Enterprises on the Basis of De Facto Management Bodies (Guo Shui Fa [2009] No. 82) (國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) (國税發[2009]82號) (the "**Circular 82**"), which was amended on 29 December 2017. The Circular 82 further provides certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore incorporated enterprise is located in China. The criteria include whether: (i) the premises where the senior management and the senior management departments responsible for the daily production and operation management of the enterprise perform their functions are mainly located within China, (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in China, (iii) the enterprise's primary assets, accounting books and records, company seals and board and shareholders' meeting minutes are located or maintained in China, and (iv) 50% or more of voting board members or senior executives of the enterprise habitually reside in China. Circular 82 further requires a "substance over form" principle to be followed when determining the location of the de facto management body. The STA has subsequently issued measures concerning the recognition, administration and taxation of China-controlled offshore enterprises whose de facto management bodies are located within China. Although Circular 82 applies only to offshore enterprises controlled by enterprises or enterprise groups located within China, not including those ultimately controlled by Chinese individuals, the determining criteria set forth in Circular 82 may reflect the STA's general position on how the "de facto management body" test may be applied in determining the tax resident status of all offshore enterprises.

As the tax residency of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to offshore entities such as us, we cannot assure you that we will not be considered to be a PRC tax resident enterprise. If we were determined to be a PRC tax resident enterprise, we would be subject to a 25% corporate income tax on our worldwide taxable income (other than non-taxable dividends from our subsidiaries based on relevant tax circulars). In addition, we might in that case be subject to PRC corporate income tax reporting obligations. Furthermore, because interest payments on the Notes would in that case be regarded as being derived from sources within China, we would be obligated to withhold PRC income tax at a rate of 10% on interest payments to non-resident enterprise investors or up to 20% on interest payments to non-resident individuals. In addition, interest payable by us to non-resident noteholders may be subject to PRC VAT at a rate of 6% and related local levies, including educational surtax and urban maintenance and construction tax at a rate of up to 0.72%. Failure to withhold these taxes if required to do so could cause us to be subject to fines and other penalties. The requirement to pay additional amounts would increase the cost of servicing the interest payments on the Notes and could have an adverse effect on our financial condition.

Any PRC tax liability may be reduced by an applicable tax treaty, such as the Arrangement Between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), which reduces the applicable PRC income tax on interest to 7% for certain qualifying Hong Kong resident enterprises. Hong Kong individual tax residents could also apply the treaty if the individuals are beneficial owners of the interest.

If we were treated as a PRC tax resident enterprise, any gain realised by non-resident investors from the transfer of the Notes may be regarded as PRC source income and be subject to a 10% PRC tax for non-resident enterprises or a 20% tax for non-resident individuals, unless an applicable tax treaty or arrangement provides for a reduced tax rate.

The new PRC Value-Added Tax Law may subject us to more taxes, which could adversely affect our business, future results of operations and prospects.

On 25 December 2024, the SCNPC published the Value-Added Tax Law of the PRC (中華人民共和國增值税法) (the "**PRC VAT Law**"), which came into effect on 1 January 2026, replacing the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例) which was promulgated by the State Council on 13 December 1993 and last amended on 19 November 2017 with effect from the same day. On 25 December 2025, the State Council issued the Regulations for the Implementation of the Value-Added Tax Law of the PRC (中華人民共和國增值税法實施條例), which became effective on 1 January 2026. Pursuant to these regulations, the VAT rates generally applicable are simplified as 13%, 9% and 6%, and the VAT rate for simplified tax calculation method is 3%. Although the PRC VAT Law largely preserves the tax framework and rate structure under the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例), it makes changes in the areas of taxable acts, tax jurisdiction, deemed sales, non-taxable items, simplified taxation, withholding agents, input taxes, non-creditable input taxes, mixed sales and input credit carry-forward and refund. Consequently, we may be subject to additional taxes under the PRC VAT Law in connection with our operations and activities in China, which could materially and adversely affect our business, results of operations and prospects.

Discontinuation of any of the preferential tax treatments or imposition of any additional taxes could adversely affect our business, future results of operations and prospects.

The National People's Congress passed the 2008 EIT Law which was amended in 2017 and 2018 with the latest amendment becoming effective on 29 December 2018, and the State Council passed its implementation rules, which became effective on 1 January 2008 and were amended in 2019 and 2024 with the latest amendment becoming effective on 20 January 2025. The 2008 EIT Law significantly curtails tax incentives granted to foreign-invested enterprises under the PRC Income Tax Law

Concerning Foreign-Invested Enterprises and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得稅法) effective prior to 1 January 2008. The 2008 EIT Law, however, (i) reduces the statutory rate of the CIT from 33% to 25% and (ii) introduces new tax incentives, subject to various qualification criteria.

The 2008 EIT Law and its implementing rules permit certain "high/new technology enterprises" to enjoy a reduced 15% CIT rate subject to certain new qualification criteria. Pursuant to the Circular on Income Tax Policies for Further Encouraging the Development of Software Industry and Integrated Circuit Industry issued on 20 April 2012 (Cai Shui [2012] No. 27 (關於進一步鼓勵軟件產業和集成電路產業發展企業所得稅政策的通知(財稅[2012]27號)) ("**Circular 27**") which was last amended on 11 December 2020, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years before 31 December 2017, followed by a reduction of income tax to 12.5% for the subsequent three years. Moreover, pursuant to the Announcement on Income Tax Policies for Integrated Circuit Design and Software Enterprises (MOF and State Administration of Taxation Announcement [2019] No. 68) (關於集成電路設計和軟件產業企業所得稅政策的公告) ("**Bulletin 68**"). The Announcement on the Policy Applicable to the Final Settlement of Enterprise Income Tax for the Year 2019 for Integrated Circuit Design Enterprises and Software Enterprises (Announcement of the Ministry of Finance and State Taxation Administration [2020] No. 29) (關於集成電路設計企業和軟件企業2019年度企業所得稅匯算清繳適用政策的公告) (財政部、稅務總局公告2020年第29號), and the Announcement on the Enterprise Income Tax Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry (Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology [2020] No. 45) (關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告(財政部、稅務總局、發展改革委、工業和信息化部公告2020年第45號)) ("**Bulletin 45**"), the aforesaid "tax exemption for the first two years and 50% tax reduction for the next three years" for the qualified software enterprise has been extended accordingly. In addition, pursuant to the Bulletin 45 effective from 1 January 2020, the key integrated circuit design enterprises and software enterprises encouraged by the State are entitled to be exempted from CIT from the first year to the fifth year since its profit-making year, and then enjoy a reduced 10% CIT rate since the sixth year. Certain of our WFOEs and consolidated affiliated entities have been recognised by the relevant authorities as "high/new technology enterprises" or satisfy the criteria of "national key software enterprises" or "software production enterprises" and therefore are eligible for the preferential tax treatments upon their filing or reporting of the qualified status with the relevant tax authorities. In addition, there is a preferential tax rate of 15% applicable to some WFOEs and consolidated affiliated entities located in certain areas of the Chinese Mainland upon fulfilment of certain requirements of the respective local governments. Preferential tax treatments granted to our WFOEs and consolidated affiliated entities by the local governmental authorities are subject to review and may be adjusted or revoked at any time. We cannot assure you that we will be able to maintain our current effective tax rate in the future. If any of the WFOEs or consolidated affiliated entities which have enjoyed such preferential tax treatments fails to maintain their qualification status or renew their qualifications when the relevant term expires, their applicable CIT rate may increase to 25%, which could have a material and adverse effect on our business, future results of operations and prospects.

We may rely on dividends and other distributions on equity paid by the WFOEs to fund any cash and financing requirements we may have. Any limitation on the ability of our WFOEs to pay dividends to us could materially and adversely affect our business, future results of operations and prospects.

We are a holding company, and we may rely on dividends and other distributions on equity to be paid by our WFOEs to meet our cash and financing requirements, including the funds necessary to pay service and debt we may incur. If any of our WFOEs incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, our WFOEs may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, each of our WFOEs in China is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. With approval by its shareholders in accordance with its articles of association, the WFOE may allocate a portion of its after-tax profits based on PRC accounting standards to discretionary reserve funds. These reserve funds are not distributable as cash dividends. Furthermore, in recent years, PRC government authorities have continued to strengthen tax oversight and enforcement, including by promulgating and implementing new rules, policies, guidelines and interpretations and undertaking other enforcement measures.

Any restrictions on the ability of our WFOEs in China to pay dividends or make other distributions to us could materially and adversely affect our ability to grow our business, make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund and conduct our business.

According to the 2008 EIT Law and the Implementation Rules and other prevailing PRC tax circulars, dividends generated from the business of our WFOEs in China on or after 1 January 2008 and payable to the WFOEs' immediate holding companies incorporated in Hong Kong will be subject to a withholding tax rate of 10% if the PRC tax authorities determine that such holding companies are not beneficial owners of the dividends and not eligible for the lower withholding tax treatments under the applicable double taxation arrangement between the Chinese Mainland and Hong Kong. If the Hong Kong holding companies' beneficial owner status is not challenged by the PRC tax authorities, the withholding tax rate could be reduced to 5% from 10%.

In addition, according to Circular 6, any payment, especially service fees and royalties that are made by enterprises to their offshore affiliates, which fails to satisfy the arm's-length transaction principles may not be deducted from such enterprise's taxable income when calculating its enterprise income tax. In the case of any foregoing payment to offshore affiliates, the PRC tax authorities may request the payer to provide relevant transaction documents thereunder and to prove the real transaction background and the arm's-length transaction nature of such payment and transaction, and will take into consideration the offshore affiliate's actual contribution in such transaction when determining whether such transaction is in compliance with the arm's-length transaction principles. Accordingly, the distributions paid by our WFOEs to us might be challenged on their actual transaction background by the PRC tax authorities based on Circular 6 and might therefore incur certain tax burdens on our WFOEs.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or may otherwise adversely affect us.

On 4 July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicle (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) ("**Circular 37**"), which abolishes and supersedes the Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) ("**Circular 75**") issued by SAFE on 21 October 2005. Circular 37 and its implementation guidelines require PRC residents to register with local branches of SAFE (or qualified banks in accordance with SAFE Circular 13 as defined below) in connection with their direct establishment or indirect control of an offshore entity for the purpose of overseas investment and financing with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in Circular 37 as a "special purpose vehicle". Circular 37 further requires amendment to the registration in the event

of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by Chinese individuals, share transfer or exchange, merger, division or other material event. In the event that a Chinese shareholder holding interests in a special purpose vehicle fails to fulfil the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC laws for evasion of foreign exchange controls.

On 13 February 2015, SAFE promulgated Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) ("**SAFE Circular 13**"), which became effective on 1 June 2015 and was amended on 30 December 2019. In accordance with SAFE Circular 13, if no retroactive SAFE registration is required, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under the Circular 37, with qualified banks, instead of SAFE, while SAFE will handle retroactive SAFE registration. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

We have notified substantial holders of ordinary shares of the Company whom we know are PRC residents to register with the local SAFE branch and update their registrations as required under the SAFE regulations described above. We, however, cannot provide any assurances that all of our shareholders who are PRC residents will file all applicable registrations or update previously filed registrations as required by these SAFE regulations. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth therein may subject such PRC resident shareholders to fines and legal sanctions, restrict our cross-border investment activities or limit our PRC subsidiaries' ability to distribute dividends to us or restrict us in injecting additional capital or extending loans to our PRC subsidiaries.

As it is uncertain how the SAFE regulations described above will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a Chinese domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business, future results of operations and prospects.

Governmental control of currency conversion may limit our ability to obtain sufficient foreign currency to satisfy our currency demands and may affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB and substantially all of our cash inflows and outflows are denominated in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our Chinese operating subsidiaries. We may convert a portion of our revenues into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our ordinary shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies generally without

prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate banks appointed by government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay interests in foreign currencies to the holders of the Notes.

PRC laws and regulations establish more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

PRC laws and regulations, such as the Regulations on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors ("**M&A Rules**") (關於外國投資者併購境內企業的規定) adopted in September 2006 and amended on 22 June 2009, the Anti-Monopoly Law which became effective on 1 August 2008 and amended on 24 June 2022, and Notice of the General Office of the State Council on the Establishment of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知), effective from 3 March 2011, established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a Chinese domestic enterprise, or that the approval from the MOFCOM be obtained in circumstances where overseas companies established or controlled by Chinese enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. The Provisions of the MOFCOM on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定), effective from 1 September 2011, further provide that, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review by PRC governmental agencies, the principle of substance over form should be applied and foreign investors are prohibited from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. On 19 December 2020, the NDRC and the MOFCOM promulgated the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法), which came into effect on 18 January 2021 and further provide that foreign investment in certain key areas with bearing on national security, such as important cultural products and services, important information technology and Internet services and products, key technologies and other important areas with bearing on national security which results in the acquisition of de facto control of investee companies, shall be filed with a specifically established office before such investment is carried out. See "*Regulations on Foreign Investor's Merger and Acquisition of PRC Enterprises*" for more details. If the business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any contractual arrangements. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-Chinese holding companies.

On 10 December 2009, the STA issued the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises ("**Circular 698**") (國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知), with retroactive effect from 1 January

2008, which has been repealed from 1 December 2017. On 3 February 2015, the STA further promulgated the Announcement on Enterprise Income Tax for Indirect Transfers of Properties by Non-PRC Resident Enterprises ("**Circular 7**") (國家税務總局關於非居民企業間接轉讓財產企業所得税若干問題的公告), effective from 3 February 2015 and further amended in December 2017, to replace certain provisions under Circular 698 and to further strengthen the regulation regarding indirect transfers of Chinese properties through the transfer of equity interests in PRC resident enterprises by non-PRC resident enterprises. According to Circular 7, if a non-resident enterprise conducts an "indirect transfer" by transferring its equity interest in an offshore enterprise, which directly or indirectly owns Chinese real property or property of a business conducted within China ("**PRC Taxable Property**"), and the foregoing "indirect transfer" does not satisfy the "reasonable business purpose test" as provided in Circular 7, each of the transferor, the transferee and the PRC resident enterprise (as the ultimate target company under the transfer) has discretion to report the transfer to the relevant tax authority of the PRC resident enterprise.

According to Circular 7, several factors must be considered when determining whether an indirect transfer has a reasonable business purpose, including (i) whether the value of the equity interest in the overseas holding company derives, directly or indirectly, from the PRC Taxable Property; (ii) whether investments within China constitute, directly or indirectly, the main assets of the overseas holding company, or, whether the income of the overseas holding company is mainly generated, directly or indirectly, from China; (iii) whether the functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property, can establish the economic substance of the corporate structure; (iv) the shareholders and business model of the overseas holding company and the duration that the relevant corporate structure has existed; (v) the foreign income tax consequences of such indirect transfer; (vi) whether such indirect transfer and indirect investment regarding the PRC Taxable Property could have been made through a direct transfer of and indirect investment in the PRC Taxable Property; and (vii) the tax treaties or arrangements applicable in China to gains derived from such indirect transfer. However, notwithstanding the foregoing factors, if such indirect transfer and other arrangements related thereto satisfy all of the following conditions, such indirect transfer is deemed to lack a "reasonable business purpose": (a) the PRC Taxable Property constitutes 75% or more of the value of the equity interests of the overseas holding company; (b) at any time within one (1) year before such indirect transfer, the overseas holding company's investment in China constitutes, directly or indirectly, 90% or more of its total assets (exclusive of any cash), or, within one (1) year before such indirect transfer, 90% or more of the overseas holding company's income was generated, directly or indirectly from within China; (c) the limited functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property are insufficient to establish the economic substance of their corporate structure and (d) the foreign income tax rate on such indirect transfer is lower than that on the PRC Taxable Property under applicable PRC laws.

Circular 7 also provides some exceptions for indirect transfers of certain PRC Taxable Property, including (i) shares in an offshore listing company that are bought and sold by a non-PRC resident enterprise via a public market, or (ii) gains derived from indirect transfers that would not have been subject to income tax pursuant to the applicable tax treaties or arrangements had the PRC Taxable Property been directly transferred or (iii) transactions that are internal transfers among affiliates via share swaps and would not ultimately decrease the amount of gain subject to PRC income tax, taking the contingent transactions into consideration. Gains derived from an indirect transfer of the PRC Taxable Property may be subject to PRC withholding tax at a rate of up to 10%. If they decide that any of such transactions do not have a reasonable commercial purpose, the PRC tax authorities may apply Circular 7 to our previous financing transactions where non-resident private equity investors were involved, or the sale or purchase of shares in other non-PRC resident companies or other taxable assets held by us. As a result, we and our non-resident investors in such transactions may become at

risk of being taxed under Circular 7, and we may be required to expend valuable resources to comply with Circular 7 or to establish that we should not be taxed under the general anti-avoidance rule of the 2008 EIT Law. This may have a material and adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知) issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in the Chinese Mainland for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, pursuant to the Capital Account Foreign Exchange Business Guidelines (2024 Version) issued by SAFE, proceeds from the sale of equity incentive plan shares should in principle be remitted back to the Chinese Mainland within six months of the sale. We and our directors, executive officers and other employees who are PRC citizens or who reside in the Chinese Mainland for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options are subject to these regulations. Failure to complete the SAFE registrations may subject such individuals to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in the Chinese Mainland and limit these subsidiaries' ability to distribute dividends to us.

In addition, the STA has issued certain circulars concerning employee share options or restricted shares. Under these circulars, the employees working in the Chinese Mainland who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of such overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes according to applicable laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Fluctuations in exchange rates may have a material and adverse effect on your investment.

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on exchange rates set by the PBOC. Pursuant to reforms of the exchange rate system announced by the PBOC on 21 July 2005, RMB-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from 18 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the RMB against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on 21 May 2007. This allows the RMB to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on 16 April 2012 and further widened to 2.0% on 17 March 2014. These changes in currency policy resulted in the RMB appreciating against the U.S. dollar by approximately 24.5% from 21 July 2005 to 31 December 2016. On 11 August 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorising market-makers to provide parity to the China Foreign Exchange Trading Centre operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the RMB against the U.S. dollar depreciated by nearly 2.0% as compared

to 10 August 2015, and further depreciated by nearly 1.6% on 12 August 2015 as compared to 11 August 2015. The International Monetary Fund announced on 30 September 2016 that, effective from 1 October 2016, the RMB would be added to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the RMB against foreign currencies.

We mainly operate in China with most of our transactions settled in RMB. The conversion of RMB-denominated balances into foreign currencies is subject to the rates and regulations of foreign exchange control promulgated by the PRC government. We hold some financial assets denominated in U.S. dollars, H.K. dollars, Euro and Korea Won subject to certain thresholds stated in our treasury mandate and borrow some bank loans denominated in U.S. dollars. We also issue long-term notes denominated in U.S. dollars and H.K. dollars from time to time. This exposes us to foreign exchange risk.

Any significant revaluation of RMB may materially and adversely affect our revenue, earnings and financial position, and the value of the Notes in U.S. dollars. For example, an appreciation of RMB against the U.S. dollar would reduce the amount of RMB we would receive if we need to convert U.S. dollars into RMB. Conversely, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the value of the Notes. It is difficult to predict how the PBOC's policy may impact the RMB exchange rate in the future.

We manage our foreign exchange risk by regularly reviewing net foreign exchange exposures and try to minimise these exposures through natural hedges wherever possible and may enter into forward foreign exchange contracts, when necessary. However, the availability and effectiveness of these current and future arrangements may be limited, and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by China's exchange control regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material and adverse effect on your investment.

Implementation of the labour laws and regulations in China may adversely affect our business and results of operations.

Pursuant to the PRC Labour Contract Law (中華人民共和國勞動合同法) that became effective in January 2008 and further amended on 28 December 2012 and became effective on 1 July 2013, and its implementation rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labour contracts. Due to the lack of detailed interpretation rules and uniform implementation practice and possible penalties, it is uncertain as to how it would affect our current employment policies and practices. Our employment policies and practices may violate the PRC Labour Contract Law or its implementation rules, and we may thus be subject to related penalties, fines or legal fees. Compliance with the PRC Labour Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labour practices, the PRC Labour Contract Law and its implementation rules may also limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. On 28 October 2010, the SCNPC promulgated the PRC Social Insurance Law (中華人民共和國社會保險法) which became effective on 1 July 2011 and was amended on 29 December 2018. On 10 August 2026, the State Council amended the Regulation on the Administration of Housing Accumulation Funds which became effective on 20 September 2026. According to applicable PRC social insurance laws and the Regulation on the Administration of Housing Accumulation Funds (住房公積金管理條例), employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance and housing funds and the employers must, together with their employees or separately, pay the social insurance premiums and housing funds for such employees. On 20 July 2018, the General

Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Plan for Reforming the State and Local Tax Collection and Administration Systems (國税地税徵管體制改革方案), which stipulated that the STA would become solely responsible for collecting social insurance premiums. On 24 January 2014, the Ministry of Human Resources and Social Security promulgated the Provisional Rules on Labour Dispatching (勞務派遣暫行規定), effective on 1 March 2014. Intended to control labour dispatching arrangements, these regulations require that dispatched workers may be designated only to positions of a temporary, supporting or substitute nature, and further require employers to change and adjust their employment structure so that their used dispatched workers should not exceed a statutory cap of 10% of total employees.

We expect our labour costs to increase due to the implementation of these laws and regulations. As the interpretation and implementation of these laws and regulations are still evolving, we cannot assure you that our employment practice will at all times be deemed in full compliance with labour-related laws and regulations in the PRC which may subject us to labour disputes or government investigations. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected. Further, labour disputes, work stoppages or slowdowns at our offices and facilities or any of our clients or suppliers could significantly disrupt our daily operation or our expansion plans and have material and adverse effects on our business.

Inflation in China and measures to contain inflation may negatively affect our profitability and growth.

While China's economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographical areas of the country and among different demographic sectors in the community. If prices for our services and products rise at a rate that is insufficient to compensate for the rise in the costs, our business may be materially and adversely affected. In order to control inflation in the past, the PRC government has imposed controls on bank credits, limits on loans for fixed assets, and restrictions on state bank lending. Such austerity measures can lead to a slowing of economic growth in China, which could materially and adversely affect our business, future results of operations and prospects.

The section entitled "*Capitalisation and Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

CAPITALISATION AND INDEBTEDNESS

The following table sets forth our debt and capitalisation as at 30 June 2026.

This table should be read in conjunction with "*Use of Proceeds*", "*Selected Consolidated Financial and Other Data*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Company's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 and related notes thereto included elsewhere in this Offering Circular.

	As of June 30, 2026	
	(Unaudited)	
	(RMB in million)	(US$ in million)
Current liabilities:		
Borrowings	86,292	12,718
Notes payable	—	—
	86,292	**12,718**
Non-current liabilities:		
Borrowings	212,650	31,341
Notes payable	154,021	22,700
	366,671	**54,041**
Total debts	**452,963**	**66,759**
Equity attributable to equity holders of the Company		
Share capital	—	—
Share premium	73,692	10,861
Treasury shares	(2,180)	(321)
Shares held for share award scheme	(8,315)	(1,225)
Other reserves	5,893	869
Retained earnings	1,066,763	157,220
	1,135,853	**167,404**
Non-controlling interests	86,660	12,772
Total equity	**1,222,513**	**180,176**
Total capitalisation (1)	**1,675,476**	**246,935**

Note:

(1) Total capitalisation represents the sum of total debts under current and non-current liabilities and total equity.

As at the date of this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 30 June 2026.

The section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of our financial condition and results of operations as at and for the years ended 31 December 2023, 2024 and 2025 and as at and for the six months ended 30 June 2025 and 2026, and of the material factors that we believe are likely to affect our financial condition and results of operations. You should read this section in conjunction with our audited consolidated financial statements and unaudited interim condensed consolidated financial information included in this Offering Circular beginning on page F-2. Our consolidated financial statements and unaudited interim condensed consolidated financial information have been prepared in accordance with IFRS Accounting Standards.

In addition, the following discussion contains certain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Circular, including "Risk Factors".

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the most significant factors that have affected or are expected to affect our results of operations and financial condition include, among others:

Ability to increase the engagement and monetisation of our vast user base

The growth of our business and revenues depends on the attractiveness and demand for our service and product offerings and our ability to deepen user engagement and further increase the monetisation of our vast user base. We have seen a modest growth in our *Weixin* and *WeChat* user base and maintained large numbers of *QQ* users. As at 30 June 2026, combined MAU of *Weixin* and *WeChat* reached 1,439 million, an increase of 2%, from 1,411 million as at 30 June 2025, and mobile device MAU of *QQ* was 520 million.

We believe the depth of user engagement of our massive online communities is one of our key competitive advantages. We continue to increase user engagement by enhancing user experience and broadening our products and services, creating opportunities for our ecosystem partners. We introduce high-quality digital content, including games, video, music and literature, and seek to integrate these digital content services with our social platforms to enhance the holistic and differentiated social experience for our users. We seek to leverage the size of our user base and integrated nature of our platforms to build up user traffic for our new services and products. In addition, our large and logged-in user base and our leading mobile payment services also make our platforms more attractive to advertisers and merchant partners.

We have also monetised user traffic generated from our various digital content and *Weixin* services. We have accumulated expertise in cross-marketing our services and products across our massive user base. Our major digital content, including games, video, music and literature, help attract users and drive conversion into paying users. The numerous *Weixin* services, such as *Mini Programs, Video Accounts, Mini Shops* and *Weixin Pay*, help merchants digitalise their businesses and complete more online-to-offline transactions. Leveraging an AI-powered technology platform, we enhance our capabilities for marketing, games and business services, generating higher revenues.

Ability to innovate and adopt new technologies such as AI

The technology industry is highly competitive, innovative and ever changing due to the evolving development of technology and user behavior. We have endeavored to embrace generative and agentic AI technologies, implement AI technologies to businesses, such as games, marketing and business services, and provide AI based solutions to external customers.

We not only encourage our employees to innovate, but also allocate considerable resources to the research and development of new technologies and the optimisation of product features as well as enhancement of user experience of products. We will continue to invest in and develop our AI infrastructure and application to our products and services to enhance user acquisition while maintaining our existing market share.

Ability to develop content and applications to maintain our market position

Our ability to develop relevant content and applications will affect our users' engagement and usage of our platforms. We have devoted significant resources to the research and development of content and applications in order to keep our existing platforms relevant and attractive to users. We have established a strong market position and built a brand name widely recognised by consumers and industry participants. For example, *Weixin* has become the leading communication and social network platform, connecting users, enterprises, content and services. We have also maintained our leadership in the games market in China and globally leveraging the success of developing and operating evergreen titles.

As we seek to expand our business lines and diversify our portfolio of services and products, our ability to launch new attractive contents and applications will continue to be the key to our revenue growth. Our ability to compete effectively and maintain our leading brand and market position will continue to affect our results of operations going forward.

BASIS OF PRESENTATION

During the years presented in the consolidated financial statements, we derived our revenue substantially under a series of contractual arrangements between certain of our WFOEs and our consolidated affiliated entities. These contractual arrangements are designed to provide us and the WFOEs with effective control over, and (to the extent permitted by PRC laws) the right to acquire the equity interests in and assets of our consolidated affiliated entities. Based on such contractual arrangements, we have concluded that it is appropriate to consolidate the financial statements of our consolidated affiliated entities, notwithstanding the lack of direct share ownership, because, in substance, the contractual arrangements transfer the economic risks and benefits of these consolidated affiliated entities to us.

DESCRIPTION OF SELECTED INCOME STATEMENT LINE ITEMS

Revenues

We generate our revenues primarily from four lines of business:

- *VAS;*
- *Marketing Services;*
- *FinTech and Business Services; and*
- *Others.*

Our revenues were RMB609,015 million, RMB660,257 million and RMB751,766 million and RMB364,526 million and RMB401,243 million (US$59,136 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The following table sets forth our revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	(US$ in millions)	% of total revenues
Revenues											
VAS	298,375	49%	319,168	49%	369,281	49%	183,501	50%	194,524	28,669	48%
Marketing Services	101,482	17%	121,374	18%	144,973	19%	67,615	19%	81,736	12,046	21%
FinTech and Business Services	203,763	33%	211,956	32%	229,435	31%	110,443	30%	120,171	17,711	30%
Others	5,395	1%	7,759	1%	8,077	1%	2,967	1%	4,812	710	1%
Total Revenues	**609,015**	**100%**	**660,257**	**100%**	**751,766**	**100%**	**364,526**	**100%**	**401,243**	**59,136**	**100%**

VAS

Revenues from VAS are derived principally from the provisions of games and social networks services. Our VAS is primarily provided on a subscription basis, per-item basis or revenue share basis.

We derive games revenues primarily from sales of in-game virtual items and social networks revenues primarily from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business. We have an extensive portfolio of market leading game titles across genres in both domestic and international markets.

We also derive revenues from the massive and engaged user base across our social networks and platforms. Through providing access to services offered in *Mini Games*, such as in-app purchases, we collect *Mini Games* platform service fees from the operation. In addition, we generate subscription revenues from offering access to premium digital content and other privileges on our digital content services, such as video, music and literature. Revenue generated from in-game virtual item sales is also attributable to our social networks.

Revenues from VAS were RMB298,375 million, RMB319,168 million and RMB369,281 million and RMB183,501 million and RMB194,524 million (US$28,669 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from VAS are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — VAS.*"

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts*, *Weixin Search*, *Tencent Video*, *QQ Music*, mobile advertising network and eSports events. Significant traffic on our various properties offer ample advertising opportunities. Through leveraging our advertising technology and transaction ecosystem, we provide targeted marketing services to generate attractive returns for advertisers.

Revenues from Marketing Services were RMB101,482 million, RMB121,374 million and RMB144,973 million and RMB67,615 million and RMB81,736 million (US$12,046 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from Marketing Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — Marketing Services*".

FinTech and Business Services

FinTech and Business Services revenues mainly comprise revenues derived from provision of FinTech and cloud services. FinTech service revenues mainly include commissions from payment transactions, wealth management services and other FinTech services. Cloud service revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources.

Revenues from FinTech and Business Services were RMB203,763 million, RMB211,956 million and RMB229,435 million and RMB110,443 million and RMB120,171 million (US$17,711 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from FinTech and Business Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — FinTech and Business Services*".

Others

Revenues from our other businesses are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. Revenues from others were RMB5,395 million, RMB7,759 million and RMB8,077 million and RMB2,967 million and RMB4,812 million (US$710 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of Revenues

Our cost of revenues was RMB315,906 million, RMB311,011 million and RMB329,173 million and RMB159,020 million and RMB171,545 million (US$25,283 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of revenues consists of the direct costs for operating and offering our services and products, which consist primarily of transaction costs, content costs, technical infrastructure operation costs, equipment depreciation and other direct costs. Employee benefits expenses that directly relate to the provision of our services and products are also included in cost of revenues. The following table sets forth our cost of revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	(US$ in millions)	% of segment revenues
Cost of Revenues											
VAS	136,456	46%	137,511	43%	146,985	40%	73,367	40%	71,471	10,533	37%
Marketing Services	50,138	49%	54,142	45%	61,584	42%	29,336	43%	35,777	5,272	44%
FinTech and Business Services	123,127	60%	112,255	53%	112,819	49%	53,894	49%	57,573	8,485	48%
Others	6,185	115%	7,103	92%	7,785	96%	2,423	82%	6,724	993	140%
Total cost of revenues	**315,906**		**311,011**		**329,173**		**159,020**		**171,545**	**25,283**	

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of costs incurred with our promotional and advertising activities, such as purchasing third-party advertising, holding promotion events and related employee benefits expenses. In recent years, our selling and marketing expenses have increased as we continue to launch and promote new services and seek to enhance our brand recognition.

General and Administrative Expenses

General and administrative expenses primarily consist of research and development expenses, related employee benefits expense, office rental/depreciation of right-of-use assets, travel and entertainment expenses, consulting fees, office maintenance and other general office expenses.

Other Gains/(Losses), Net

Other gains/(losses), net consist primarily of subsidies and tax rebates.

Net gains/(losses) from investments and others

Net gains/(losses) from investments and others primarily consist of net gains/(losses) on disposals and deemed disposals of investee companies, net fair value gains/(losses) on FVPL, other net fair value gains/(losses), impairment (provision)/reversal for investee companies, goodwill and other intangible assets arising from acquisitions, dividend income and donations.

Interest Income

Interest income mainly represents interest income from bank deposits, including bank balance and term deposits.

Finance Costs

Finance costs include interest and related expenses primarily arising from the borrowings, notes payable and lease liabilities, as well as foreign currency exchange gains or losses.

Income Tax Expense

Income tax expense is recognised based on our best knowledge of the income tax rates expected to be applicable for the financial year.

(i) Cayman Islands and British Virgin Islands CIT

We were not subject to any taxation in the Cayman Islands and the British Virgin Islands for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(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 years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(iii) PRC CIT

PRC CIT had been provided for at applicable tax rates under the relevant laws and regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profits of our entities established in the Chinese Mainland for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026. The general PRC CIT rate was 25% in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

Certain subsidiaries in the Chinese Mainland were approved as High and New Technology Enterprise, and they were subject to a preferential CIT rate of 15% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

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 Chinese Mainland upon fulfilment of certain requirements of the respective local governments.

(iv) CIT in other jurisdictions

Income tax on profits arising from other jurisdictions, including North America, Europe, Asia and South America, had been calculated on the estimated assessable profits at the respective rates prevailing in the relevant jurisdictions, which were not higher than 39% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(v) Withholding tax

According to applicable tax laws and regulations prevailing in the Chinese Mainland, dividends distributed by a company established in the Chinese Mainland 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 Chinese Mainland and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

Dividends distributed from certain jurisdictions which our entities operate in are also subject to withholding tax at respective applicable tax rates.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information. The determination of these accounting policies is fundamental to our financial condition and results of operations, and requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involved the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting the estimates may differ significantly from management's current judgements. We believe the following represents our critical accounting policies, judgements and estimates.

Revenue recognition

We generate revenues primarily from provision of VAS, Marketing Services, FinTech and Business Services, and other online related services in the PRC. Revenue is recognised when the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

VAS

Revenues from VAS primarily include revenues from the provision of games and social networks services. Games revenues are mainly derived from sales of in-game virtual items, and social networks revenues are mainly derived from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business.

Revenues from VAS are recognised when we satisfy our performance obligations by rendering relevant promised services.

Gross receipts from sales of in-game permanent virtual items are deferred and amortised over the respective estimated expected user lifetime of the applicable games estimated by us as there is an explicit or implicit obligation of us to maintain the virtual items operated on our platforms and allow users to gain access to them, whereas revenues from sales of in-game limited life virtual items and social networks virtual items, are recognised based on the consumption or over the stipulated periods of validity of the relevant virtual items ratably.

Revenues from subscriptions are recognised ratably over the subscription period.

Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

In respect of our VAS directly delivered to our customers and paid through various third-party platforms, these third-party platforms collect the relevant service fees (the "**Online Service Fees**") on behalf of us and they are entitled to platform provider fees at pre-determined percentages (as part of "**Channel and distribution costs**"). Such Channel and distribution costs are withheld and deducted from the gross Online Service Fees collected by these platforms from the users, with the net amounts remitted to us.

We recognise the Online Service Fees as revenue on a gross or net basis depending on whether we are acting as a principal or an agent in these transactions based on the assessment according to the criteria.

We also open our online platforms to third-party game/application developers under certain co-operation agreements, under which we pay to the third-party game/application developers a pre-determined percentage of the fees paid by and collected from the users of our online platforms for the virtual items sold. We recognise the related revenue on a gross or net basis depending on whether we are acting as a principal or an agent in the transaction.

We adopt different revenue recognition methods based on our specific responsibilities/obligations in different VAS offerings.

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms.

Revenue is recognised either ratably over the agreed period of display, or when the performance is fulfilled, such as impression, view or click. Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

FinTech and Business Services

FinTech and Business Services revenues mainly include revenues derived from the provision of FinTech services and cloud services.

FinTech service revenues include commissions from payment transactions, wealth management services and other FinTech services, where the commissions received by us are generally determined as a percentage of the value of each single transaction or periodic retention amount. Revenue from these commissions is recognised at a point in time when we satisfy our performance obligations by rendering the relevant services.

Cloud services revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources. For cloud service contracts based on subscription for a specified service period, revenue is recognised ratably over the subscribed period as the services are delivered to customers. For cloud service provided on a consumption basis, revenue is recognised based on the customer utilisation of the cloud resources. When a cloud-based service contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

Other Revenues

Our other revenues are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. We recognise other revenues as the respective services are rendered, or when the control of the products is transferred to customers.

Share-based compensation benefits

We operate a number of share-based compensation plans (including share option schemes and share award schemes), under which we receive services from employees and other qualifying participants as consideration for equity instruments (including share options and awarded shares) of us. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of us is recognised as an expense with a corresponding increase in equity over the vesting period, i.e., the period over which all of the specified vesting conditions are to be satisfied.

For grant of share options, the total amount to be expensed is determined by reference to the grant-date fair value of the options granted by using option-pricing model, "Enhanced FAS 123" binomial model (the "**Binomial Model**"), which includes the impact of market performance conditions (such as our share price) but excludes the impact of service condition and non-market performance conditions. For grant of awarded shares, the total amount to be expensed is determined by reference to the market price of the relevant equity instruments at the grant date. We also adopt valuation and actuarial techniques to assess the grant-date fair value of non-listed equity instruments granted under the share-based compensation plans as appropriate.

Non-market performance and service conditions are included in assumptions about the number of options and awarded shares that are expected to vest.

From our perspective, the grants of our equity instruments to employees of our subsidiaries are made in exchange for employee services to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "Investments in subsidiaries", or "Amounts due from subsidiaries" if rechargeable, in our statement of financial position.

At the end of each reporting period, we revise our estimates of the number of options and awarded shares that are expected to ultimately vest. We recognise the impact of the revision to prior estimates, if any, in the consolidated income statement of us, with a corresponding adjustment to equity.

When share options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share premium may be transferred to retained earnings.

If we repurchase vested equity instruments, the payments made to the employees and other qualifying participants are accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments repurchased, measured at the repurchase date. Any such excess is recognised as an expense.

If the terms of an equity-settled share-based award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification. Modifications of an equity-settled share-based award in a manner that is not beneficial to employees are not taken into account when determining the expenses to be recognised.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), we account for the cancellation or settlement as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Share-based payment arrangements where the terms provide us to settle the transactions in cash are cash-settled share-based payment transactions. For cash-settled share-based payments, a liability is recognised at the current fair value determined at the end of the reporting period to the extent of the portion of the services received until the date of settlement, with any changes in fair value recognised in profit or loss.

Income taxes

We are subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where the final tax outcome is different from the amounts that were previously recorded, such differences will impact current income tax and deferred income tax in the period in which such outcome is decided.

Recoverability of non-financial assets

Goodwill and other non-financial assets, mainly including property, plant and equipment, construction in progress, other intangible assets, investment properties, land use rights, right-of-use assets as well as investments in associates and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be fully recoverable. In addition, the Group performs impairment tests on goodwill and other intangible assets that have an indefinite life or are not yet available for use at least annually regardless of whether there are indicators of impairment. The recoverable amounts are determined based on value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Judgement is required to identify any impairment indicators existing for any of our goodwill and other non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment testing purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changes in the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect our financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

Fair value measurement of FVPL and FVOCI

The fair value assessment of FVPL and FVOCI that are measured at Level 3 fair value hierarchy requires significant estimates, which include risk-free rates, expected volatility, liquidity discounts adopted for lack of marketability, market information of recent transactions (such as recent fund-raising transactions undertaken by the investees) and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value measurement of these investments.

Scope of consolidation

Consolidation of an investee is permitted only if control exists. We control an investee when we have all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from our involvement with the investee; and (iii) the ability to use our power over the investee to affect the amount of our returns. Power results from rights that can be straightforward through voting rights or complicated from contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to us. These three factors are not considered in isolation by us in our assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on a holistic analysis of all of the relevant facts and circumstances.

We are required to reassess whether we control an investee if facts and circumstances indicate a change to one or more of the three factors of control.

RESULTS OF OPERATIONS

Six months ended 30 June 2026 compared to six months ended 30 June 2025

Revenues. Revenues increased by 10% year-on-year to RMB401,243 million (US$59,136 million) for the six months ended 30 June 2026.

The following table sets forth our revenues by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
			(Unaudited)		
	Amount (RMB in millions)	% of total revenues	Amount (RMB in millions)	Amount (US$ in millions)	% of total revenues
VAS	183,501	50%	194,524	28,669	48%
Marketing Services	67,615	19%	81,736	12,046	21%
FinTech and Business Services	110,443	30%	120,171	17,711	30%
Others	2,967	1%	4,812	710	1%
Total revenues	**364,526**	**100%**	**401,243**	**59,136**	**100%**

Revenues from VAS increased by 6% year-on-year to RMB194,524 million (US$28,669 million) for the six months ended 30 June 2026. Domestic Games revenues were RMB92.7 billion (US$13.7 billion), up 11% year-on-year, driven by growth from most of our major games, with notable contributions from *Delta Force*, *VALORANT* PC and MOBILE, *Roco Kingdom: World* and *Wuthering Waves*. International Games revenues were RMB37.4 billion (US$5.5 billion), up 6% year-on-year, primarily driven by higher revenues from *Clash Royale*, *Wuthering Waves* and *VALORANT* PC. Social Networks revenues decreased by 0.7% year-on-year to RMB64.4 billion (US$9.5 billion).

Revenues from Marketing Services were RMB81,736 million (US$12,046 million) for the six months ended 30 June 2026, up 21% year-on-year, supported by enhancements to our AI-driven ad recommendation model (which determines the ad shown to each user for each impression), upgrades to our automated campaign management solution *AIM+* (which helps advertisers purchase performant impressions), and integration of closed-loop marketing capabilities within the *Weixin* ecosystem (which facilitates *Weixin*-integrated services, such as *Mini Games* and *Mini Shops*, to advertise more effectively on Tencent-managed ad properties). Most major industry categories increased marketing spending on our platforms during the six months ended 30 June 2026.

Revenues from FinTech and Business Services increased by 9% year-on-year to RMB120,171 million (US$17,711 million) for the six months ended 30 June 2026. FinTech Services revenue growth was mainly due to higher revenues from commercial payment, wealth management and consumer loan services. Business Services revenue growth was primarily driven by increased revenues from our cloud services, underpinned by greater demand for AI-related services, ongoing international expansion, and a more favourable pricing environment.

Cost of revenues. Cost of revenues increased by 8% year-on-year to RMB171,545 million (US$25,283 million) for the six months ended 30 June 2026. The increase was primarily due to higher AI-related equipment depreciation and associated operating costs.

Gross profit. Gross profit increased by 12% year-on-year to RMB229,698 million (US$33,853 million) for the six months ended 30 June 2026, slightly outpacing revenue growth. Robust growth in high-margin revenue streams, including higher revenues from internally developed games and from Marketing Services, offset higher depreciation and operating costs associated with our expanded AI infrastructure. Gross margin was 57%, up from 56% in the same period last year. The following table sets forth our gross profit and gross margin by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
	(Unaudited)				
	Amount (RMB in millions)	Gross margin	Amount (RMB in millions)	Amount (US$ in millions)	Gross margin
VAS	110,134	60%	123,053	18,136	63%
Marketing Services	38,279	57%	45,959	6,774	56%
FinTech and Business Services	56,549	51%	62,598	9,226	52%
Others	544	18%	(1,912)	(283)	NM
Total gross profit	**205,506**	**56%**	**229,698**	**33,853**	**57%**

Gross profit for VAS grew by 12% year-on-year to RMB123,053 million (US$18,136 million), primarily driven by a greater revenue contribution from high-margin internally developed games. Gross margin expanded to 63% from 60% in the same period last year.

Gross profit for Marketing Services increased by 20% year-on-year to RMB45,959 million (US$6,774 million), broadly consistent with segment revenue growth, as higher revenues, supported by enhancements to our AI-driven marketing capabilities, largely offset higher costs, including depreciation and operating costs associated with expanding our AI infrastructure to improve ad and content recommendation. Gross margin was 56%, compared with 57% in the same period last year.

Gross profit for FinTech and Business Services rose by 11% year-on-year to RMB62,598 million (US$9,226 million), mainly driven by wealth management and consumer loan services, as well as cloud services. Gross margin increased to 52% from 51% in the same period last year.

Selling and marketing expenses. Selling and marketing expenses increased by 34% year-on-year to RMB23,212 million (US$3,421 million) for the six months ended 30 June 2026, due to higher marketing spending to support our games business and to drive adoption of our AI-native products. As a percentage of revenues, selling and marketing expenses were 6% for the six months ended 30 June 2026, increased from 5% for the six months ended 30 June 2025.

General and administrative expenses. General and administrative expenses increased by 11% year-on-year to RMB72,608 million (US$10,701 million) for the six months ended 30 June 2026, primarily reflecting higher R&D spending to support *Hy* model enhancements, *Weixin* AI initiatives, and development of AI capabilities across our products and services. As a percentage of revenues, general and administrative expenses remained stable at 18% for the six months ended 30 June 2025 and 2026.

Other gains/(losses), net. We recorded net other gains of RMB773 million (US$114 million) for the six months ended 30 June 2026.

Operating profit. Operating profit increased by 14% year-on-year to RMB134,651 million (US$19,845 million) for the six months ended 30 June 2026. Non-IFRS operating profit[1] increased by 9% year-on-year to RMB151,263 million (US$22,293 million). Non-IFRS operating profit excluding new AI products[2] increased by 18% year-on-year to RMB170.5 billion (US$25.1 billion).

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB13,112 million (US$1,932 million) for the six months ended 30 June 2026.

Interest income. Interest income increased by 5% year-on-year to RMB8,227 million (US$1,213 million) for the six months ended 30 June 2026, mainly driven by growth in cash reserves.

Finance costs. Finance costs were RMB5,958 million (US$878 million) for the six months ended 30 June 2026, compared with RMB7,801 million in the same period last year, reflecting favourable foreign exchange movements and lower interest expenses due to lower average interest rates.

Share of profit/(loss) of associates and joint ventures, net. Our share of losses of associates and joint ventures was RMB6,373 million (US$939 million) for the six months ended 30 June 2026, primarily reflecting our share of the fair value adjustment recognised by an unlisted investee from revaluation of its issued convertible redeemable preferred shares arising from increased valuation of the investee, which was excluded from our non-IFRS profit. On a non-IFRS basis, our share of profits of associates and joint ventures was RMB13,482 million (US$1,987 million), compared with share of profits of RMB13,988 million in the same period last year.

Profit before income tax. Profit before income tax increased by 10% year-on-year to RMB143,659 million (US$21,173 million) for the six months ended 30 June 2026.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB26,290 million (US$3,875 million) for the six months ended 30 June 2026, reflecting operating profit growth.

Profit for the period. As a result of the factors discussed above, profit for the period increased by 11% year-on-year to RMB117,369 million (US$17,298 million) for the six months ended 30 June 2026. Our profit margin remained stable at 29% for the six months ended 30 June 2025 and 2026.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 10% year-on-year to RMB114,115 million (US$16,818 million) for the six months ended 30 June 2026. Non-IFRS profit attributable to equity holders of the Company increased by 10% year-on-year to RMB136,320 million (US$20,091 million).

Year ended 31 December 2025 compared to year ended 31 December 2024

Revenues. Revenues increased by 14% year-on-year to RMB751,766 million for the year ended 31 December 2025.

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[1] Certain non-IFRS financial measures (in terms of operating profit, share of profit/(loss) of associates and joint ventures, net, profit attributable to equity holders of the Company) represents the IFRS financial measures after adjusting for share-based compensation, net (gains)/losses from investee companies, amortisation of intangible assets resulting from acquisitions, impairment provisions/(reversals), donations and expenses incurred for the sustainable social value and common prosperity programmes, non-recurring compliance-related costs and expenses incurred for certain litigation settlements and the related income tax effects.

[2] New AI products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*.

The following table sets forth our revenues by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	319,168	49%	369,281	49%
Marketing Services	121,374	18%	144,973	19%
FinTech and Business Services	211,956	32%	229,435	31%
Others	7,759	1%	8,077	1%
Total revenues	**660,257**	**100%**	**751,766**	**100%**

Revenues from VAS increased by 16% year-on-year to RMB369,281 million for the year ended 31 December 2025. Domestic Games revenues were RMB164.2 billion, up 18% year-on-year, underpinned by robust performance of recently released *Delta Force*, as well as higher revenues from evergreen games such as *Honour of Kings* and *Peacekeeper Elite*, and from *VALORANT* franchise (PC and mobile). International Games revenues were RMB77.4 billion, up 33% year-on-year (32% on a constant-currency basis), reflecting higher revenues from Supercell's games and *PUBG MOBILE*, as well as incremental revenue contribution from *Wuthering Waves*. Social Networks revenues rose by 5% year-on-year to RMB127.7 billion, due to growth in *Video Accounts* live streaming revenue, music subscription revenue and app-based game virtual item sales.

Revenues from Marketing Services increased by 19% year-on-year to RMB144,973 million for the year ended 31 December 2025, primarily driven by growth in pricing and ad impressions. Pricing benefitted from AI-powered ad targeting, advertisers using AI to create more ads, and an increasing proportion of closed-loop ads (where the user clicks through to native transactional experiences, such as *Mini Programs*, *Mini Shops*, or *Mini Games*). Impression growth benefitted primarily from greater user engagement with products including *Video Accounts* and *Weixin Search*, and modest increases in ad load. Advertising spending grew across most major industry categories during the year.

Revenues from FinTech and Business Services grew by 8% year-on-year to RMB229,435 million for the year ended 31 December 2025. FinTech Services revenues increased at a high single-digit rate year-on-year, due to higher revenues from wealth management services, consumer loan services, and commercial payment activities. Business Services revenues rose by a high-teens rate year-on-year, reflecting increased domestic and international demand for cloud services, including demand for AI-related services, as well as higher eCommerce technology service fees, underpinned by growth in *Mini Shops* GMV.

Cost of revenues. Cost of revenues increased by 6% year-on-year to RMB329,173 million for the year ended 31 December 2025. The increase was primarily due to higher content costs and channel and distribution costs, as well as bandwidth and server costs.

Gross profit. Gross profit rose by 21% year-on-year to RMB422,593 million for the year ended 31 December 2025, primarily driven by greater contributions from high-margin revenue streams, including internally developed games, *Video Accounts* and *Weixin Search* marketing services, and by enhanced cost efficiency in FinTech services and cloud services. Gross margin was 56%, up from 53% for the year ended 31 December 2024. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	181,657	57%	222,296	60%
Marketing Services	67,232	55%	83,389	58%
FinTech and Business Services	99,701	47%	116,616	51%
Others	656	8%	292	4%
Total gross profit	**349,246**	**53%**	**422,593**	**56%**

Gross profit for VAS increased by 22% year-on-year to RMB222,296 million, due to greater revenue contributions from internally developed games. Gross margin was 60%, up from 57% in the prior year.

Gross profit for Marketing Services rose by 24% year-on-year to RMB83,389 million, as AI-powered marketing services drove strong growth in high-margin revenue streams, particularly *Video Accounts* and *Weixin Search*. Gross margin improved to 58% from 55% in the previous year.

Gross profit for FinTech and Business Services increased by 17% year-on-year to RMB116,616 million, benefitting from growing scale of cloud services and improved revenue mix in FinTech services, alongside enhanced cost efficiency. Gross margin rose to 51% from 47% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 15% year-on-year to RMB41,727 million for the year ended 31 December 2025, reflecting increased promotional efforts to support the growth of our AI-native applications and games. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses rose by 21% year-on-year to RMB136,127 million for the year ended 31 December 2025. This growth was due to increased R&D expenses, primarily higher staff costs and increased depreciation expenses driven by our AI investments, alongside a one-off share-based compensation expense of RMB4.0 billion related to restructuring of an existing commercial arrangement at an overseas subsidiary. As a percentage of revenues, general and administrative expenses were 18% for the year ended 31 December 2025, increased from 17% for the year ended 31 December 2024.

Other gains/(losses), net. We recorded net other losses of RMB3,177 million for the year ended 31 December 2025.

Operating profit. Operating profit increased by 16% year-on-year to RMB241,562 million for the year ended 31 December 2025. Non-IFRS operating profit increased by 18% year-on-year to RMB280,656 million for the year ended 31 December 2025. We recorded non-IFRS operating profit excluding new AI products of RMB298.1 billion for the year ended 31 December 2025.

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB10,168 million for the year ended 31 December 2025.

Interest income. Interest income increased by 6% year-on-year to RMB16,909 million for the year ended 31 December 2025 due to growth in cash reserves.

Finance costs. Finance costs were RMB15,130 million for the year ended 31 December 2025, compared with RMB11,981 million in the prior year, mainly due to net foreign exchange losses recognised for the year ended 31 December 2025, versus net foreign exchange gains recorded for the year ended 31 December 2024.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB23,740 million for the year ended 31 December 2025, compared with share of profits of RMB25,176 million for the year ended 31 December 2024. Non-IFRS share of profits of associates and joint ventures rose to RMB33,457 million, compared with RMB31,635 million in the previous year.

Profit before income tax. Profit before income tax increased by 15% year-on-year to RMB277,249 million for the year ended 31 December 2025.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB47,448 million for the year ended 31 December 2025, mainly reflecting operating profit growth, partially offset by lower withholding tax provision recognised this year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by 17% year-on-year to RMB229,801 million for the year ended 31 December 2025. Our profit margin increased from 30% for the year ended 31 December 2024 to 31% for the year ended 31 December 2025.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 16% year-on-year to RMB224,842 million for the year ended 31 December 2025. Non-IFRS profit attributable to equity holders of the Company increased by 17% year-on-year to RMB259,626 million for the year ended 31 December 2025.

Year ended 31 December 2024 compared to year ended 31 December 2023

Revenues. Revenues increased by 8% year-on-year to RMB660,257 million for the year ended 31 December 2024.

The following table sets forth our revenues by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	298,375	49%	319,168	49%
Marketing Services	101,482	17%	121,374	18%
FinTech and Business Services	203,763	33%	211,956	32%
Others	5,395	1%	7,759	1%
Total revenues	**609,015**	**100%**	**660,257**	**100%**

Revenues from VAS increased by 7% year-on-year to RMB319,168 million for the year ended 31 December 2024. International Games revenues were RMB58.0 billion, reflecting 9% growth in both reported and constant currency terms, driven by strong performances from *PUBG MOBILE* and Supercell's games. Domestic Games revenues rose by 10% to RMB139.7 billion, driven by revenue growth from *VALORANT*, *Naruto Mobile*, *Fight of the Golden Spatula* and *League of Legends: Wild Rift*, alongside new contributions from *DnF Mobile* and *Delta Force*. Social Networks revenues were RMB121.5 billion, up 2% year-on-year, driven by higher revenues from music and long-form video subscription services, increased app-based game virtual item sales and *Mini Games* platform service fees, partially offset by a decline in music-related and games-related live streaming revenues.

Revenues from Marketing Services increased by 20% year-on-year to RMB121,374 million for the year ended 31 December 2024. This increase was primarily due to robust advertiser demand for *Video Accounts*, *Mini Programs* and *Weixin Search* inventories, and ongoing enhancement of our AI-powered advertising infrastructure. Advertising spending rose across most major categories, with notable growth from games, eCommerce, education and Internet services categories.

Revenues from FinTech and Business Services grew by 4% year-on-year to RMB211,956 million for the year ended 31 December 2024. The increase in FinTech Services revenues primarily reflected growth in wealth management services and commercial payment services. Higher Business Services revenues were driven by growth in *WeCom* revenue and eCommerce technology service fees.

Cost of revenues. Cost of revenues were RMB311,011 million for the year ended 31 December 2024, representing a 2% year-on-year decline, due to lower live streaming revenue sharing costs, long-form video content costs and cloud project deployment costs.

Gross profit. Gross profit rose by 19% year-on-year to RMB349,246 million for the year ended 31 December 2024, primarily driven by robust growth in high-margin revenue streams from Domestic Games, *Video Accounts*, *Weixin Search* and the *Mini Games* platform. Improved profitability in our cloud services and long-form video businesses also contributed to the overall increase in gross profit. Gross margin increased to 53%, compared to 48% in the prior year. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	161,919	54%	181,657	57%
Marketing Services	51,344	51%	67,232	55%
FinTech and Business Services	80,636	40%	99,701	47%
Others	(790)	NM	656	8%
Total gross profit	**293,109**	**48%**	**349,246**	**53%**

Gross profit for VAS increased by 12% year-on-year to RMB181,657 million, driven by growth in high-margin revenues from Domestic Games and *Mini Games* platform service fees, as well as long-form video subscription revenue growth and content cost optimisation. Gross margin improved to 57% from 54% in the previous year.

Gross profit for Marketing Services increased by 31% year-on-year to RMB67,232 million, primarily due to growth in high-margin revenues from *Video Accounts* and *Weixin Search* marketing services. Gross margin increased to 55% from 51% in the previous year.

Gross profit for Fintech and Business Services rose by 24% year-on-year to RMB99,701 million, driven by revenue growth from wealth management services, *WeCom*, and eCommerce technology service fees, as well as enhanced cost efficiency in our cloud services. Gross margin rose to 47% from 40% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 6% year-on-year to RMB36,388 million for the year ended 31 December 2024, reflecting higher promotional and advertising efforts to support new content releases. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses increased by 9% year-on-year to RMB112,761 million for the year ended 31 December 2024. This increase was primarily driven by higher R&D expenses, including those related to our AI initiatives, alongside higher staff costs. As a percentage of revenues, general and administrative expenses remained broadly stable at 17%, in line with the prior year.

Operating profit. Operating profit increased by 30% year-on-year to RMB208,099 million for the year ended 31 December 2024. Non-IFRS operating profit increased by 24% year-on-year to RMB237,811 million for the year ended 31 December 2024.

Interest income. Interest income increased by 16% year-on-year to RMB16,004 million for the year ended 31 December 2024 due to growth in cash reserves.

Finance costs. Finance costs decreased by 2% year-on-year to RMB11,981 million for the year ended 31 December 2024, primarily due to recognition of foreign exchange gains this year versus losses in the previous year, partially offset by higher interest expenses.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB25,176 million for the year ended 31 December 2024, up from share of profits of RMB5,800 million for the previous year. Non-IFRS share of profits of associates and joint ventures rose to RMB31,635 million, compared to RMB13,041 million for the previous year. The increase in non-IFRS share of profits of associates and joint ventures reflected stronger financial performances across several associates, driven by company-specific factors, including business growth, new content releases and operational efficiency improvements.

Profit before income tax. Profit before income tax increased by 50% year-on-year to RMB241,485 million for the year ended 31 December 2024.

Income tax expense. Income tax expense increased by 4% year-on-year to RMB45,018 million for the year ended 31 December 2024, primarily due to our operating profit growth, partially offset by the high base effect from deferred tax adjustments at an overseas subsidiary in the previous year. Excluding the deferred tax adjustments in the prior year, income tax expense would have increased by 15% year-on-year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by RMB78,419 million, or 66%, from RMB118,048 million for the year ended 31 December 2023 to RMB196,467 million for the year ended 31 December 2024. Our profit margin increased from 19% for the year ended 31 December 2023 to 30% for the year ended 31 December 2024.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 68% year-on-year to RMB194,073 million for the year ended 31 December 2024. Non-IFRS profit attributable to equity holders of the Company increased by 41% to RMB222,703 million for the year ended 31 December 2024.

QUARTERLY RESULTS OF OPERATIONS

The following table presents our unaudited quarterly results of operations for the most recent nine quarters. You should read the table in conjunction with the consolidated financial information contained elsewhere in this Offering Circular. Results of operations for any quarter are not necessarily indicative of results for any future quarters or full year.

	Three months ended								
	30 June 2024	30 September 2024	31 December 2024	31 March 2025	30 June 2025	30 September 2025	31 December 2025	31 March 2026	30 June 2026
	(Unaudited)								
	(RMB in millions)								
Revenues:									
VAS	78,822	82,695	79,022	92,133	91,368	95,860	89,920	96,110	98,414
Marketing services[(1)]	29,871	29,993	35,004	31,853	35,762	36,242	41,116	38,171	43,565
FinTech and business Services	50,440	53,089	56,125	54,907	55,536	58,174	60,818	59,885	60,286
Others	1,984	1,416	2,295	1,129	1,838	2,593	2,517	2,292	2,520
Total revenues	**161,117**	**167,193**	**172,446**	**180,022**	**184,504**	**192,869**	**194,371**	**196,458**	**204,785**
Cost of revenues	(75,222)	(78,365)	(81,793)	(79,529)	(79,491)	(84,071)	(86,082)	(85,193)	(86,352)
Gross profit	**85,895**	**88,828**	**90,653**	**100,493**	**105,013**	**108,798**	**108,289**	**111,265**	**118,433**
Selling and marketing expenses	(9,156)	(9,411)	(10,285)	(7,866)	(9,410)	(11,468)	(12,983)	(11,343)	(11,869)
General and administrative expenses	(27,491)	(29,058)	(31,403)	(33,664)	(31,921)	(34,259)	(36,283)	(33,800)	(38,808)
Other gains/(losses), net	1,484	2,974	2,513	(1,397)	(3,578)	483	1,315	1,253	(480)
Operating profit.	**50,732**	**53,333**	**51,478**	**57,566**	**60,104**	**63,554**	**60,338**	**67,375**	**67,276**
Net gains/(losses) from investments and others	(654)	3,066	1,119	1,407	2,638	2,820	3,303	1,928	11,184
Interest income	3,850	3,996	3,910	3,748	4,121	4,256	4,784	4,025	4,202
Finance costs	(3,112)	(3,531)	(2,512)	(3,860)	(3,941)	(3,756)	(3,573)	(2,979)	(2,979)
Share of profit/(loss) of associates and joint ventures, net	7,718	6,019	9,253	4,581	4,473	7,854	6,832	3,620	(9,993)
Profit before income tax	**58,534**	**62,883**	**63,248**	**63,442**	**67,395**	**74,728**	**71,684**	**73,969**	**69,690**
Income tax expense	(10,168)	(8,900)	(11,781)	(13,717)	(11,351)	(9,785)	(12,595)	(14,577)	(11,713)
Profit for the period	**48,366**	**53,983**	**51,467**	**49,725**	**56,044**	**64,943**	**59,089**	**59,392**	**57,977**

Note:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

We experienced growth in our quarterly revenues for the nine quarters in the period from 30 June 2024 to 30 June 2026.

LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, we currently fund our operations primarily with cash flows from operating activities. Our cash requirements relate primarily to:

- *our working capital requirements, such as transaction costs, content costs (excluding amortisation of intangible assets), employee benefits expenses, technical infrastructure operations costs (excluding depreciation), selling and marketing expenses, as well as research and development expenses; and*

- *costs associated with the expansion of our business.*

We had cash and cash equivalents of RMB172,320 million, RMB132,519 million and RMB141,041 million and RMB206,930 million (US$30,498 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Our term deposits and others included in current and non-current assets were RMB231,038 million, RMB282,894 million and RMB353,837 million and RMB304,224 million (US$44,837 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

We bill and collect revenues for our VAS principally through these prepaid channels: mobile payment solutions (mainly *Weixin Pay*) and online banking. A majority of our revenues from VAS are prepaid, allowing us to minimise our credit risk.

Our accounts receivable were RMB46,606 million, RMB48,203 million and RMB49,930 million and RMB55,606 million (US$8,195 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which mainly represented amounts due from marketing services customers and agents, FinTech and cloud customers, content production related customers, and third-party platform providers. Some marketing services customers and agents are usually granted with a credit period within 30 to 90 days immediately following the month end in which the relevant obligations under the relevant contracted orders are delivered. Third-party platform providers usually settle the amounts due by them within 60 days. Other customers, mainly including content production related customers and FinTech and cloud customers, are usually granted with a credit period within 90 days.

Our accounts payable were RMB100,948 million, RMB118,712 million and RMB121,127 million and RMB175,579 million (US$25,877 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. We normally settle the amount due by us according to the terms of our contracts.

Cash flows

The following table sets forth our cash flows information for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(USD in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Cash Flows from Operating Activities

For the six months ended 30 June 2026, we had a net cash inflow from operating activities in the amount of RMB154,061 million (US$22,706 million). Our net cash inflow from operating activities was after deduction of income tax paid of RMB32,863 million.

For the six months ended 30 June 2025, we had a net cash inflow from operating activities in the amount of RMB151,265 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB29,006 million.

In 2025, we had a net cash inflow from operating activities in the amount of RMB303,052 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB331,267 million and changes in working capital in the amount of RMB16,484 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB44,699 million. The changes in working capital primarily consisted of (i) a decrease in prepayments, deposits and other assets of RMB17,007 million, (ii) an increase in accounts payable of RMB13,741 million, and (iii) an increase in deferred revenue of RMB6,143 million, partially offset by (i) a decrease in other payables and accruals of RMB18,745 million, (ii) an increase in accounts receivable of RMB1,242 million, (iii) a decrease in other tax liabilities of RMB331 million, and (iv) an increase in inventories of RMB89 million.

In 2024, we had a net cash inflow from operating activities in the amount of RMB258,521 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB282,824 million and changes in working capital in the amount of RMB21,881 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB46,184 million. The changes in working capital primarily consisted of (i) an increase in deferred revenue of RMB16,533 million, (ii) an increase in accounts payable of RMB10,872 million, (iii) a decrease in prepayments, deposits and other assets of RMB2,632 million, and (iv) a decrease in inventories of RMB20 million, partially offset by (i) a decrease in other payables and accruals of RMB6,765 million, (ii) an increase in accounts receivable of RMB1,048 million, and (iii) a decrease in other tax liabilities of RMB363 million.

In 2023, we had a net cash inflow from operating activities in the amount of RMB221,962 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB237,458 million and changes in working capital in the amount of RMB19,233 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB34,729 million. The changes in working capital primarily consisted of (i) an increase in accounts payable of RMB8,044 million, (ii) a decrease in prepayments, deposits and other assets of RMB5,469 million, (iii) an increase in deferred revenue of RMB3,821 million, (iv) a decrease in inventories of RMB1,882 million, and (v) an increase in other payables and accruals of RMB1,349 million, partially offset by (i) an increase in accounts receivable of RMB1,010 million, and (ii) a decrease in other tax liabilities of RMB322 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended 30 June 2026 was RMB74,724 million (US$11,013 million), primarily reflecting purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB95,615 million, the payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB46,445 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB39,876 million and purchase of or prepayment for intangible assets in the amount of RMB11,547 million, partially offset by proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB41,938 million, proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB35,668 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB34,349 million.

Net cash used in investing activities for the six months ended 30 June 2025 was RMB72,407 million, primarily reflecting payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB71,170 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB45,558 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB43,023 million and purchase of or prepayment for intangible assets in the amount of RMB11,899 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB60,699 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB38,139 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB8,400 million.

Net cash used in investing activities for the year ended 31 December 2025 was RMB205,732 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB131,087 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB87,482 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB73,517 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB40,886 million, purchase of or prepayments for intangible assets in the amount of RMB25,399 million and payments for acquisition of investments in associates in the amount of RMB24,637 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB96,904 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB70,033 million and interest received in the amount of RMB14,534 million.

Net cash used in investing activities for the year ended 31 December 2024 was RMB122,187 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB66,603 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB62,927 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB52,277 million, purchase of or prepayment for intangible assets in the amount of RMB26,394 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB14,022 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB69,562 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB25,490 million and interest received in the amount of RMB14,913 million.

Net cash used in investing activities for the year ended 31 December 2023 was RMB125,161 million, primarily reflecting net placement flow of term deposits with initial terms of over three months in the amount of RMB80,706 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB45,614 million, purchase of or prepayments for intangible assets in the amount of RMB26,042 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB21,008 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB8,511 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss in the amount of RMB49,324 million and interest received in the amount of RMB10,349 million.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended 30 June 2026 was RMB9,469 million (US$1,396 million), primarily reflecting dividends paid to the Company's shareholders of RMB41,595 million, payments for repurchase of shares of RMB22,257 million, repayments of short-term borrowings of RMB13,999 million, repayments of notes payable of RMB10,399 million and interest paid of RMB6,408 million, partially offset by proceeds from short-term borrowings of RMB57,733 million and net proceeds from issuance of notes payable of RMB31,592 million.

Net cash used in financing activities for the six months ended 30 June 2025 was RMB30,111 million, primarily reflecting repayments of short-term borrowings of RMB66,262 million, repayments of long-term borrowings of RMB48,414 million, dividends paid to the Company's shareholders of RMB37,535 million, payments for repurchase of shares of RMB34,525 million, interest paid of RMB7,003 million and repayments of notes payable of RMB6,456 million, partially offset by proceeds from long-term borrowings of RMB100,230 million and proceeds from short-term borrowings of RMB76,168 million.

Net cash used in financing activities for the year ended 31 December 2025 was RMB87,155 million, primarily reflecting repayments of short-term borrowings of RMB121,385 million, payments for repurchase of shares of RMB73,312 million, repayments of long-term borrowings of RMB48,530 million, dividends paid to the Company's shareholders of RMB37,535 million, interest paid of RMB13,180 million and repayments of notes payable of RMB8,587 million, partially offset by proceeds from short-term borrowings of RMB113,557 million and proceeds from long-term borrowings of RMB108,683 million.

Net cash used in financing activities for the year ended 31 December 2024 was RMB176,494 million, primarily reflecting payments for repurchase of shares of RMB102,331 million, repayments of long-term borrowings of RMB74,642 million, repayments of short-term borrowings of RMB40,049 million, dividends paid to the Company's shareholders of RMB28,859 million, repayments of notes payable of RMB14,213 million and interest paid of RMB12,417 million, partially offset by proceeds from short-term borrowings of RMB62,563 million and proceeds from long-term borrowings of RMB52,021 million.

Net cash used in financing activities for the year ended 31 December 2023 was RMB82,573 million, primarily reflecting payments for repurchase of shares of RMB43,767 million, repayments of long-term borrowings of RMB34,116 million, dividends paid to the Company's shareholders of RMB20,983 million, interest paid of RMB11,478 million and repayments of notes payable of RMB10,141 million, partially offset by proceeds from long-term borrowings of RMB33,641 million and proceeds from short-term borrowings of RMB29,809 million.

Capital Expenditure

Our capital expenditures consist of the amount paid for investments in IT infrastructure (including computer equipment, components, and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

We believe that our existing cash and cash equivalents, cash flows from operations and term deposits will be sufficient to meet the anticipated cash needs for our operating activities and capital expenditures for at least the next 12 months.

INDEBTEDNESS

Our total borrowings amounted to RMB197,356 million, RMB199,406 million and RMB250,987 million and RMB298,942 million (US$44,059 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Our total notes payable amounted to RMB151,262 million, RMB139,209 million and RMB136,746 million and RMB154,021 million (US$22,700 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. On 15 July 2015, we completed the issue of the 2035 Notes. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. See "*Description of Other Material Indebtedness — 2035 Notes*". On 19 January 2018, we completed the issue of the 2028 Notes. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. See "*Description of Other Material Indebtedness — 2028 Notes*". On 19 January 2018, we completed the issue of the 2038 Notes. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. See "*Description of Other Material Indebtedness — 2038 Notes*". On 11 April 2019, we completed the issue of the 2029 Notes. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. See "*Description of Other Material Indebtedness — 2029 Notes*". On 11 April 2019, we completed the issue of the 2049 Notes. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. See "*Description of Other Material Indebtedness — 2049 Notes*". On 3 June 2020, we completed the issue of the 2030 Notes. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. See "*Description of Other Material Indebtedness — 2030 Notes*". On 3 June 2020, we completed the issue of the 2050 Notes. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. See "*Description of Other Material Indebtedness — 2050 Notes*". On 3 June 2020, we completed the issue of the 2060 Notes. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. See "*Description of Other Material Indebtedness — 2060 Notes*". On 3 September 2020, TME completed the issue of the TME 2030 Notes. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. See "*Description of Other Material Indebtedness — TME 2030 Notes*". On 22 April 2021, we completed the issue of the 2031 Notes. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. See "*Description of Other Material Indebtedness — 2031 Notes*". On 22 April 2021, we completed the issue of the 2041 Notes. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. See "*Description of Other Material Indebtedness — 2041 Notes*". On 22 April 2021, we completed the issue of the 2051 Notes. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. See "*Description of Other Material Indebtedness — 2051 Notes*". On 22 April 2021, we completed the issue of the 2061 Notes. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. See "*Description of Other Material Indebtedness — 2061 Notes*". On 23 September 2025, we completed the issue of the September 2030 Notes. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. See "*Description of Other Material*

Indebtedness — September 2030 Notes". On 23 September 2025, we completed the issue of the September 2035 Notes. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. See "*Description of Other Material Indebtedness — September 2035 Notes*". On 23 September 2025, we completed the issue of the September 2055 Notes. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. See "*Description of Other Material Indebtedness — September 2055 Notes*". On 16 June 2026, we completed the issue of the 2036 USD Notes. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. See "*Description of Other Material Indebtedness — 2036* USD Notes". On 16 June 2026, we completed the issue of the 2036 CNY Notes. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. See "*Description* of *Other Material Indebtedness — 2036 CNY Notes*". On 16 June 2026, we completed the issue of the 2046 USD Notes. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. See "*Description* of *Other Material Indebtedness — 2046 USD Notes*". On 16 June 2026, we completed the issue of the 2056 CNY Notes. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. See "*Description of Other Material Indebtedness — 2056 CNY Notes*".

The following table sets forth our debt as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	2026
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Current:					
USD bank borrowings					
- Unsecured	18,415	20,487	—	—	—
- Secured [1]	—	—	—	206	30
HKD bank borrowings, unsecured [1]	—	—	12,627	13,879	2,046
RMB bank borrowings					
- Unsecured [1]	7,046	28,039	28,094	70,421	10,379
- Secured [1]	100	—	100	10	1
Current portion of long-term USD bank borrowings, unsecured [2]	15,936	4,313	1,757	1,703	251
Current portion of long-term RMB bank borrowings, unsecured [2]	15	28	30	68	10
Current portion of long-term EUR bank borrowings					
- Unsecured	4	3	—	—	—
- Secured [2]	4	3	2	1	—
Current portion of long-term JPY bank borrowings					
- Unsecured [2]	16	12	8	4	1
- Secured	1	—	—	—	—
	41,537	52,885	42,618	86,292	12,718
Non-Current:					
Non-current portion of long-term USD bank borrowings, unsecured[2]	109,782	92,012	46,742	45,292	6,675
Non-current portion of long-term EUR bank borrowings					
- Unsecured [2]	3	—	17,130	16,156	2,381
- Secured	6	3	1	—	—
Non-current portion of long-term RMB bank borrowings, unsecured [2]	46,000	48,655	133,325	140,438	20,698
Non-current portion of long-term HKD bank borrowings, unsecured [2]	—	5,837	11,165	10,760	1,586
Non-current portion of long-term JPY bank borrowings					
- Unsecured [2]	26	14	6	4	1
- Secured	2	—	—	—	—
	155,819	146,521	208,369	212,650	31,341
Total borrowings	**197,356**	**199,406**	**250,987**	**298,942**	**44,059**
Current:					
Notes payable	14,161	8,623	10,542	—	—
Non-current:					
Notes payable [3]	137,101	130,586	126,204	154,021	22,700
Total notes payable	**151,262**	**139,209**	**136,746**	**154,021**	**22,700**
Total	**348,618**	**338,615**	**387,733**	**452,963**	**66,759**

Notes:

(1) The aggregate principal amounts of short-term RMB, HKD and USD bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB70,573	0.75% ~ 3.50%
RMB bank borrowings	RMB158	1-year LPR - 0.70% ~ - 0.30%
HKD bank borrowings	HKD15,980	HIBOR + 0.08% ~ 0.10%
USD bank borrowings	USD30	3.70%

(2) The aggregate principal amounts of long-term RMB, HKD, USD, EUR and JPY bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB69,085	2.52% ~ 3.10%
RMB bank borrowings	RMB65,621	1-year LPR - 0.65% ~ + 0.15%
RMB bank borrowings	RMB5,800	5-year LPR - 0.85%
HKD bank borrowings	HKD12,402	HIBOR + 0.25% ~ 0.60%
USD bank borrowings	USD6,900	SOFR + CAS + 0.80%
EUR bank borrowings	EUR2,080	EURIBOR + 0.70% ~ 0.75%
JPY bank borrowings	JPY103	0.60% ~ 1.36%
JPY bank borrowings	JPY90	TIBOR + 1.70%

The long-term bank borrowings are repayable as follows:

	As at 31 December			As at 30 June	
	2023	**2024**	**2025**	**2026**	**2026**
		(Audited)		**(Unaudited)**	
	(RMB in millions)	**(RMB in millions)**	**(RMB in millions)**	**(RMB in millions)**	**(US$ in millions)**
Within 1 year	15,976	4,359	1,797	1,776	262
Between 1 and 2 years	41,643	45,784	19,671	19,155	2,823
Between 2 and 5 years	114,174	95,759	183,771	182,794	26,941
Over 5 years	2	4,978	4,927	10,701	1,577
Total	**171,795**	**150,880**	**210,166**	**214,426**	**31,603**

(3) On 15 July 2015, we completed the issue of the 2035 Notes in an aggregate principal amount of US$100 million that will mature on 15 July 2035. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2028 Notes in an aggregate amount of US$2,500 million that will mature on 19 January 2028. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2038 Notes in an aggregate amount of US$1,000 million that will mature on 19 January 2038. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2029 Notes in an aggregate amount of US$3,000 million that will mature on 11 April 2029. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2049 Notes in an aggregate amount of US$500 million that will mature on 11 April 2049. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April

and 11 October of each year. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2030 Notes in an aggregate amount of US$2,250 million that will mature on 3 June 2030. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2050 Notes in an aggregate amount of US$2,000 million that will mature on 3 June 2050. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2060 Notes in an aggregate amount of US$750 million that will mature on 3 June 2060. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. On 3 September 2020, TME completed the issue of the TME 2030 Notes in an aggregate amount of US$500 million that will mature on 3 September 2030. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2031 Notes in an aggregate principal amount of US$500 million that will mature on 22 April 2031. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2041 Notes in an aggregate principal amount of US$900 million that will mature on 22 April 2041. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2051 Notes in an aggregate principal amount of US$1,750 million that will mature on 22 April 2051. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2061 Notes in an aggregate principal amount of US$1,000 million that will mature on 22 April 2061. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2030 Notes in an aggregate principal amount of CNY2,000 million that will mature on 23 September 2030. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2035 Notes in an aggregate principal amount of CNY6,000 million that will mature on 23 September 2035. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2055 Notes in an aggregate principal amount of CNY1,000 million that will mature on 23 September 2055. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 USD Notes in an aggregate principal amount of US$1,750 million that will mature on 16 June 2036. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 CNY Notes in an aggregate principal amount of CNY11,000 million that will mature on 16 June 2036. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2046 USD Notes in an aggregate principal amount of US$700 million that will mature on 16 June 2046. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2056 CNY Notes in an aggregate principal amount of CNY4,000 million that will mature on 16 June 2056. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount.

CONTRACTUAL OBLIGATIONS

Capital Commitments

The following table sets forth our capital commitments as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Contracted:					
Construction/purchase of buildings and purchase of land use rights	4,480	2,937	5,237	4,649	685
Capital investment in investees	9,685	9,298	12,164	13,754	2,027
Purchase of other capital assets	3,444	2,470	3,354	74,326	10,955
Total	**17,609**	**14,705**	**20,755**	**92,729**	**13,667**

Other Commitments

Our commitments under agreements mainly for technical infrastructure operations costs, online game licensing, media content and other technical services, which were contracted but not provided in the condensed consolidated financial statements, amounted to approximately RMB29,308 million, RMB31,070 million, RMB55,190 million and RMB280,147 million (US$41,289 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026. A portion of our commitments is expected to fall due within the next 12 months, with the majority payable beyond the next 12 months, based on the contractual terms of the underlying arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

Foreign Exchange Risk

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HKD, USD and EUR. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. The functional currency of us and the majority of our overseas subsidiaries is USD whereas the functional currency of the subsidiaries which operate in the Chinese Mainland is RMB.

We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures.

Price Risk

We are exposed to price risk mainly arising from investments held by us that are classified as at either FVPL or FVOCI. To manage our price risk arising from the investments, we diversify our investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing our liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for loans to investees and investees' shareholders, receivables related to financial services, term deposits with initial terms of over three months, restricted cash and cash and cash equivalents.

Our exposure to changes in interest rates is also attributable to its borrowings and notes payable, representing a substantial portion of our debts. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest-rate risk.

We regularly monitor our interest rate risk to identify if there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risk by using interest rate swaps, whenever considered necessary.

We entered into certain interest rate swap contracts to hedge our exposure arising from borrowings and senior notes carried at floating rates. Under these interest rate swap contracts, we agreed with the counterparties to exchange, at specified intervals, the difference between contractual fixed-rate interest and benchmark floating-rate interest amounts calculated by reference to the agreed notional amounts. These interest rate swap contracts had the economic effect of converting borrowings and senior notes from floating rates to fixed rates and were qualified for hedge accounting.

Swaps currently in place covered certain floating-rate borrowings principal outstanding as at 30 June 2026.

Credit Risk

We are exposed to credit risk in relation to our cash, deposits and restricted cash placed with banks and other financial institutions, accounts receivable, other receivables, derivative financial instruments, as well as debt investments measured at amortised cost, at FVOCI and at FVPL. The carrying amount of each class of these financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.

The majority of the balances of accounts receivable are due from marketing services customers and agents, FinTech and cloud customers, content production related customers and third-party platform providers. To manage the credit risk arising from accounts receivable, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of our counterparties. The credit periods granted to these customers are usually not more than 90 days and the credit quality of these customers is regularly assessed, which takes into account their financial position, past experience and other factors. We have a large number of customers and there is no significant concentration of credit risk.

Other receivables mainly comprise loan receivables related to financial services, interest receivables, loans to investees and investees' shareholders, lease deposits and other receivables. Management manages the loans by category, makes periodic assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

For financial assets whose impairment losses are measured using ECL model, we assess whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

— Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial instrument is included in stage 1.

— Stage 2: If the credit risk has increased significantly since its initial recognition but not yet deemed to be credit-impaired, the financial instrument is included in stage 2.

— Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in stage 3.

We consider the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, lifetime or 12-month ECL are provided respectively.

We consider the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout its life. To assess whether there is a significant increase in credit risk, we compare risk of a default occurring on the asset as at year end with the risk of default as at the date of initial recognition. In particular, the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

(i) Credit risk of cash and deposits

To manage this risk, we only make transactions with state-owned banks and other financial institutions in the PRC and reputable international banks and other financial institutions outside of the PRC, which are of high credit quality. The ECL is close to zero.

(ii) Credit risk of accounts receivable

We apply the simplified approach to provide for ECL prescribed by IFRS 9, which requires the recognition of the lifetime expected loss provision for all accounts receivable, with reference to their expected loss rates and probability of defaults. In view of the sound financial position and collection history of receivables due from these counterparties and insignificant risk of default, to measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over 12 months before 30 June 2026 and the corresponding historical credit losses experienced within this period or probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product ("**GDP**") to be the most relevant factor. Various economic scenarios are considered in generating the forward-looking adjustment.

A default on accounts receivable occurs when the counterparty fails to make contractual payments after a certain period which takes into account their financial position, past experience and other factors after they fall due. To measure the ECL, accounts receivable are grouped on the basis of shared credit risk characteristics, such as industry, with the objective of facilitating recognition of loss allowance on a timely basis. Accounts receivable are written off, in whole or in part, when we have exhausted all practical recovery efforts and have concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with us, and the failure to make contractual payments for a period of greater than three years past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same item.

(iii) Credit risk of loan receivables related to financial services

To manage credit risk arising from loan receivables related to financial services, standardised credit management procedures are performed. We measure credit risk using Probability of Default ("**PD**"), Exposure at Default ("**EAD**") and Loss Given Default ("**LGD**"). This is consistent with the general approach used for the purpose of measuring ECL under IFRS 9. ECL is the product of PD, EAD and LGD.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. No significant changes to estimation techniques or assumptions were made during the reporting period.

As at 30 June 2026, the majority of the gross carrying amount of loan receivables was classified in stage 1, and the amount of loan receivables transferred from stage 1 to stage 2 or stage 3 was immaterial. During the six months ended 30 June 2026, the impairment loss resulting from loan receivables related to financial services was immaterial.

Liquidity Risk

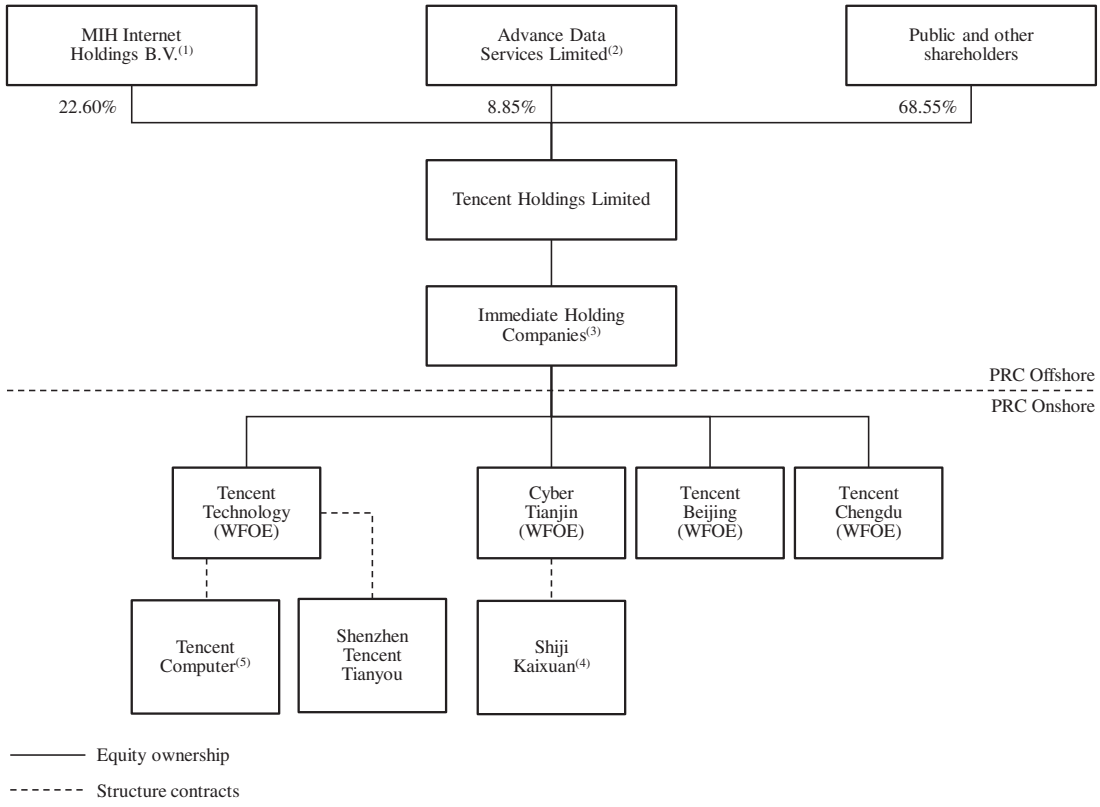
We aim to maintain sufficient cash and cash equivalents, and readily marketable securities which are classified as FVPL. Due to the dynamic nature of the underlying businesses, we maintain flexibility in funding by maintaining adequate balances of such.

The section entitled "*Our Corporate Structure*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

OUR CORPORATE STRUCTURE

We were incorporated in the British Virgin Islands on 23 November 1999 as an international business company with limited liability. We redomiciled to the Cayman Islands on 27 February 2004 and continued as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The following diagram illustrates our principal corporate and share ownership structure as at 30 June 2026.



Notes:

(1) MIH Internet Holdings B.V. is controlled by Naspers Limited through its non wholly-owned subsidiary, Prosus N.V.

(2) Advance Data Services Limited held 709,859,700 shares directly and 95,000,000 shares indirectly through its wholly-owned subsidiary, Ma Huateng Global Foundation Limited (formerly known as Ma Huateng Global Foundation). Advance Data Services Limited is wholly-owned by Mr Ma Huateng.

(3) Intermediate Holding Companies include various Group companies established for the purpose of holding interests in various WFOEs as well as other investments of the Group.

(4) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

(5) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

We primarily conduct our Chinese operations through our WFOEs, including *Tencent Technology*, *Cyber Tianjin*, *Tencent Beijing* and *Tencent Chengdu*. The Company holds its interests in the WFOEs through certain intermediate holding companies wholly-owned by the Company. Our WFOEs employ a substantial portion of our staff, develop the principal software (other than software acquired from third-party providers) for our operations and hold our principal intellectual property rights.

STRUCTURE CONTRACTS

PRC regulations currently restrict foreign ownership of companies that provide value-added telecommunications services in China. See also "*General Regulation on Internet and Telecommunications Industries*". As foreign-invested enterprises, our WFOEs do not have licences to provide Internet content or information services and other value-added telecommunications services. Accordingly, we conduct Internet businesses, our value-added telecommunications businesses and other related businesses mainly through *Tencent Computer, Shiji Kaixuan and Shenzhen Tencent Tianyou* by themselves, or through their subsidiaries, under a series of contractual agreements (collectively, the "**Structure Contracts**") entered into among certain of our WFOEs, consolidated affiliated entities and shareholders of our consolidated affiliated entities. *Tencent Computer* is licenced to provide Internet information services, value-added telecommunications services and other related services and operate those services. The shareholders of *Tencent Computer* are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

As a result of the Structure Contracts, the Group is able to effectively control, and recognise and receive substantially all the economic benefit of the business and operations of, our consolidated affiliated entities. In summary, the Structure Contracts provide the Company through the WFOEs with, among other things:

(a) the right to receive the cash received by the consolidated affiliated entities from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;

(b) the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the consolidated affiliated entities without making any payment; and

(c) the right to control the management and financial and operating policies of the consolidated affiliated entities.

The Structure Contracts establish a cooperation committee (the "**Co-operation Committee**") for each of the consolidated affiliated entities to oversee its business and operations. The Co-operation Committees advise, supervise and effectively control the businesses of the consolidated affiliated entities. Through the Co-operation Committees, the WFOEs advise, supervise and effectively control the business of the consolidated affiliated entities. Under the Structure Contracts, the Co-operation Committees will adopt an internal governance mechanism for payments, expenditure and expenditure-related contracts. Our approval matrix is required to be consistent throughout the Group and can be amended only by the Directors of the Company, and any such amendment applies to all members of the Group.

The Structure Contracts also effectively transfer from the consolidated affiliated entities to the WFOEs all of the cash that is surplus to the requirements of the consolidated affiliated entities, primarily in the form of fees paid for the WFOE's provision of certain technology and information services to the consolidated affiliated entities under the applicable Structure Contracts between the WFOEs and the consolidated affiliated entities. The Co-operation Committee determines and adjusts periodically the fees to be paid by the consolidated affiliated entities to the WFOEs to ensure that all such surplus cash of the consolidated affiliated entities is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the consolidated affiliated entities to be consolidated with the Company as if they were subsidiaries of the Company and that the economic benefit of their businesses flows to the Company and the WFOEs.

Our PRC legal counsel, Han Kun Law Offices, is of the opinion that the Structure Contracts setting forth our contractual arrangements among *Tencent Technology*, *Tencent Computer* and shareholders of *Tencent Computer,* who are Chinese individuals, have been duly authorised, executed and delivered by the applicable Chinese companies and Chinese individuals who are parties thereto, and that each of the Structure Contracts (i) constitutes a legal, valid and binding obligation of the Chinese companies and Chinese individuals who are parties thereto and is enforceable against such parties in accordance with its terms, subject as to enforceability, bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and (ii) is in compliance with, and does not violate any applicable existing requirements of, PRC Laws. In providing their opinion, our counsel has noted that there are ongoing uncertainties and risks in this area as further described under "*Risk Factors — Risks Related to our Corporate Structure*" and "*General Regulation on Internet and Telecommunications Industries*".

The section entitled "*Business*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

BUSINESS

OUR MISSION AND VISION

Our mission and vision is "Value for Users, Tech for Good", guided by our values of "Integrity, Proactivity, Collaboration and Creativity". Throughout our history, users are at the heart of everything we do. We are committed to investing in our content platforms and technology infrastructure, and expect AI to become a growth multiplier that enables us to better serve our users, customers and society at large.

OVERVIEW

We are a leading technology company offering a broad range of services, including communications and social networks, games, digital content, marketing services, FinTech and business services for our users, enterprises and merchants. We develop and deliver highly popular products and services to enhance the quality of life and improve connectivity for users and to maximise business opportunities for enterprises and merchants through digital transformation. Our comprehensive product offerings, advanced technologies and robust infrastructure form a hub that fulfills living needs of users, as well as growing business needs of enterprises and merchants, covering a massive spectrum of online and offline scenarios. In our core businesses, we are now a leader in leveraging AI to enhance strength and accelerate growth.

We operate the largest communications and social community in China in terms of user base through *Weixin* and *QQ*. *Weixin* and *WeChat* had a combined MAU of 1,439 million, and *QQ* had a mobile device MAU of 520 million as at 30 June 2026. Over the years, we supplement instant messaging with open platforms, and have established a diversified and thriving digital ecosystem. The open platforms extend connectivity with external content and services, where users can fulfil not only their social networking needs, but also their lifestyle pursuits.

We fulfil users' perpetual need to connect with other users, such as friends, family members and business associates, through communicating, sharing and interacting in our ecosystem. Users chat via instant messaging, post in *Moments*, discover via *Weixin Search*, read news and information from *Official Accounts*, entertain through *Video Accounts* and transact in *Mini Shops*. *Video Accounts* complement our other social networking services with short videos and live streaming, as users can watch videos and easily share them in *Moments* and chats. *Mini Shops* are our platform for indexed and standardised merchandise, where merchants can operate storefronts similar to those in eCommerce marketplaces, while leveraging *Weixin* social interactions, content services and payment capabilities.

Enterprises, merchants, advertisers and content providers benefit from the massive traffic and digital transformation brought by our digital ecosystem, which better fulfil their business needs and enhance conversion and efficiency. Services such as *Weixin Pay*, *Mini Programs*, *Video Accounts* and *Mini Shops* are becoming increasingly interconnected and serve as central hubs of mobile connectivity among users, enterprises and content providers, enhancing overall user engagement and usage frequency. *Mini Programs*, a light feature embedded in *Weixin*, enable a simple and innovative way to connect content and service providers online and offline with users, and to convert user interactions into transactions and repeat sales. The close connection of *Video Accounts* with other *Weixin* functions links public and private domains, allowing content providers and merchants to increase user reach and drive transactions. We are embedding AI across the *Weixin* ecosystem to enhance user experience, spanning social interactions, information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. In addition, we have begun a small-scale prototype test for *Xiaowei*, an embedded and context-aware agentic AI service within *Weixin*. *Xiaowei* is powered by a customised model, *WeLM*, built for user privacy, Weixin-specific use cases and cost efficiency.

As a cross-platform instant messaging platform, *QQ* offers a wide range of features including communications, interest-based communities, content and social network, catering to users across different generations. *QQ* empowers users to express themselves freely, discover and engage with interest groups and utilise productivity tools such as file management and photo albums. With *QQ*, users can enjoy diverse social experiences online.

We provide leading digital content services leveraging our rich portfolio of high-quality IPs. We create appealing content based on these IPs to attract paying users, extending our IP value across various formats, such as music, video, literature, anime and games. We offer premium music content through *TME*. We are the leader in the long-form video industry by paying users. We operate *China Literature*, a leading online literature and IP incubation platform in China. We ranked first in music and video by paid subscription, and first in literature by users' paid revenue in China as at 30 June 2026. Our fee-based VAS subscriptions[3] reached 259 million as at 30 June 2026.

We believe we were the largest game developer and publisher, globally by revenues, in 2025. We have a strong and expanding portfolio, led by our evergreen games with various vintages, and we continuously nurture popular new games with evergreen potential. Over the years, we have achieved success across a wide variety of genres, both in domestic and international markets, and across mobile, PC and console platforms. In China, we operated eight out of the top 10 domestic mobile games by average quarterly DAU in the second quarter of 2026, according to QuestMobile. In international markets, we operated 3 out of top 10 international mobile games by average quarterly DAU in the second quarter of 2026, according to Sensor Tower. We have strengthened our global leadership through self-developed titles and collaboration with IP partners and investee companies. In addition to our leadership in gameplay-focused games, including battle arena and action games, we have also achieved initial success in content-driven and narrative games. In 2025, International Games revenue surpassed US$10 billion. In addition, we are also leveraging generative AI to accelerate in-game content production speed and scale, as well as facilitating new user acquisition and existing user retention.

Our massive and engaged user base as well as advanced technology make us the preferred choice for advertisers. We leverage our advertising platform which is powered by foundation models with large language model capabilities, and offer generative AI-empowered tools for advertisers. These tools enable the creation of advertisements, streamline the ad approval and placement process, enhance recommendation algorithms and facilitate performance analysis, ultimately boosting ROI for advertisers. We offer marketing solutions across our digital ecosystem and content platforms, and provide unified access to our own and third-party marketing inventories through mobile advertising network. The significant traffic across our various properties offers ample opportunities for marketing services.

We have spent many years establishing a solid base for FinTech services through our widely used payment platform. We facilitate users' basic payment needs, such as transaction and utility payments, red packets, money transfers with friends and bill sharing. Building on top of our payment services, we offer additional value-added FinTech services, including wealth management services, consumer loan and insurance via deepened cooperations with licensed financial institutions, maintaining an unwavering focus on risk management. FinTech services revenue grew single digit % year-on-year in the second quarter of 2026, driven by increased revenue in commercial payment, wealth management, and consumer loan services.

Our robust technology and infrastructure lay a solid foundation for our cloud services. We offer high-performance computing services that power our enterprise customers across 70 Availability Zones. We have been accelerating AI integration into our cloud business across IaaS, PaaS and SaaS solutions. Through our IaaS solutions, enterprise customers can achieve high performance AI training

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[3] Average daily number of subscriptions during the quarter.

and inference capabilities at scale, while developers can access and deploy mainstream foundation models. Our PaaS platform provides powerful solutions, enabling enterprise customers to customise AI assistants using their own proprietary data and developers to generate mini programs and mobile applications through natural language prompts. We ranked second by PaaS revenue in the first quarter of 2026, according to IDC[1]. Our SaaS products, such as *WeCom*, *Tencent Meeting* and *Tencent Docs*, have achieved strong user and revenue growth and deepened penetration into key verticals. *WeCom*, the enterprise version of *Weixin*, has become an integral communications tool for remote workplaces and the top CRM software by revenue in China. *Tencent Meeting* ranked first among video conferencing software by user time and revenue in China. In the second quarter of 2026, our cloud revenue growth accelerated to low-twenties % year-on-year due to AI-related demand, international expansion, and increased usage and pricing for general cloud services. Our international cloud business is seeing increased demand in the rest of Asia and the Middle East.

Our self-developed *Hy* foundation model enables us to develop end-to-end foundation model capabilities in terms of infrastructure, algorithm, training, alignment and data management, and also to tailor solutions for the different needs of internal and external use cases. Starting in September 2025, we restructured our large language model team and rebuilt our foundational capabilities including enhancing AI infrastructure reliability, ingesting more and better-quality data, and implementing a persistent evaluation feedback loop. In April 2026, we released *Hy3* preview large language model, which was the first *Hy* model trained on re-built foundations and delivered substantial practical utility and cost efficiency, outperforming models in its size class. In July 2026, we released *Hy3* production version with enhanced quality and diversity of post-training data, unlocking integration with internal *Tencent* applications. In August 2026, we launched *Hy4* preview, a large model with substantial performance uplift and cost efficiency in activities, such as office work and website and *Mini Program* creation. *Hy4* preview ranked first among open-source models on the Agent Arena leaderboard in terms of real-world agentic task orchestration[2].

Our Model-as-a-Service ("**MaaS**") business provides a range of models including our own Hy series to meet customers' inference needs. Our MaaS revenue has begun to achieve rapid growth. MaaS already generates positive gross margins, reflecting industry-wide limited supply of GPUs, our large pre-existing client base, our deep infrastructure know-how and our continued cost-down initiatives.

On productivity AI, we are currently the first mover and clear China market leader, with our *WorkBuddy* and *CodeBuddy* productivity AI tools, which are starting to generate subscription revenue from enterprise and prosumer paying customers. Our productivity AI tools, *WorkBuddy* and *CodeBuddy*, ranked first and fourth respectively, among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys.

On consumer AI, we released prototype of agentic AI service, *Xiaowei*, to deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s social existing distribution, social graph, and Mini Programs and payment infrastructure.

We strive to harness our technology, connectivity and platform to create sustainable social value, and have made significant progress integrating sustainability into our strategy, development of products and services, and daily operations. For more details of our ESG initiatives, see "*Environmental, Social and Governance ("ESG") Initiatives*".

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1 IDC Quarterly Public Cloud Services Tracker, 1Q26

2 As of September 28, 2026; Based on signals like tool reliability, task completion, and steerability

OUR STRENGTHS

We believe that the following strengths contribute to our success and differentiate us from our competitors:

Vibrant Digital Ecosystem Based on Fundamental Communication and Social Needs

We have built an integrated and vibrant digital ecosystem with social communications at its core to fulfil the expanding needs of our users and enterprise partners. We operate the largest communications and social community in China in terms of user base, with 1,439 million combined MAU of *Weixin* and *WeChat*.

Our flagship product, *Weixin*, satisfies the most fundamental communications and social needs of users. Messaging fulfills the perpetual social networking needs among friends, family and colleagues, and *Weixin*'s MAU and total time spent increased in 2025. Building upon *Weixin*'s core functionality, our thriving *Weixin* ecosystem is expanding rapidly through an open platform, which seamlessly connects users with products, services and content via *Video Accounts*, *Mini Programs*, *Mini Shops*, *Official Accounts* and *Weixin Search*. We pioneered and proliferated these programs, which complement our native mobile applications and materially enhance our user experience, enterprise relationships, and the development of our marketing, payment and business services.

Our thriving ecosystem continuously enhances value for users, merchants and advertisers, and content providers:

— **Users**: Users can interact and share via messaging and group chats, discover their desired content and services in *Moments*, *Weixin Search* and *Official Accounts*, upload videos to *Video Accounts* and share with other users, as well as enjoy products and services via *Mini Programs*.

— **Merchants and advertisers**: The seamless connections of our merchants and advertisers with users increase their operational efficiency, conversion rates and revenue opportunities. *Video Accounts*, *Mini Programs* and *Mini Shops* empower merchants and advertisers to effectively target a broader audience, increase user engagement and usage frequency, therefore converting user interactions into transactions and repeat sales. These platforms not only lower entry barriers and launch costs for developers and merchants, but also connect them with the broader non-app users within our digital ecosystem. *Mini Programs*' light and easy-to-access nature suits industries that require online-offline integration, and also provides a unique platform for complex apps to offer select popular functions and for low-frequency services to increase exposure. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and have achieved further growth in 2025.

— **Content providers**: Content providers also benefit from the close interactions with users and massive traffic, which help them expand audience reach and nurture the creation of high-quality content. We provide more targeted traffic support for creators in key categories, such as knowledge-based content, lifestyle and music, and have enhanced recommendation algorithms to prioritise original content. We also enriched our content offering in *Mini Programs* with increasingly popular *Mini Games*, whose monthly active user accounts exceeded 500 million in February 2026, and *Mini Dramas*.

We have deeply integrated marketing, payment and business services within our digital ecosystem platform. Through *Weixin Pay*, we enable users and merchants to settle transactions across our ecosystem. Seamless integration with *Weixin*, *Tencent Meeting* and *Tencent Docs* enables *WeCom* to become a core platform with enhanced collaboration and productivity.

We continue to introduce AI features within *Weixin* to enhance communication efficiency and content discovery for our users and as a result, this strengthens our value propositions to the merchants, advertisers and content providers on our platforms. For example, we deploy long-sequence large

model that enhances intelligence of content recommendation for *Video Accounts*, which was the second most popular short video service by DAU in China. Total time spent on *Video Accounts* grew over 20% year-on-year in 2025 and the first half of 2026. For *Mini Programs*, we upgraded developer toolkit architecture so users can better leverage AI plug-ins. Over time, AI agents can use *Mini Programs* code as AI skills, pre-built and context aware tools, within *Weixin*. We enhanced *Mini Shops* customer service and merchandise recommendation with large language model, driving higher sales conversion. In addition, we released prototype of *Xiaowei*, agentic AI which deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s existing distribution, social graph, and Mini Programs and payment infrastructure.

Effective Marketing Services With Improving ROI Driven by Ad Tech, User Engagement and Transaction Ecosystem

We have been powering our advertising technology platform with foundation model and generative AI capabilities which allow for a deeper understanding of merchandise and user interests, enabling better ad targeting and click-through rates and ultimately providing more value to advertisers. Generative AI also enables advertisers to create more ads more efficiently, with greater relevance to users. Our automated ad campaign management solution *AIM+* improved advertisers' return on marketing spending. *AIM+* powered approximately 30% of the total marketing services spending from our advertisers in first quarter of 2026.

Robust advertiser demand for *Video Accounts* has been a key driver behind the strong growth of our marketing services. *Video Accounts* have become an attractive platform for advertisers due to their growing popularity among users. With features like short-form video, live-streaming and user-generated content, *Video Accounts* appeal to a wide range of advertisers, from large-scale consumer brands to small and medium-sized enterprises, who can utilise our marketing tools to enhance content exposure, promote live streams and drive sales conversion.

We have been enhancing the transaction ecosystem within *Weixin*, which has contributed to the growth of closed-loop advertising. We direct a large amount of traffic from various touchpoints such as *Weixin Search*, *Moments* and *Video Accounts*, to advertisers' respective *Official Account*, *Mini Programs* and *Mini Shops*. Users can explore products and services by going through product catalogs or watching live-streams, complete the purchases through *Weixin Pay* and manage after-sales services, all within the *Weixin* ecosystem. This closed-loop model reduces the friction between ad exposure and purchase conversion, making it more appealing to advertisers, as they can track the entire customer journey more effectively from ad impression to conversion and optimise their marketing strategies accordingly.

Leading Global Game Platform With an Expanding Evergreen Games Portfolio and Growing Overseas Presence

Throughout our over 20-year journey with games, we have accumulated industry know-how, user insights, production and distribution capabilities. These strengths enable us to develop and operate many evergreen games across various genres, such as battle arena and action, and on mobile and PC platforms. In 2024, we expanded our evergreen games portfolio to 14 titles, while nurturing new games with evergreen potential. In recent years, we have solidified our leadership in our evergreen gameplay-focused games, launched several major new titles, achieved success in content-driven and casual games and further expanded our leadership in international markets.

In China, we have achieved success with our evergreen games with various vintages and further strengthened our leadership via new games with evergreen potential. We define evergreen games as those that surpass average quarterly DAU of 5 million for mobile or 2 million for PC and generate over RMB4 billion annual gross receipts. Our flagship evergreen games *Honour of Kings* and

Peacekeeper Elite have been in operation since 2015 and 2019, respectively, and remain highly popular and continue to achieve solid growth today. *Honour of Kings*, *Delta Force*, *Peacekeeper Elite* and *Roco Kingdom: World* ranked among the top five games by average quarterly DAU in the second quarter of 2026, according to QuestMobile.

We have extended our market leadership to international games markets. Our international games business has become an increasingly large contributor to revenue, contributing to 32% of games revenues in 2025. We grew our international business through in-house studios and collaborations with external partners via strategic investments and partnerships, and have achieved widespread popularity. In the second quarter of 2026, *Brawl Stars* was a top five mobile game by average quarterly DAU in international markets, according to Sensor Tower.

We continue to launch new games with evergreen potential, such as *Delta Force*, our first in-house developed multi-platform first-person shooter, which has recently qualified for the definition of an evergreen game. *Delta Force* ranked among the top three games by DAU in China in the fourth quarter of 2025, according to QuestMobile, and achieved lifetime high average DAU in the second quarter of 2026, demonstrating strong enduring potential.

We also leveraged generative AI in games to accelerate content production speed and scale, optimize the matching experience by enabling virtual teammates and providing more human-like interactions, enhance marketing for player acquisition and engagement and deliver more realistic graphics via AI rendering techniques.

Digital Content Powerhouse With Significant Monetisation Potential Arising From Self-Owned IPs

We are the leading player in the entire digital content value chain, from IP, production to distribution. We possess a rich, high-quality, differentiated IP and content library that spans across multiple formats, including video, music, audio, literature and comics. With our industry-leading production and distribution capabilities, we can develop these into highly popular digital content works, and then distribute to our massive user base. Our online literature, comics, music and game platforms nurture high quality IPs, while our studios including *New Classics Media* create and convert into premium video content. Our self-owned IPs pave the way for monetisation potential.

By driving synergies across our digital content services, we have significantly enhanced the value of our IP portfolio. We ranked first in music and video by paid subscription and first in literature by users' paid revenue as at 30 June 2026 in China, with these subscription revenues recurring in nature. Our fee-based VAS subscriptions[4] reached 259 million as at 30 June 2026.

We also leverage AI to improve productivity, boost content discovery, enhance content recommendation algorithms and offer personalised experiences. These initiatives enable us to better unlock the potential of our content platforms.

Solid and Expanding FinTech Platform With Prudent Risk Management

We have spent many years building our ubiquitous payment services, which set a solid foundation for our other FinTech services, with strict adherence to regulatory requirements and prudent risk management. Product upgrades have propelled our success in payment services. Over the years, we have launched a series of upgrades and deeply integrated payment services with our ecosystem, fulfilling both the lifestyle needs of users and the business needs of enterprises and merchants. We introduced *Weixin Palm Pay* in 2023, and expanded beyond the Chinese Mainland with a launch in Macau in September 2024. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based transaction tools and enhancing cross-border payment experience. The

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[4] Average daily number of subscriptions during the quarter.

daily average number of commercial payment transactions on *Weixin Pay* has exceeded 1 billion since the fourth quarter of 2019. Commercial payment revenue continued year-on-year growth, despite macro uncertainties, due to increasing numbers of transactions. Our payment business has structurally benefitted from synergies with *Mini Programs*, which provide online and offline solutions for merchants to reduce transaction friction and drive repeat sales.

Leveraging our robust payment platform, we facilitate the distribution of wealth management services as well as consumer loan products and services in collaboration with licensed financial institutions. For wealth management services, we have achieved a strong growth in aggregated customer assets, driven by an increase in users and average assets per user. As we prudently expand our FinTech business beyond payment, risk management continues to be our core strength and focus.

High Quality Revenue Growth Model Powers Sustainable Value Creation

Over the years, we have established a diversified and resilient revenue model encompassing both consumer and enterprise-facing businesses. This approach allows us to maintain resilience amidst economic cycles and capture opportunities during growth periods. We started with consumer-facing businesses, such as social networks, games and digital content, and expanded into enterprise-facing services, such as marketing services, FinTech, cloud and other business services. Our growing international presence, driven by our games and cloud businesses, provides an additional healthy stream of revenue from outside China.

We have consistently generated healthy cash flows from our operations and maintained positive operating cash flows since 2001, even through various economic cycles. A significant majority of our revenues are derived from micro-transactions or subscription revenues generated by our massive user base, which are recurring in nature. Consequently, our business is generally less affected by economic slowdowns and macro or industry headwinds. Since our first bond issuance in 2011, we have achieved 26 times revenue growth and 24 times Adjusted EBITDA growth by 2025, compared with 2011.

We strategically focus on high-quality growth, translating solid revenue growth into faster gross profit and Adjusted EBITDA growth by achieving positive revenue mix shift. In the last twelve months ended 30 June 2026, year-over-year growth in revenue, gross profit and Adjusted EBITDA reached 12%, 16% and 15%, respectively.

We bill and collect a significant amount of our revenues on a prepaid basis, which minimises our working capital needs and results in a high cash flow conversion ratio. For the last twelve months ended 30 June 2026, our operating cash flow increased 8% year-over-year to RMB305,848 million.

Solid Balance Sheet With Prudent Capital Management

We adopt a prudent balance sheet management strategy, and have maintained a strong and stable liquidity position alongside a significant investment portfolio. As at 30 June 2026, our cash and cash equivalents and term deposits and others in total amounted to RMB511.2 billion. The fair value of our shareholdings[5] in listed investee companies (excluding subsidiaries) amounted to RMB487.2 billion as at 30 June 2026, while the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) amounted to RMB387.9 billion as at 30 June 2026. In recent years, we have also diversified our debt funding mix with a broader spectrum of borrowing maturity mix and a diverse set of lending and relationship banks. For the last twelve months ended 30 June 2026, total debt/Adjusted EBITDA was 1.3x, Adjusted EBITDA/interest and related expense was 27.2x, and total debt/total capitalisation was 27.0%.

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

Stable Management Team With Proven Execution Track Record

We have a stable and seasoned senior management team with extensive operating experience in the Internet and technology industries, coupled with strong capabilities in developing and executing innovative business strategies. In addition to our core founders, we have recruited senior talents from leading global firms. We also have competitive training and career development plans in place to continuously build our teams. The collective experience of our management team combines local and international expertise, industry knowledge and complementary skill sets, which have led us to become a leading technology company. We believe our committed and experienced management team will continue to drive our success by creating value for users, enterprises and society.

OUR STRATEGIES

We have strategically shifted our focus into a "High Quality Revenue Growth Model" to support our continued economic value creation. Under this model, we aim to translate solid revenue growth into faster gross and operating profit growth by achieving positive revenue mix shift and delivering greater operating leverage for our existing core businesses. We remain focused to drive high quality revenue streams such as the *Video Accounts* ads, the search ads, value-added FinTech services, the eCommerce technology services fees, and our own games, which continue to grow faster than our overall revenue and contribute substantially higher margins than our blended margin. This approach provides us the capacity to reinvest this leverage for the exciting AI opportunity.

Our investment in AI is both a growth multiplier for our existing businesses and a new growth driver. We believe that in our core businesses, we are now a leader in leveraging AI to strengthen and accelerate growth. Use of AI is already showing positive initial results for our businesses, demonstrated by user engagement and revenue trends.

We aim to continue to implement the following strategies:

Develop New AI Capabilities and Products to Capture Exciting New Opportunities

We have assembled the compute infrastructure, model intelligence and human talent which we believe are preconditions to upgrade our services for the AI era, and to cultivate a virtuous feedback cycle for AI. Our AI strategy includes delivering agentic AI to consumers within the *Weixin* application, delivering agent-to-agent capabilities to merchants through *Mini Programs* and *TenPay* infrastructure, and delivering productivity AI to enterprises and prosumers via our productivity AI tools, *WorkBuddy* and *CodeBuddy*. Through these initiatives, we intend to expand our user base and use cases, add AI engagement to our user interactions, and create new monetization streams. Real-world usage arising from AI engagement, such as users entering prompts into our productivity AI tools, provides proprietary data that enables us to rapidly iterate our AI model intelligence and AI application capabilities.

We will continue to invest in our own family of foundation models. Our AI applications, especially our productivity AI tools, generate substantial and valuable user feedback, enabling us to better train our models and enhance their real world utility. Experience providing AI infrastructure in tandem with operating our own models lets us co-design our compute and models together, and thus drive down inference costs. Possessing our own models, which represent a substantial share of our customers' and our own usage, removes our reliance on any single external model provider and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding

capability. We will also focus on integrating multimodal capabilities to our flagship large language models, especially for 3D and video generation, where we see substantial paying customer demand from specific high value industries. Furthermore, we will customize lightweight flash models to further bring down the inference cost, enhancing cost performance to users.

We plan to unlock huge opportunities in productivity market, including coding and existing office work scenarios, with our productivity AI tools such as *WorkBuddy* and CodeBuddy. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys, and is generating revenue from users paying for tokens through subscriptions or top-ups. We are currently prioritizing market education and extending our leadership position, and we target to improve economics over time as we increase paying penetration, and reduce token costs through improvements in agent efficiency, inference efficiency, and model optimization. We believe productivity AI tools will become a franchise business , as context lock-in effect will bring up switching costs and build user loyalty.

We have begun a small-scale prototype test for *Xiaowei*, the agentic AI embedded within *Weixin*, and intended to enhance the growth and monetisation of the *Weixin* ecosystem with AI. We expect *Xiaowei* to contribute progressively to our revenues over time, through a number of monetization paths including higher advertising revenues driven by more relevant ad targeting, new enterprise revenue arising from providing agent-to-agent facilitation services to merchants and service providers, and increased activity velocity across the *Weixin* ecosystem, which we anticipate will generate additional advertising inventory and a greater volume of payment fee generating transactions. We are currently executing several initiatives to further elevate the *Xiaowei* user experience and then roll out to broader *Weixin* consumer and merchant user base.

For *Yuanbao*, our AI-native chatbot, we will continue to prioritize enhancements to its capabilities and user experience, particularly in search, speech recognition and text-to-speech functionality. The ongoing development of our AI products plays an important role in the co-design flywheel that enhances our *Hy* family of models.

We are accelerating AI integration into our cloud services by introducing a suite of autonomous AI agent products and tools, along with upgraded agent-related infrastructure. We increasingly allocate compute to Model-as-a-Service business, providing a range of models including our flagship *Hy* series to existing and new *Tencent Cloud* customers to meet their inference needs. We remain focused on strengthening our IaaS solutions, and enable enterprise customers to achieve high performance AI training and inference capabilities at scale. For PaaS, we continue to provide powerful solutions supporting enterprise customers and developers. Furthermore, we will focus on enhancing our AI-powered tools to expand and upgrade our SaaS products, enabling more AI functions to enhance user productivity.

For marketing services, we have been enhancing our ad tech platform with LLM capabilities, scaled-up foundation model and upgraded architecture for our runtime advertising recommendation model. For entertainment content, we are utilising generative AI to enhance the creation of high production value games, as well as improving content discovery and user experience for short form video and music.

We will continue to train foundation models, step up development of new AI-native products and support surging inference demand for core businesses. We sharpened our focus on both fast product innovation and deep model research, matching our stepped up execution momentum and decision making velocity. We will continue to invest in our own models and accelerate the development of AI applications across our business groups. Additionally, we are investing in marketing to build user awareness and promote the adoption of our AI native products. We believe these investments will yield good economic returns over time.

Enrich our Ecosystem Through Better User Engagement and Strengthening Transaction Capabilities

We believe that the depth of user engagement within our vast online communities is one of our key competitive advantages. Our goal is to further increase user engagement by enhancing their experience and connecting them to our broadening online and offline products and services. We will continuously enhance functionalities and enrich high-quality content across our various digital content platforms, including games, music and video in collaboration with third-party developers, merchants and content providers, and further integrate them to our ecosystem to enhance the holistic and differentiated social experience for our users.

We will continue to boost user engagement through *Video Accounts* by refining recommendation algorithms and providing more original and local content. Additionally, we will focus on emerging popular content such as *Mini Games* and *Mini Dramas*, to further enrich our platform's offerings.

We will continue to drive transactions within our *Weixin* ecosystem. We aim to provide more support for *Mini Shops* merchants to enrich product listings on our platforms and add features leveraging users' social graph to stimulate new and repeat transactions. We will also offer more monetisation support for *Video Accounts* creators, such as facilitating merchandise sales through live streaming and matching creators with brands for marketing campaigns. As a result, we aim to ramp up monetisation in higher-margin businesses such as *Video Accounts* marketing services and eCommerce technology services.

Moreover, there is still tremendous room to expand *Weixin* use case and consumption scenarios to increase utility values for users, merchants, advertisers and content providers. We are well positioned to capture business opportunities arising from the structural shift from offline to online through business and industry digitalisation. With our rich experience in empowering the digital transformation of many enterprises, we will continue to build up our vibrant ecosystem and connect users to a wide variety of online and offline content and services.

Leverage Our Technology Expertise and Operational Know-How To Expand Game and Cloud Businesses Internationally

Global expansion has been an important growth engine for us, and is integral to our long-term growth strategy. By leveraging our industry expertise, domestic operational excellence and strategic investments, we have achieved initial success in international expansion. Going forward, we plan to selectively assess and expand our overseas presence in order to capture additional growth opportunities.

We seek to maintain existing partnerships and establish new ones with leading global game companies. We target to release more evergreen games in international markets, utilising our strong in-house game development capabilities, expertise in operating large-scale games and events, as well as our global publishing and operation experience.

Cloud business also plays a pivotal role in our international expansion strategy. By leveraging *Tencent Cloud*'s technological capabilities in cloud computing, big data and AI, we will continue to establish a vast infrastructure network globally and offer reliable services to a wide range of enterprise customers worldwide.

BUSINESS OPERATIONS

Communications and Social Networks

We develop and provide a wide range of easy-to-use instant messaging and social networks, which primarily consist of *Weixin* and *QQ*. Through *Weixin* and *QQ*, we operate the largest communication and social community in China in terms of user base. The basic features of our social network services are generally provided for free. We generate revenues from membership privileges and subscriptions of a diverse and comprehensive range of digital content services such as literature, video and music, as well as from virtual item sales. We intend to improve user activeness and interaction through enhancements in content, functionalities, diversity of third-party applications and online and offline member privileges.

Weixin

Our *Weixin* ecosystem consists of an open platform centered around *Weixin Chat*, extending connectivity with services including *Video Accounts, Mini Shops, Mini Programs*, *Official Accounts, Moments* and *Weixin Search*. As at 30 June 2026, the combined monthly active user accounts of *Weixin* and *WeChat* exceeded 1.4 billion. *Weixin* has increasingly become a hub of mobile connectivity in which we connect our users, enterprises, merchants, advertisers and content providers with access to a wide variety of online and offline content and services. We have integrated AI into *Weixin* and *WeChat* to optimize core features such as information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. To deliver an embedded and context-aware AI experience within *Weixin*, we have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*.

Video Accounts are a separate ID-based, short-form content creation product to enable video uploads and sharing to a public audience of informative and educational content, as well as live streaming, offered to users through enhanced social and algorithmic recommendations and traffic support. *Video Accounts* also enable merchants and content providers to broaden their audience reach and drive transactions, especially via links to *Mini Programs* and *Mini Shops*. We aggregate content providers' digital assets within *Weixin*, supported by *Official Accounts* and *Mini Programs* to reinforce branding and facilitate user engagement and transactions. We also link public and private domains to provide a unique channel for businesses to acquire and manage customers efficiently. By deploying a longer-sequence AI model that captures broader user signals, we have enhanced our video recommendation algorithm to drive higher user engagement and more effective content distribution. In addition, we have introduced the *@Yuanbao* feature in video accounts comment boxes, allowing users to effortlessly generate summaries of content and explore follow-up questions. Total time spent on *Video Accounts* grew over 20% year-on-year in the second quarter of 2026, benefitting from enriched content, upgraded interactive features and introduction of a new multi-variable content ranking system.

Mini Shops is a platform for indexed and standardised merchandise, where merchants can operate virtual shops, while leveraging *Weixin* social interactions, content services and payment capabilities. *Mini Shops* not only enables customisable design and development but also provides a secure and efficient transaction experience. We introduce features on *Mini Shops* to deepen integration with *Weixin*'s ecosystem, such as enabling merchants to port a SKU library from *Mini Programs* and unify loyalty programs across platforms, encouraging users to share products and shops with friends on *Weixin* and *Moments*, and extending the gifting feature from *Mini Shops* to *Mini Programs, Video Accounts* and *Official Accounts*. We also introduced new promotional features to help merchants enhance brand awareness and drive product discovery, and upgraded incentives to support customer retention and lifetime value. We enhanced merchandise recommendation with foundation model capabilities to deepen understanding of user interests based on content consumption within *Weixin* ecosystem, driving higher sales conversions in *Mini Shops*. We monetise via technology services fees collected on *Mini Shops* transactions.

Mini Programs connect online and offline services with users on *Weixin*. Service providers and developers utilise the feature of mini-programs on the *Weixin* platform that cater to their business needs and targeted user demographics. Service providers benefit from the increased traffic arising from integration in *Mini Programs* and conversion of user interactions into transactions and repeat sales. *Mini Programs* provides access to a wide range of use cases embedded to cater to various demands of users, including *Mini Games*. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and has achieved further growth in 2025. We upgraded *Mini Programs* developer toolkit architecture, so users can better leverage AI plug-ins, such as *CodeBuddy*, to create and debug mini programs more efficiently. We will, over time, enable *Mini Programs* code to evolve into tools or skills for AI agents to use within *Weixin*. *Xiaowei*, our agentic AI prototype in *Weixin*, leverages the unique *Mini Programs* ecosystem to help users discover products, make purchase decisions and place orders, laying the groundwork for agent-to-agent transaction capabilities.

Within *Mini Programs*, *Mini Games* are game features that are embedded in *Weixin* with a large variety of genres. Users may also engage in social interactions, make in-app purchases and share game achievements with friends. *Mini Games* are also an important part of our social networks and marketing services businesses. Powered by technical upgrades such as broader compatibility with advanced game engines, improved image rendering and reduced load times, *Mini Games* bolsters user engagement and contributes to the overall conversion of users interactions into monetisation across the platform. The total gross receipts from *Mini Games* increased 20% year-on-year in the second quarter of 2025.

Official Accounts allow individuals, media and businesses to share original content and engage with readers/customers, which strengthens brand awareness and enhance content management. We introduced AI-powered citation to content, enabling users to activate contextual AI commentary on related information when reading articles on *Official Accounts*. *Weixin Service Accounts* provide companies and organisations with powerful business services and user management capabilities to quickly reach and better serve users. *Weixin Subscription Accounts* provide media and individuals with a new way of posting stories and information, which innovates author-reader interaction and content management.

Moments allow users to share videos, photos and articles and interact with friends. We enabled sharing live streaming to broaden information-sharing channels and facilitate one-to-many user interactions. We also launched *Status* for *Weixin* users to share current emotions and thoughts and connect with like-minded friends.

Weixin Search offers a comprehensive search feature enabling users to seamlessly access personal content, content and services within the *Weixin* ecosystem and across the web. It helps users discover products and services and direct them to eventually complete the transactions in *Mini Programs* or *Mini Shops*. *Weixin Search* has become an increasingly popular search tool, with over 100 million DAU in 2023. *Weixin Search* overall query volume grew at a rapid rate due to AI enhancement to search results, and increased 25% year-on-year in the first quarter of 2026, benefitting from LLM-powered ranking and broadening AI search coverage to include image-based queries.

QQ

QQ is one of our communication and social services and allows users to send and receive instant messages and interact in the *QQ* community. It allows users to meet new friends and establish new social circles based on location and interests. In addition, through the *QQ client*, our users can have access to a variety of our services such as *QQ Mail*, *Qzone, WeGame, QQ Music* and *QQ Reading*.

Digital Content

We operate leading digital content services offering a broad range of high-quality IPs and content. We have curated popular IPs and created appealing content based on these IPs to attract paying users, extending our IP value across various forms, such as video, music, literature and anime. Across our digital content offerings, we utilise AI to enhance production workflow efficiency, generate visually compelling special effects, and distribute media through intelligent content recommendations.

Through *China Literature*, we incubate original IPs from a Chinese language online literature platform, which are subsequently adapted on a range of digital entertainment mediums, including comics, animation, film, TV series, web series, games, short dramas and AI-animated dramas. We offer a wide range of literature content on *China Literature*'s platforms. We create and promote IPs mainly through *QQ Reading* and *Qidian*, as well as our studios, including *New Classics Media*, a renowned film and TV drama series production house in China. We distribute and develop literature content through a variety of self-owned/operated and third-party channels so as to enhance IP value. We operate a freemium model where we typically offer the beginning chapters of a literary work for free and then monetise via a pay-as-you-read and subscriptions model. We are integrating AI into various formats such as audiobooks, radio dramas, animation and videos to further accelerate the development of our IP. We introduced AI-powered tools to support writing, plot development, and

inspiration for content creation, including the *Buddy* series of AI agents purpose-built for the creative content industry. Our AI translation models have accelerated global spread of Chinese literary works through our international reading platform, with over 30,000 AI-translated titles available on *WebNovel*, contributing to our overseas expansion.

We provide self-commissioned and licensed long-form video content from domestic and overseas content providers through *Tencent Video*, including drama series, movies, variety shows, animation and documentaries. Eight of *Tencent Video*'s self-commissioned animated series ranked top ten industry wide by video views in the first quarter of 2026. We operate a freemium model and content sales model, and offer subscription plans which provide users with access to premium content and a range of added features. We have established a huge subscriber base with drama series developed from *China Literature* IPs and produced internally.

Through TME, we offer music streaming services in China. We operate four major music mobile applications, i.e. *QQ Music*, *Kugou Music*, *WeSing* and *Kuwo Music*, through which we provide online music and social entertainment services to address the diverse music entertainment needs of a massive audience in China. The recent acquisition of Ximalaya, a leading online audio company, broadens TME's audio content formats and strengthens the content supply relationship between *China Literature* and Ximalaya, and provides users with new content formats such as audiobooks and podcasts. We licence music content from several domestic and overseas music labels, including Sony Music Group, Universal Music Group and Warner Music Group. We also support independent artists to produce quality music content and enable them to reach an extensive user base. We have created a wide variety of use cases for our users, including listening to streaming music, watching music videos, participating in fan-based activities and games, as well as singing along with the music. We operate a freemium model and content sales model, and also offer subscription plans which provide users with access to premium content and a range of added features. In addition, we enhance user activity and engagement through the sale of virtual items. We are incorporating AI technology across our product offerings to enhance music content creation, production, discovery and recommendation.

Games

We are a leading global game platform offering a wide variety of domestic and international games across multiple channels including mobile, PC and console, covering a variety of popular genres such as MOBA, tactical shooters and role playing games. We have developed and continue to develop multiple evergreen games, which surpassed average quarterly DAU of 5 million for mobile or 2 million for PC, and generated over RMB4 billion annual gross receipts, across different genres. Our flagship evergreen games *Honour of Kings*, *Peacekeeper Elite*, *Delta Force* and *Fight of the Golden Spatula* ranked among the top five games by average quarterly DAU in the first quarter of 2026, according to QuestMobile. We have also achieved proven success in content-driven games such as *Naruto Mobile,* and *Roco Kingdom: World*.

Our games revenues are derived primarily from sales of virtual items, such as avatars and accessories, that enhance gameplay experience, as well as season passes and copy sales. These in-game items primarily allow players to personalise the appearance of a game character. Our game monetisation strategy is also empowered by marketing activities across our e-sports engagement and game communication collaboration. We expand value creation through e-sports tournaments which attract large-scale audience to enhance popularity of our marketing offerings. We collaborate closely with game communities and influencers to drive marketing activities that expand content reach. By leveraging community and influencer partnerships, we extend the lifecycle of our games, stimulate in-game spending and deepen the bond between users and our products and services.

We have strong in-house development capabilities, demonstrated by our highly acclaimed in-house games in a variety of genres such as MOBA (*Honour of Kings, League of Legends, Brawl Stars*), tactical tournament (*PUBG MOBILE* and *Peacekeeper Elite*), tactical shooter (*VALORANT*), extraction shooter (*Delta Force*), real-time strategy (*Clash Royale*) and creature collecting

open-world RPG (*Roco Kingdom: World*). We are also the partner of choice for game publishers due to our leading distribution capabilities in China and globally. We work with other major game developers and operators from China and overseas, and customised and localised their games to suit the culture and needs of the Chinese market.

We also leveraged AI technologies in games to optimise matching experience, improve game balance and facilitate AI coaching for new players, empowering our evergreen games strategy. Our games business is increasingly deploying generative AI to accelerate 3D asset production and animation. We enrich core gameplay experience with AI features such as virtual teammates in PvP games and realistic non-player characters in PvE games. We also use generative AI to facilitate new user acquisition and existing user retention through measures such as targeted ads and personalised daily highlight reels.

Marketing Services

We offer a wide spectrum of marketing services through our social networks, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts* and *Weixin Search*, as well as our content platforms, such as video, music, news and our games inventories.

In addition to leveraging our own advertising inventories, we also operate a mobile advertising network to help third-party advertisers to reach targeted audience and promote their products and services. We have introduced a content marketing mutual selection platform, *Weixin Creator Marketplace*, where advertisers can collaborate with a large number of KOLs, influencers and content creators to promote their products and services. We also organise eSports tournaments and events which attract large viewers, creating significant opportunities for brand exposure and adding unique value to our marketing services.

Our continued investment in AI technology for marketing services enabled us to enhance our targeting capability and increase our advertising monetisation efficiency, thereby achieving a revenue growth rate which exceeded industry average. We have embedded large model capabilities in our advertising system to enable the analysis of long-sequence user behavior across multiple properties, while improving the advertising ranking mechanism to drive higher engagement and click-through rates. The integration of large language model capabilities further enhanced efficiency by accelerating advertising content approval, improving merchandise categorisation, and better identification of user commercial intent. These advancements also automated and scaled creative production for advertisers, leading to improved targeting accuracy and cost efficiency. In 2025, we scaled up our advertising foundation model and introduced our automated ad campaign solution, *AIM+*, under which advertisers can automate targeting, bidding and placement. In 2026, we further upgraded *AIM+* with end-to-end execution capabilities for advertisers, enabling automated product selection, ad creative generation and dynamic bidding. We also significantly scaled up our ad AI recommendation system to capture user interests with more granularity and improve conversions. *AIM+* powered approximately 30% of total marketing services spending from our advertisers in the first quarter of 2026.

Leveraging our ongoing adtech enhancements, closed-loop marketing solutions within *Weixin* ecosystem, mobile network distribution and innovative content marketing formats, we provide merchants and brands with effective marketing solutions to optimise their return on marketing spending, which in turn help us to generate sustainable revenue growth in marketing services.

FinTech Services

Our FinTech services primarily consist of payment and FinTech products which cover wealth management, consumer loan and other FinTech value-added services. We have spent many years building a solid base for FinTech services in the form of our widely used payment services, with straight adherence to regulatory requirement and careful risk management. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based tools and enhancing the

cross-border transaction experience. Leveraging this solid base, we also provide products and services by collaboration with licensed financial institutions. Furthermore, we utilise lightweight AI models to enhance credit scoring processes and facilitate fraud detection, contributing to us sustaining better than industry nonperforming loan rates.

Payment

We provide support and mobile payment solutions to connect merchants and consumers through *Weixin Pay*, a consumer-facing mobile payment tool with expanding use cases. *Weixin Pay* services are available in 78 markets and support transactions in 36 currencies as at 31 December 2025. Daily average number of commercial payment transactions on *Weixin Pay* exceeds 1 billion since the fourth quarter of 2019. Our *Weixin Pay* platform goes beyond a payment tool, but also serves as a comprehensive solution that supports everyday utilities functions, such as processing fare and utilities bill and other consumer services. As we provide our users with a frictionless experience for completing either online or offline transactions, our commercial payment transaction volume is growing rapidly and diversifying from large merchants to small to mid-sized offline merchants. We collect take rate from merchants on commercial transactions and also cash withdrawal fees and credit card repayment charges collected from users. Our robust payment system provides high-level payment security, service reliability and transaction speed. For commercial payment, the number of transactions grew year-on-year in the second quarter of 2026, while the decline in value per transaction continued to narrow.

Other FinTech Services

We offer a wide spectrum of financial services such as wealth management, consumer loan and other FinTech value-added services. Our *Weixin Pay* provides a channel for financial institutions to distribute FinTech products. For wealth management service, the products are primarily low-risk money market funds. This generates high margin fee income from a large, growing pool of aggregated customer assets. Our consumer lending facilitation services is a distribution channel primarily for licensed financial institutions to originate short-term consumption related loans to our payment service users. Our lightweight FinTech AI models have enhanced credit scoring process to further reduce non-performing loan rates. Our insurance service provider, *WeSure*, has cooperated with licensed financial institutions to offer a range of products covering life, health and auto insurance, among others.

Business Services

We provide enterprises and developers with a suite of cloud services, including IaaS (such as compute, networking and storage), PaaS (such as database, audio and video cloud solutions, security) and SaaS (such as *Tencent Meeting*, *WeCom* and *Tencent Docs*), as well as other enterprise-facing services. Building upon our advanced cloud and AI technologies, top-tier foundation model *Hy*, we have built a holistic ecosystem which offers a comprehensive suite of business products and services.

Cloud Services

Through *Tencent Cloud*, we provide global infrastructure coverage and leading cloud services to games and live broadcast sectors. Combining our advanced security, data analytics and artificial intelligence technologies, we have built an expanding portfolio of cloud products and customised industry solutions, accelerating our expansion in different industries. We charge usage-based billings or services fees on IaaS, PaaS and SaaS and technology solutions from enterprise customers. We have begun to more rapidly add compute capacity and are now making a portion available through Tencent Cloud to paying external customers on a Model-as-a-service basis. Revenue from *Tencent Cloud* increased at a rate of low-twenties percentage year-on-year in the second quarter of 2026, driven by AI-related demand, international expansion, increased usage and pricing for general cloud services.

We embed AI agents across our productivity software to autonomously complete multi-step tasks such as taking notes, summarising concurrent meetings for users, and generating intelligent summaries of customer service histories for merchants. Our enterprise software product *WeCom* was the most popular CRM software by revenue in China and *Tencent Meeting* was the most popular video conferencing software by user time and revenue in China.

The enterprise version of *Tencent Meeting* has gained access to key accounts in the energy, healthcare and education industries. We also offered new conference room solutions via *Tencent Meeting Rooms* and *Connector*, which are compatible with our users' existing equipment and facilitate high-quality, real-time communication. We have deepened the integration between *Weixin* and *WeCom* to facilitate customer management and sales conversion, and millions of enterprises use *WeCom* to support flexible work arrangements. We introduced multiple cooperation models to grow partnerships with OA application vendors and leverage synergies with *Tencent Cloud*. For *Tencent Docs*, we strengthened integration with other software to expand its use cases.

AI TECHNOLOGIES

We apply AI technology across key areas of our businesses to improve user experience and support the growth of enterprise partners. Our proprietary foundation model, *Hy*, launched in 2023, is equipped with strong Chinese creation capabilities, logical reasoning capabilities and reliable task execution capabilities. Since launch, we have continued to iterate and upgrade *Hy*, expanding its context understanding depth and deepening integration with our platforms to deliver higher performance and accuracy. We will continue to invest in our own family of foundation models. With user feedback derived from our applications, especially via productivity AI tools, we have the opportunity for *Hy* family to become one of the leading model families in China in terms of intelligence, delivering context-aware assistance, and drive down the inference cost. With our own model taking an increasing share of the work done in our applications over time, we can reduce reliance on any single third-party model and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding capability. We will also focus on enhancing our foundation models with multimodal capabilities to capture demand for vertical use cases, such as 3D and video generation. Furthermore, we will customize lightweight models to further bring down the inference cost, enhancing cost performance to users.

Our productivity AI agent solutions, *WorkBuddy* and *CodeBuddy,* are designed to enhance efficiency across coding and office work scenarios. *WorkBuddy* is a one-stop workspace that coordinates with multiple agents to handle complex tasks end-to-end. Users can control tasks remotely via *Weixin* and *WeCom* or directly via PC, access over 100,000 skills from Tencent Cloud's *SkillHub*, and execute transactions through embedded *Weixin Pay* functionality. *WorkBuddy* and *CodeBuddy* have been experiencing fast user growth with high retention rates and growing paid adoption through subscriptions and token consumption top-ups. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys Tencent applications that are already widely used within and by enterprises such as *Weixin*, *WeCom* and *Tencent Meeting*, provide a foundation for *WorkBuddy* to monetise enterprise relationships over time.

Our long-term technology strategy focuses on the development of agentic AI in productivity AI and consumer-facing AI, expanding our foundation model capabilities beyond simple conversational interfaces toward autonomous task execution. These agents are integrated directly into our core communication platforms, *Weixin* and *QQ*, to automate software engineering and complex administrative tasks right where our users interact. According to industry survey, *Weixin* and *WeCom* are the most used gateways for controlling agentic AI. *Weixin* and *WeCom* are gateways of 45% and 36% surveyed Claw users for controlling agentic AI, respectively. We have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*, leveraging Weixin's existing distribution, social graph, and Mini Programs and payment infrastructure. *Xiaowei* is powered by a customised

model, *WeLM*, built for user privacy, *Weixin*-specific use cases and cost efficiency. *Xiaowei* is designed to help users navigate content and services within the *Weixin* ecosystem and leverage *Mini Programs* to help users discover products, make purchase decisions and place orders. We are integrating AI capabilities into *Weixin* on a cost-controlled basis, with the objective of enhancing growth and monetization across the *Weixin* ecosystem.

Hy also serves as the foundation model for our AI chatbot, *Yuanbao*, which offers users capabilities such as intelligent search, content creation, image processing and document summarisation and provides access to proprietary high-quality content from the Tencent ecosystem. We are focused on improving *Yuanbao*'s capabilities and user experience, particularly in search, automatic speech recognition and text-to-speech. Over time, functionalities developed through *Yuanbao* can be applied across other products including *WorkBuddy*, *CodeBuddy* and *Weixin*, while its conversational use cases also generate feedback that contributes to the improvement of *Hy* models. Enterprise customers can utilise *Hy* in our cloud via APIs or MaaS, for functions such as coding, data analysis and customer service automation.

We continue to accelerate the integration of AI across enterprise-facing services by leveraging a full stack of IaaS, PaaS, and SaaS capabilities. On the IaaS level, our *Hyper Computing Cluster* delivers high-performance AI training and inference with low latency and elastic scalability. On the PaaS level, our *TI Platform* supports fine-tuning and inference, and the *Tencent Cloud Agent Development Platform* empowers enterprises to build tailored customer service and coding assistants with proprietary data. Additionally, *Tencent CloudBase* enhances developer productivity by enabling natural language-driven creation of mini programs and mobile apps. On the SaaS level, *Tencent Meeting* now provides AI-powered transcription, recording and automated summaries, and *Tencent Docs* boosts efficiency in documentation and content generation.

CORPORATE OPERATIONS

Intellectual Property

We regard our patents, copyrights, trademarks and other intellectual property as critical to our success. We rely primarily on a combination of patent, trademark, copyright, trade secret and other intellectual property-related laws and contractual restrictions to establish and protect our intellectual property rights. We require that substantially all of our employees enter into agreements requiring them to keep confidential all proprietary and other confidential information relating to our customers, methods, technology, business practices and trade secrets, and such obligations shall survive the expiration or earlier termination of their employment with us. Our employees are required to acknowledge and recognise that all inventions, trade secrets, works of authorship, developments and other processes, whether or not patentable or copyrightable, made by them during their employment are our property. We have independently developed key software used in our business and have registered a number of these software copyrights. As at 30 June 2026, we had over 55,000 issued patents that cover our self-developed key technologies and infrastructure.

Despite our precautions, it may be possible for third parties to obtain and use our intellectual property without our authorisation. Furthermore, the validity, enforceability and scope of protection of intellectual property rights in the Internet and telecommunications-related industries are uncertain and still evolving. Infringement and misappropriation of our intellectual property could materially harm our business. We have been, and may in the future be, subject to intellectual property lawsuits or other legal proceedings and also be involved as an applicant or opposing party in several administrative actions involving trademark disputes.

We have registered domain names, including "*qq*.com" and "tencent.com", with the Internet Corporation for Assigned Names and Numbers and the domain names "tencent.com.cn" and "tencent.cn" with CNNIC, a domain name registration organisation in China. In addition, we have registered over 11,000 domain names with various domain name registration services as at 30 June 2026.

Our "*QQ (stylised)*" mark, the "*penguin*" device, the "*Weixin*" and "*WeChat*" marks and many associated marks have been registered as trademarks in various classes in China, Hong Kong and other jurisdictions. We have also registered our "*QQ (stylised)*" mark and the "*penguin*" device in various classes in jurisdictions including the United States, Japan, Hong Kong, Singapore, India, Malaysia and the European Union. In addition, a series of "*QQ*" marks, the "penguin" device and the "*Weixin*" and "*WeChat*" marks have also been registered as copyrighted artworks in China.

We licence our trademarks from time to time to increase our brand recognition and further penetrate the consumer market in China. We have licenced the *QQ* brand to manufacturers of various products, including electronic and consumer goods products. Our trademarks have also appeared along with trademarks of other corporate entities for joint marketing, co-branding and merchandising initiatives.

Research and Development

We believe that our ability to develop technology and Internet, mobile and online entertainment applications has been a key factor in the success of our business. To maintain and enhance our leadership position, we will need to continue to invest in research and development in order to enhance our services and products. Research and development expenses constituted 11%, 11%, 11%, 11% and 12% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Our self-developed technologies include communication technologies, social and other interactive technologies. We also licence some services and technologies from third parties such as database technology and audio/video codec technology. We have established an in-house research institute and an integrated customer research and user experience design centre. We will continue to develop our core technologies in-house and when required, licence technology from third parties.

Our R&D strategy continues to be supported by the rebuilding of our large language model team, alongside a comprehensive redesign of our pre-training and reinforcement learning frameworks from the ground up to optimize our infrastructure. In 2026, these efforts culminated in the launch of the *Hy3* preview large language model, followed by the full *Hy3* production version, which has quickly become a leading reasoning model in China and top-ranked on OpenRouter token measure for its cost-efficiency and utility in real-world deployment. Moving forward, our R&D efforts are focused on scaling toward larger parameter models, utilizing higher-quality datasets and advanced reinforcement learning to continuously enhance context understanding and agentic capabilities across our ecosystem.

Sales and Marketing

We believe that our large *Weixin* and *QQ* user base in themselves are key drivers of our business growth, as many Internet users in China seek to join an established and vibrant online community. We market our value-added services primarily through our products and portals. In our online community, "word of mouth" is important as positive feedback from users can be quickly communicated by various channels, including *QQ* and *Weixin*. Selling and marketing expenses constituted 6%, 6%, 6%, 5% and 6% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Our sales and marketing efforts are supported by a network of sales and marketing teams throughout China. We conduct a variety of online and offline marketing and promotion activities, including joint marketing activities with telecommunications operators and device manufacturers, in-game promotional events, marketing and advertisements on our portals. Going forward, we will further enhance our position as a mainstream digital content service provider in China. For sales and marketing in the international market, we will also utilise both online and offline marketing and promotional activities to enhance our brand awareness.

Employees

The number of employees employed by us varies from time to time, depending on needs. Our employee count was approximately 116,000 as at 30 June 2026. Most of our employees are based in China.

The remuneration policy and package of our employees is 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. Our total remuneration costs were RMB107,675 million, RMB112,826 million, RMB130,699 million, RMB64,979 million and RMB64,518 million (US$9,509 million) for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, respectively.

All of our management and key executives, and substantially all of our other employees, have entered into employment agreements with us, which contain confidentiality and non-competition provisions.

Insurance Coverage

Insurance companies in China offer limited business insurance products and do not, to our knowledge, offer business liability insurance. While business interruption insurance is available to a limited extent in China, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to subscribe for such insurance. As a result, we do not have any business liability, disruption or litigation insurance coverage for our operations in China. Any business disruption or litigation, or any liability or damage to, or caused by, our facilities or our personnel may result in our incurring substantial costs and the diversion of resources. We carry mandatory automobile liability insurance and property insurance.

Competition

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of disruptive technology, we also face potential competition from AI native companies, including players in generative and agentic AI, foundation models and AI native applications. We aim to compete by continuing to invest in talent and technologies that bring quality products and services to improve our user experiences.

Legal Proceedings

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property claims, breach of contract claims, unfair competitive practice claims, labour and employment claims and other matters. Internet media companies are frequently involved in litigation based on allegations of infringement or other violations of intellectual property rights and other allegations based on the content available on their website or services they provide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES

Sustainability is vital to the development of our strategy and operations, and we strive to integrate social responsibility into our products and services. We execute our Environmental, Social and Governance strategy through our corporate risk management process, which manages existing ESG issues and monitors emerging risks, while integrating sustainable social value creation into our daily operations and product development.

Environmental

Driven by enhanced energy efficiency, accelerated transition to green electricity and supply chain decarbonisation, we stay firmly on course to meet our carbon targets. Year-over-year, we enhanced the Power Usage Effectiveness performance of owned data centres from 1.257 to 1.246. The share of green electricity consumption increased from 49.8% to 82.9% in owned data centres and from 3.8% to 21.4% in leased data centres. These initiatives enabled us to maintain our decarbonisation progress despite rising AI-related power demand, with carbon intensity in 2025 reduced by 24.4% against the 2021 base year.

With the application of AI in species identification, we enabled field researchers to improve the efficiency and accuracy of data collection while facilitating public participation in urban ecological observation. These efforts were recognised as one of the 2025 Exemplary Cases for Business Biodiversity Conservation by the Centre for Environmental Education and Communications of China's Ministry of Ecology and Environment.

Social

We are committed to advancing technological inclusivity. Beyond physical accessibility, we expanded our scope to cognitive health with our new, clinically validated training software. Within the *Nearby Jobs* Mini Program, we have introduced a dedicated section for people with disabilities, integrating approximately 3,000 job openings certified by China Disabled Persons' Federation Employment Service Platform.

We supported social innovation and philanthropic initiatives to advance the United Nations Sustainable Development Goals. The Xplorer Prize and the New Cornerstone Investigator Program have provided long-term and stable funding to over 430 outstanding scientists. In 2025, our annual Giving for Good initiative generated 530 million engagements in philanthropic activities.

Governance

We formalised our commitment to Responsible AI principles, which are anchored in our Tech for Good mission and govern the ethical development and deployment of AI across our businesses and operations. *Tencent Cloud* obtained additional security certifications in key markets and attained ISO 42001 AI management systems certification. We further strengthened privacy governance by establishing a group-level Personal Information Protection Committee.

In business ethics, our anti-fraud and compliance management systems received international and Chinese certifications. We joined the Sustainable Value Chain Leaders Alliance initiated by the United Nations Global Compact and launched an ESG training course on our supplier portal.

In 2025, our efforts in sustainability development were recognised with inclusion in major ESG indices, improvements in ESG ratings, such as an MSCI rating upgrade from BBB to A, and ESG awards.

The sub-section entitled "*General Regulation on Internet and Telecommunications Industries — Regulations Relating to Intellectual Property*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

The Copyright Law of the PRC (著作權法), adopted in 1991 and revised in 2001, 2010 and 2020, together with its implementing rules (著作權法實施條例), promulgated in 2002 and revised in 2011 and 2013, protects copyright and explicitly covers computer software copyrights. On 20 December 2001, the State Council promulgated the new Regulations on Computer Software Protection (計算機軟件保護條例), which became effective from 1 January 2002 and were revised in 2011 and 2013, which are intended to protect the rights and interests of computer software copyright holders and encourage the development of the software industry and information economy. The Provisional Measures on Voluntary Registration of Works (作品自願登記試行辦法), promulgated by National Copyright Administration of the PRC on 31 December 1994 and effective on 1 January 1995, further provide for a voluntary registration system to be administered by the National Copyright Administration and its local branches. In the PRC, software developed by PRC citizens, legal persons or other organisations is automatically protected by copyright immediately after its development without an application or approval. The Copyright Protection Centre of China may provide a certificate of registration to registrants, which may serve as preliminary evidence of the ownership of the copyright and other registered matters. On 20 February 2002, the National Copyright Administration of the PRC introduced the Measures on Computer Software Copyright Registration (計算機軟件著作權登記辦法), as amended in 2004, which outlines the application procedures for software copyright registration, licence contract registration and transfer contract registration.

On 18 May 2006, the State Council promulgated the Regulations on Protection of the Right of Dissemination through Information Networks (信息網絡傳播權保護條例) ("**Protection Regulations**"), which became effective on 1 July 2006 and were amended on 30 January 2013 and further became effective on 1 March 2013. The Protection Regulations require that any organisation or individual who disseminates a third party's work, performance, audio or visual recording products to the public through information networks shall obtain permission from and pay compensation to the legitimate copyright owner of such products, unless otherwise provided under relevant laws and regulations. The legitimate copyright owner may take technical measures to protect his or her right to disseminate through information networks and any organisation or individual shall not intentionally avoid, destroy or otherwise assist others in avoiding or destroying such protective measures unless permissible under law.

On 17 December 2012, the PRC Supreme People's Court promulgated the Provisions of the PRC Supreme People's Court on Several Issues Concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Communication to the Public on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which took effect on 1 January 2013, and were further amended on 29 December 2020 and became effective on 1 January 2021. This judicial interpretation aims to solve disputes in connection with the infringement of the right of communication through the Internet and protect lawful rights in this respect. This rule places the burden on Internet service providers to take necessary measures to remove not only links or contents that have been specifically mentioned in the notices of infringement and preliminary evidence of infringement from rights holders, but also links or contents that they "should have known" link to infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any contents made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights.

On 4 November 2016, SAPPRFT issued the Circular on Strengthening the Copyright Administration of Internet Literary Works (關於加強網絡文學作品版權管理的通知), which became effective on the same day. Pursuant to the circular, Internet service providers who provide literary works through information networks and render relevant network services shall: (i) strengthen the copyright supervision and administration, establish a sound infringing works handling mechanism, and fulfil the obligation to protect the copyright of Internet literary works according to the law; (ii) establish a copyright complaint mechanism, actively accept complaints from right holders and resolve the legitimate demands of rights holders in a timely manner according to the law; and (iii) delete infringing works and disconnect the relevant links within 24 hours after receipt of such notices and complaints from rights holders.

On 29 April 2005, GAPP and MIIT issued the Measures on Administrative Protection of Internet Copyright (互聯網著作權行政保護辦法) which became effective on 30 May 2005. Pursuant to the measures, if an Internet information service provider clearly knows of an Internet content provider's tortious act of infringing upon other's copyright through Internet, or fails to take measures to remove relevant contents after receipt of the copyright owner's notice although it does not know it clearly, and meanwhile such tortious act damages public benefits, the copyright administration department may order the service provider to stop the tortious act, and may impose the following administrative penalties: (i) confiscation of the illegal proceeds; and (ii) imposing a fine of not more than 3 times the illegal business amount; if the illegal business amount is difficult to be calculated, a fine of not more than RMB100,000 may be imposed.

On 17 April 2015, SAPPRFT issued the Circular on Regulating the Order of Internet Reproduction of Copyrighted Works (關於規範網絡轉載版權秩序的通知), which became effective on the same day. Pursuant to the circular: (i) Internet media shall comply with the relevant provisions of copyright laws and regulations, and must acquire permission from and pay remuneration to the copyright owners, and shall indicate the name of the author, as well as the name and the source of the work, except as otherwise provided by laws and regulations; (ii) Internet media shall not make any substantial revision to the contents of the works when reproducing other people's works; (iii) SAPPRFT shall encourage press and Internet media to establish a cooperation mechanism for Internet reproduction; and (iv) the copyright administrative departments at various levels shall strengthen the supervision of copyrights of Internet media.

On 19 August 2026, the PRC Supreme People's Court issued the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Copyright Civil Dispute Cases (《最高人民法院關於審理著作權民事糾紛案件適用法律若干問題的解釋》), which took effect on 1 September 2026. The amendments: (i) further clarify the standard for determining "making available to the public" by removing the requirement that publication be made "by the copyright owner or with the copyright owner's permission", thereby confirming that works disclosed due to infringement also constitute publication; (ii) refine the rules for fair use by expanding the scope of "public places" from "outdoor public places" to "public places" (consistent with the 2020 Copyright Law amendment) while adding a proviso that the person who copies, draws, photographs or video-records artworks in public places may re-use their results in a reasonable manner and scope, but may not set up, display or publicly disseminate the works in the same manner without the copyright owner's permission; and (iii) clarify the scope of statutory licence for periodical reprinting by specifying that "newspapers and periodicals" refer to paper newspapers and periodicals approved for publication by the competent authorities and their digitised versions with identical content and layout, and that mutual reprinting between newspapers/periodicals and Internet information service providers, or among Internet information service providers, does not fall within the scope of statutory licence and requires the copyright owner's permission and payment of remuneration.

Patent

The SCNPC adopted the Patent Law (專利法) in 1984, and amended it in 1992, 2000, 2008 and 2020. To further enforce the Patent Law, the State Council promulgated the Implementing Rules of the

Patent Law (專利法實施細則) in 2001, as amended in 2002, 2010 and 2023. The purpose of the Patent Law together with its implementing rules is to protect the lawful interests of patent holders, encourage invention, foster applications of invention, enhance innovative capabilities and promote the development of science and technology. Patentable inventions can be divided into three categories: invention, utility models and designs. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, substances obtained by means of nuclear transformation or a design which identifies the patterns or colors or a combination of both patterns and colors of graphic print products.

The Patent Office, under the China National Intellectual Property Administration (CNIPA), is responsible for receiving, examining and approving patent applications. The amended Patent Law provides for a term of twenty years for invention patents, fifteen years for design patents (extended from ten years by the 2020 amendment), and ten years for utility models. A third-party user must obtain consent or a proper licence from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights.

Trademark

The Trademark Law of the PRC (商標法), adopted in 1982 and revised in 1993, 2001, 2013 and 2019, together with its implementing rules (商標法實施條例), promulgated in 2002 and amended in 2014, protects registered trademarks. The China National Intellectual Property Administration (CNIPA) is responsible for trademark registrations. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Upon the registration of a trademark, the applicant will have the right to exclusive use of the trademark for ten years. Registered trademark licence agreements must be recorded with CNIPA. The newly revised Trademark Law, adopted on 26 June 2026 and will take effect on 1 January 2027, strengthens regulations against malicious trademark registration, trademark squatting and hoarding, and increases penalties for trademark agencies that assist in bad faith trademark filings.

Domain Name

Internet domain name registration and related matters are primarily regulated by Implementation Rules of National Top Level Domain Name Registration (國家頂級域名註冊實施細則) issued by CNNIC on 18 June 2019 which replaced the Implementing Rules on Registration of Domain Names (域名註冊實施細則), which became effective on 5 June 2009, as amended on 28 May 2012, and the Measures on National Top Level Domain Name Disputes Resolution (國家頂級域名爭議解決辦法) issued by CNNIC on 18 June 2019, which became effective on the same day. These regulations provide that domain name registrations will be handled through domain name service agencies and that applicants become domain name holders upon successful domain name registration. In July 2001, the PRC Supreme People's Court issued the Judicial Interpretation on Certain Issues Concerning the Application of Laws in the Trial of Cases Involving Civil Disputes over Computer Network Domain Names (最高人民法院關於審理涉及計算機網絡域名民事糾紛案件適用法律若干問題的解釋) as further amended on 29 December 2020 and effective on 1 January 2021 to clarify certain issues involved in civil disputes in registration and use of computer network domain names. On 24 August 2017, MIIT promulgated Measures on Administration of Domain Names (互聯網域名管理辦法), which took effect on 1 November 2017. Pursuant to Measures on Administration of Domain Names, MIIT shall supervise the domain names services nationwide and publicise PRC's domain name system. Furthermore, Measures on Administration of Domain Names adopts a "first-to-file" rule to allocate domain names to applicants.

The section entitled "*Description of Other Material Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

The following summary of the principal terms of the instruments governing our material indebtedness does not purport to be a complete description of all of the terms of these instruments and may not contain all of the information that may be important to prospective investors. Investors should read the consolidated financial statements included elsewhere in this Offering Circular for additional information about our indebtedness.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the TME 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes.

U.S. Dollar Bank Borrowings, JPY Bank Borrowings, EUR Bank Borrowings, HKD Bank Borrowings and RMB Bank Borrowings

The aggregate principal amounts of short-term USD, HKD and RMB bank borrowings as at 30 June 2026 were US$30 million, HKD15,980 million and RMB70,731 million, respectively. Applicable interest rates are at 3.70% for USD bank borrowings, HIBOR + 0.08% ~ 0.10% for HKD bank borrowings, and 0.75% ~ 3.50% and 1-year LPR - 0.70% ~ - 0.30% for RMB bank borrowings per annum.

The aggregate principal amounts of long-term USD, JPY, EUR, HKD and RMB bank borrowings as at 30 June 2026 were US$6,900 million, JPY193 million, EUR2,080 million, HKD12,402 million and RMB140,506 million, respectively. Applicable interest rates are at SOFR + CAS + 0.80% for USD bank borrowings, 0.60% ~ 1.36% and TIBOR + 1.70% for JPY bank borrowings, EURIBOR + 0.70%~ 0.75% for EUR bank borrowings, HIBOR + 0.25% ~ 0.60% for HKD bank borrowings, 2.52% ~ 3.10%, 1-year LPR - 0.65% ~ + 0.15%, and 5-year LPR - 0.85% for RMB bank borrowings per annum.

These USD, JPY, EUR and HKD bank borrowings were entered into by certain offshore subsidiaries as borrowers, under which they have agreed to certain customary covenants relating to, among other things, securities over their assets, disposals of their assets and mergers and acquisitions. These bank borrowings contain certain customary events of default, including breaches of terms of the facilities agreement, any events or circumstances that result in a materially adverse change in the business or financial condition of the borrower, borrower's dissolution and insolvency, misleading statements or material omissions, cessation of all or a material part of the borrower's business, change in ownership of the borrower and cross defaults under other loans. The banks are entitled to demand immediate repayment of all or part of the outstanding loans and any accrued interest upon the occurrence of an event of default.

These USD, EUR and HKD bank borrowings are generally guaranteed by the Company.

2028 Notes

On 19 January 2018, we issued the 3.595% Senior Notes due 2028 in an aggregate principal amount of US$2,500 million for general corporate purposes under the Programme. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. Interest on the 2028 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. The 2028 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2028 Notes are set forth in the relevant pricing supplement.

2029 Notes

On 11 April 2019, we issued the 3.975% Senior Notes due 2029 in an aggregate principal amount of US$3,000 million for general corporate purposes under the Programme. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2029 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. The 2029 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2029 Notes are set forth in the relevant pricing supplement.

2030 Notes

On 3 June 2020, we issued the 2.390% Senior Notes due 2030 in an aggregate principal amount of US$2,250 million for refinancing and general corporate purposes under the Programme. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. Interest on the 2030 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. The 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2030 Notes are set forth in the relevant pricing supplement.

TME 2030 Notes

On 3 September 2020, TME issued the 2.000% Notes due 2030 in an aggregate principal amount of US$500 million for general corporate purposes. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. Interest on the TME 2030 Notes will be payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. The TME 2030 Notes are constituted by, are subject to and have the benefit of an indenture dated 3 September 2020.

September 2030 Notes

On 23 September 2025, we issued the 2.10% Senior Notes due 2030 in an aggregate principal amount of CNY2,000 million for general corporate purposes under the Programme. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2030 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. The September 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2030 Notes are set forth in the relevant pricing supplement.

2031 Notes

On 22 April 2021, we issued the 2.880% Senior Notes due 2031 in an aggregate principal amount of US$500 million for refinancing and general corporate purposes under the Programme. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. Interest on the 2031 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. The 2031 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2031 Notes are set forth in the relevant pricing supplement.

2035 Notes

On 15 July 2015, we issued the 4.700% Senior Notes due 2035 in an aggregate principal amount of US$100 million for general corporate purposes under the Programme. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. Interest on the 2035 Notes will be payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. The 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2035 Notes are set forth in the relevant pricing supplement.

September 2035 Notes

On 23 September 2025, we issued the 2.50% Senior Notes due 2035 in an aggregate principal amount of CNY6,000 million for general corporate purposes under the Programme. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2035 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. The September 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2035 Notes are set forth in the relevant pricing supplement.

2036 USD Notes

On 16 June 2026, we issued the 5.00% Senior Notes due 2036 in an aggregate principal amount of US$1,750 million for general corporate purposes under the Programme. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. Interest on the 2036 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. The 2036 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 USD Notes are set forth in the relevant pricing supplement.

2036 CNY Notes

On 16 June 2026, we issued the 2.50% Senior Notes due 2036 in an aggregate principal amount of CNY11,000 million for general corporate purposes under the Programme. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2036 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. The 2036 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 CNY Notes are set forth in the relevant pricing supplement.

2038 Notes

On 19 January 2018, we issued the 3.925% Senior Notes due 2038 in an aggregate principal amount of US$1,000 million for general corporate purposes under the Programme. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. Interest on the 2038 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. The 2038 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2038 Notes are set forth in the relevant pricing supplement.

2041 Notes

On 22 April 2021, we issued the 3.680% Senior Notes due 2041 in an aggregate principal amount of US$900 million for refinancing and general corporate purposes under the Programme. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. Interest on the 2041 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. The 2041 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2041 Notes are set forth in the relevant pricing supplement.

2046 USD Notes

On 16 June 2026, we issued the 5.60% Senior Notes due 2046 in an aggregate principal amount of US$700 million for general corporate purposes under the Programme. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. Interest on the 2046 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. The 2046 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2046 USD Notes are set forth in the relevant pricing supplement.

2049 Notes

On 11 April 2019, we issued the 4.525% Senior Notes due 2049 in an aggregate principal amount of US$500 million for general corporate purposes under the Programme. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2049 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. The 2049 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2049 Notes are set forth in the relevant pricing supplement.

2050 Notes

On 3 June 2020, we issued the 3.240% Senior Notes due 2050 in an aggregate principal amount of US$2,000 million for refinancing and general corporate purposes under the Programme. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. Interest on the 2050 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. The 2050 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2050 Notes are set forth in the relevant pricing supplement.

2051 Notes

On 22 April 2021, we issued the 3.840% Senior Notes due 2051 in an aggregate principal amount of US$1,750 million for refinancing and general corporate purposes under the Programme. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. Interest on the 2051 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. The 2051 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2051 Notes are set forth in the relevant pricing supplement.

September 2055 Notes

On 23 September 2025, we issued the 3.10% Senior Notes due 2055 in an aggregate principal amount of CNY1,000 million for general corporate purposes under the Programme. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2055 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. The September 2055 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2055 Notes are set forth in the relevant pricing supplement.

2056 CNY Notes

On 16 June 2026, we issued the 3.10% Senior Notes due 2056 in an aggregate principal amount of CNY4,000 million for general corporate purposes under the Programme. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2056 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. The 2056 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2056 CNY Notes are set forth in the relevant pricing supplement.

2060 Notes

On 3 June 2020, we issued the 3.290% Senior Notes due 2060 in an aggregate principal amount of US$750 million for refinancing and general corporate purposes under the Programme. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. Interest on the 2060 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. The 2060 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2060 Notes are set forth in the relevant pricing supplement.

2061 Notes

On 22 April 2021, we issued the 3.940% Senior Notes due 2061 in an aggregate principal amount of US$1,000 million for refinancing and general corporate purposes under the Programme. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. Interest on the 2061 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. The 2061 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2061 Notes are set forth in the relevant pricing supplement.

The section entitled "*General Information*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

GENERAL INFORMATION

1. Listing

Application has been made to the SEHK for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of the Offering Circular. The issue price of Notes listed on the SEHK will be expressed as a percentage of their nominal amount. Notes to be listed on the SEHK are required to have a denomination of at least HK$500,000 (or equivalent in other currencies).

2. Authorisation

The establishment and the update of the Programme and the issue of the Notes thereunder were authorised by resolutions of the board of directors of the Issuer passed on 28 March 2014, 21 April 2015, 21 March 2018, 28 March 2021 and the committee resolutions dated 11 September 2025, 25 May 2026 and 23 September 2026 duly passed by all members of a committee of the board of directors of the Issuer (established by the board of directors of the Issuer pursuant to the written resolutions passed by the board of directors of the Issuer dated 28 March 2021). The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. Auditor

The Issuer's audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025, which are included elsewhere in this Offering Circular, have been audited by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**IAASB**") as stated in its reports appearing herein.

The Issuer's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026, which are incorporated by reference into this Offering Circular, have been reviewed by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB.

4. No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the business of the Group since 30 June 2026.

5. Documents on Display

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Issuer at Tencent Binhai Towers, No. 33 Haitian 2nd Road, Nanshan District, Shenzhen, 518054, the PRC and the specified office of the Principal Paying Agent at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for so long as the Notes are capable of being issued under the Programme:

(i) the memorandum and articles of association of the Issuer;

(ii) the audited consolidated financial statements of the Group for the years ended 31 December 2024 and 2025;

(iii) the unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026;

(iv) copies of the latest annual report and audited annual consolidated financial statements, and any unaudited interim condensed consolidated financial statements published subsequently to such audited annual financial statements, of the Group;

(v) each Pricing Supplement (save that a Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area and the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or the POATRs will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and identity);

(vi) a copy of this Offering Circular together with any supplement to this Offering Circular;

(vii) the amended and restated Trust Deed dated 15 September 2025 (which contain the forms of the Notes in global and definitive form);

(viii) the amended and restated Issue and Paying Agency Agreement dated 15 September 2025;

(ix) the amended and restated Dealer Agreement dated 8 June 2026; and

(x) the Programme Manual.

6. Clearing of the Notes

The Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). We may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. In addition, we may make an application for any Restricted Notes or DTC Unrestricted Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Notes will be confirmed in the relevant Notes. The relevant ISIN, the Common Code, the Committee on the Uniform Security Identification Procedure ("**CUSIP**") number and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

7. Cayman Islands Data Protection

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "**DPA**") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice Introduction

The purpose of this notice is to provide Noteholders with information on the Issuer's use of their personal data in accordance with the DPA.

In the following discussion, "Issuer" refers to the Issuer and its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Noteholder's associated interactions with the Issuer (including any subscription (whether past, present of future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing the Issuer with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA ("**Investor Data**"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with the Issuer, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Noteholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

(i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;

(ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering, beneficial ownership transparency or FATCA or the Common Reporting Standard requirements); and/or

(iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), the Issuer will contact the applicable Noteholders.

Why the Issuer May Transfer a Noteholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority, the competent authority for purposes of the Beneficial Ownership Transparency Act (As Revised) of the Cayman Islands or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Pricing Supplement dated 13 October 2026

Tencent Holdings Limited (the "Issuer")

Issue of CNY20,000,000,000 2.40% Senior Notes due 2036 (the "Notes")
under the Global Medium Term Note Programme of Tencent Holdings Limited
with Maximum Limit of US$30 Billion (the "Programme")

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**") for the purpose of giving information with regard to the Issuer and the Issuer and its subsidiaries taken as a whole (the **"Group**"). The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on SEHK is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on SEHK on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 8 June 2026 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement (including the Schedule to this Pricing Supplement) and the Offering Circular. For the avoidance of doubt, the Issuer's unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting has been incorporated by reference into the Offering Circular.

1.	Issuer:		Tencent Holdings Limited
2.	(i)	Series Number:	35
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		CNY
4.	Aggregate Nominal Amount:		
	(i)	Series:	CNY20,000,000,000
	(ii)	Tranche:	CNY20,000,000,000
5.	(i)	Issue Price:	100.0 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds	Approximately CNY19,930,000,000 (after deducting the management and underwriting commissions but not the offering expenses)

6.	(i)	Specified Denominations:	CNY1,000,000 and integral multiples of CNY10,000 in excess thereof
	(ii)	Calculation Amount:	CNY10,000
7.	(i)	Issue Date:	21 October 2026
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		21 October 2036
9.	Interest Basis:		2.40 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Not Applicable
12.	Put/Call Options:		Issuer Call (further particulars specified below)
13.	Listing:		SEHK (expected effective listing date: 22 October 2026)
14.	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	2.40 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Dates:	21 April and 21 October in each year, commencing 21 April 2027, subject to adjustment in accordance with the Modified Following Business Day Convention
	(iii)	Fixed Coupon Amount:	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	Actual/365 (Fixed)

	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions:		Not Applicable
17.	Zero Coupon Note Provisions:		Not Applicable
18.	Index-Linked Interest Note/other variable-linked interest Note Provisions:		Not Applicable
19.	Dual Currency Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:		Applicable
	(i)	Optional Redemption Date(s):	At any time in whole or in part upon giving proper notice
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	The Optional Redemption Amount shall be equal to: • in the case of an Optional Redemption Date (Call) prior to 21 July 2036 (the date that is three months prior to the Maturity Date for the Notes), the greater of (x) 100 per cent. of the principal amount of the Notes to be redeemed; and (y) the "make-whole amount", which means the amount determined by us on the fifth Business Day before the an Optional Redemption Date (Call) equal to the sum of (i) the present value of the principal amount of the applicable Notes to be redeemed, assuming a scheduled repayment thereof on the stated maturity date, plus (ii) the present value of the remaining scheduled payments of interest on such Notes to and including the stated maturity date (exclusive of interest accrued to the an Optional Redemption Date (Call)), in each case discounted to the an Optional Redemption Date (Call) on an annual basis (Actual/Actual (ICMA)) at the Comparable Government Bond Rate plus 10 basis points, and in each of cases (x) and (y), plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call), provided that the

principal amount of any series of the applicable Notes that remain outstanding after redemption in part shall be CNY1,000,000 or an integral multiple of CNY10,000 in excess thereof; or

- in the case of an Optional Redemption Date (Call) on or after 21 July 2036 (the date that is three months prior to the Maturity Date for the Notes), 100 per cent. of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call).

For these purpose,

"**Comparable Government Bond**" means, in relation to any Comparable Government Bond Rate calculation, at the discretion of the Independent Investment Bank, a PRC Government Bond whose maturity is closest to the remaining term of the applicable Notes to be redeemed, or if such Independent Investment Bank in its discretion considers that such similar bond is not in issue, such other PRC Government Bond as such Independent Investment Bank may, with the advice of three brokers of, and/or market makers in, any PRC Government Bond selected by such Independent Investment Bank, determine to be appropriate for determining the Comparable Government Bond Rate.

"**Comparable Government Bond Rate**" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the applicable Notes to be redeemed, if they were to be purchased at such price on the fifth Business Day prior to the date fixed for redemption or the date of accelerated payment, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (Hong Kong time) on such Business Day as determined by the Independent Investment Bank.

"**Independent Investment Bank**" means an investment bank of recognized standing that is a

			primary dealer in PRC Government Bonds, appointed by us. "**PRC Government Bond(s)**" means any bond issued by the Central People's Government of The People's Republic of China.
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	CNY1,000,000 per Noteholder
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period:	Not less than 10 nor more than 60 days' notice
21.	Put Option:		Not Applicable
22.	Final Redemption Amount of each Note:		CNY10,000 per Calculation Amount
23.	Early Redemption Amount		
	(i)	Early Redemption Amount (*Tax*) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Principal Amount
	(ii)	Early Redemption Amount (*Triggering Event*) per Calculation Amount payable on redemption for triggering event and/or the method of calculating the same (if required or if different from that set out in the Conditions):	101 per cent. of Principal Amount
	(iii)	The Redemption Amount per Calculation Amount payable on redemption of Zero Coupon Notes prior to the Maturity Date and/or the method of calculating the	Not Applicable

	same (if different from that set out in the Conditions):	
24.	Early Termination Amount	
	Early Termination Amount(s) per Calculation Amount payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions) :	Principal Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Registered Notes: Regulation S Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate - CMU
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	The provisions in Condition 21 (*Further Issues*) apply
32.	Any applicable currency disruption /fallback provisions:	Not Applicable

33.	Other terms or special conditions:		Use of proceeds: General corporate purposes

DISTRIBUTION

34.	(i)	If syndicated, names of Managers:	*Joint Global Coordinators:* Industrial and Commercial Bank of China (Asia) Limited ABCI Capital Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch China Construction Bank (Asia) Corporation Limited CLSA Limited The Hongkong and Shanghai Banking Corporation Limited J.P. Morgan Securities (Asia Pacific) Limited (together, the "**Joint Global Coordinators**") *Other Managers:* CMB Wing Lung Bank Limited Industrial Bank Co., Ltd. Hong Kong Branch Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (together with the Joint Global Coordinators, the "**Managers**")
	(ii)	Stabilising Manager(s) (if any):	Any of the Joint Global Coordinators appointed and acting in its capacity as Stabilising Manager (or persons acting on behalf of any of them)
35.		If non-syndicated, name and address of Dealer:	Not Applicable
36.		Total commission and concession:	0.35 per cent. of the Aggregate Nominal Amount
37.		U.S. Selling Restrictions:	Reg. S Category 2 Not Rule 144A eligible
38.		Prohibition of Sales to EEA Retail Investors	Applicable

39.	Prohibition of Sales to UK Retail Investors:	Applicable
40.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

41.	ISIN Code:	HK0001363057
42.	Common Code:	352161586
43.	CUSIP:	Not Applicable
44.	CMU Instrument Number:	DBANFN26065
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU Service and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into United States dollars at the rate of 6.7038, producing a sum of (for Notes not denominated in United States dollars):	Approximately US$2,983,382,559.15
49.	Ratings:	The Notes have a preliminary rating of A1 and A+ from Moody's and S&P, respectively, which will be confirmed by Moody's and S&P, respectively, shortly after the Issue Date. Credit ratings are not recommendations to buy, sell or hold the Notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.

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50.	Rebates:	Not Applicable

51.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	project.joshua@icbcasia.com abcic.dcm@abci.com.hk projectjoshua@bochk.com dcm@bankcomm.com.hk ccba_dcm@asia.ccb.com ProjectJoshua@clsa.com hk_syndicate_omnibus@hsbc.com.hk investor.info.hk.oc.bond.deals@jpmorgan.com
52.	Marketing and Investor Targeting Strategy:	As described in the Offering Circular

STABILISING

In connection with this issue, any of the Joint Global Coordinators appointed and acting in its capacity as stabilising manager (each a "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Managers (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the SEHK of the Notes described herein pursuant to the US$30,000,000,000 Global Medium Term Note Programme of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Tencent Holdings Limited

/s/Ma Huateng

By: _____
Duly authorised

SCHEDULE TO THE PRICING SUPPLEMENT

The section entitled "*Summary Financial Information of the Issuer*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The selected consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 have been derived from our audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025 included elsewhere in this Offering Circular, each of which has been prepared in accordance with IFRS Accounting Standards, and from our unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting, which has been incorporated by reference into this Offering Circular.

The summary financial data below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the audited consolidated financial statements included elsewhere in this Offering Circular and the unaudited interim condensed consolidated financial information incorporated by reference into this Offering Circular. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 may not provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. None of the Arrangers, Dealers nor any of their directors, officers, employees, representatives, agents, advisers or affiliates makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of our financial condition and results of operations, and potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 should not be taken as an indication of our expected financial condition or results of operations for the full financial year ending 31 December 2026 and they are not comparable to the financial information for the years ended 31 December 2023, 2024 and 2025.

Amounts in the Company's consolidated financial statements are stated in Renminbi. The translation of Renminbi amounts into U.S. dollars is for convenience only and has been made at the rate of RMB6.7851 to US$1.00 as at 30 June 2026. No representation is made that Renminbi amounts have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

SELECTED CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Revenues:						
VAS	298,375	319,168	369,281	183,501	194,524	28,669
Marketing Services[(1)]	101,482	121,374	144,973	67,615	81,736	12,046
FinTech and Business Services	203,763	211,956	229,435	110,443	120,171	17,711
Others	5,395	7,759	8,077	2,967	4,812	710
Total revenues	**609,015**	**660,257**	**751,766**	**364,526**	**401,243**	**59,136**
Cost of revenues	(315,906)	(311,011)	(329,173)	(159,020)	(171,545)	(25,283)
Gross profit	**293,109**	**349,246**	**422,593**	**205,506**	**229,698**	**33,853**
Selling and marketing expenses	(34,211)	(36,388)	(41,727)	(17,276)	(23,212)	(3,421)
General and administrative expenses	(103,525)	(112,761)	(136,127)	(65,585)	(72,608)	(10,701)
Other gains/(losses), net[(2)]	4,701	8,002	(3,177)	(4,975)	773	114
Operating profit[(2)]	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Net gains/(losses) from investments and others[(2)]	(6,090)	4,187	10,168	4,045	13,112	1,932
Interest incomes[(2)]	13,808	16,004	16,909	7,869	8,227	1,213
Finance costs	(12,268)	(11,981)	(15,130)	(7,801)	(5,958)	(878)
Share of profit/(loss) of associates and joint ventures, net	5,800	25,176	23,740	9,054	(6,373)	(939)
Profit before income tax	**161,324**	**241,485**	**277,249**	**130,837**	**143,659**	**21,173**
Income tax expense	(43,276)	(45,018)	(47,448)	(25,068)	(26,290)	(3,875)
Profit for the year/period	**118,048**	**196,467**	**229,801**	**105,769**	**117,369**	**17,298**

Notes:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

(2) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023, 2024 AND 2025 AND 30 JUNE 2026

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Cash and cash equivalents	172,320	132,519	141,041	206,930	30,498
Term deposits	185,983	192,977	236,801	214,275	31,580
Total current assets	**518,446**	**496,180**	**595,460**	**663,424**	**97,776**
Term deposits	29,301	77,601	70,302	52,724	7,771
Total non-current assets	**1,058,800**	**1,284,815**	**1,443,526**	**1,495,970**	**220,479**
Total assets	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**
Borrowings	41,537	52,885	42,618	86,292	12,718
Notes payable	14,161	8,623	10,542	—	—
Total current liabilities	**352,157**	**396,909**	**412,751**	**515,481**	**75,972**
Borrowings	155,819	146,521	208,369	212,650	31,341
Notes payable	137,101	130,586	126,204	154,021	22,700
Total non-current liabilities	**351,408**	**330,190**	**385,170**	**421,400**	**62,107**
Total liabilities	**703,565**	**727,099**	**797,921**	**936,881**	**138,079**
Total equity	**873,681**	**1,053,896**	**1,241,065**	**1,222,513**	**180,176**
Total liabilities and equity	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**

SELECTED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities[(1)]	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities[(2)]	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Notes:

(1) Includes, among others, payments for capital expenditures as well as media content. Payments for capital expenditure represents the amount paid for investments in IT infrastructure (including computer equipment, components and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the six months ended 30 June 2025 and 2026, respectively.

(2) Includes, among others, dividends paid to our shareholders and non-controlling interest owners, which amounted to RMB21,788 million, RMB31,244 million and RMB39,907 million for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB39,400 million and RMB43,257 million (US$6,375 million) for the six months ended 30 June 2025 and 2026, respectively.

OTHER FINANCIAL DATA

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(US$ in millions, except for %)
EBITDA[(1)]	214,381	256,310	310,767	153,284	169,943	25,046
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Adjusted EBITDA margin[(2)]	39%	42%	45%	46%	45%	45%
Net cash[(3)]	54,740	76,798	107,145	74,592	58,191	8,576

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(US$ in millions, except for ratios)
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Interest and related expenses	11,885	12,447	13,456	6,927	6,346	935
Ratios:						
Adjusted EBITDA[(1)] to interest and related expenses[(5)]	20x	22x	25x	23x	27x	27x
Total debts[(4)] to Adjusted EBITDA[(1)(5)]	1.48x	1.22x	1.15x	1.29x	1.29x	1.29x

Notes:

(1) 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. EBITDA and Adjusted EBITDA are not standard measures under IFRS Accounting Standards. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA and Adjusted EBITDA should not be considered in isolation or as any other measure of performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA and Adjusted EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA and Adjusted EBITDA because we believe they are a useful supplement to cash flows data as a measure of our performance and our ability to generate cash flows from operations to cover debt service and taxes. EBITDA and Adjusted EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA or Adjusted EBITDA to the EBITDA or Adjusted EBITDA presented by other companies because not all companies use the same definition.

(2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.

(3) Net cash represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, including highly liquid investment products held for treasury purposes, minus borrowings and notes payable.

(4) Total debts consist of borrowings and notes payable.

(5) Adjusted EBITDA to interest and related expenses ratio and total debts to Adjusted EBITDA ratio for the six months ended 30 June 2025 and 2026 are calculated using Adjusted EBITDA for the last twelve months and interest and related expenses for the last twelve months.

The following table reconciles our operating profit under IFRS Accounting Standards to our EBITDA and Adjusted EBITDA for the years/periods indicated.

	Year ended 31 December			Six months ended 30 June		
	2023[1]	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Operating profit	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Adjustments:						
Other (gains)/losses, net (excluding depreciation and amortization)	(4,701)	(8,002)	3,177	4,975	(870)	(128)
Depreciation of property plant and equipment and investment properties	19,908	21,141	26,580	11,371	17,887	2,636
Depreciation of right-of-use assets	6,397	6,191	6,219	3,070	3,175	468
Amortisation of intangible assets and land use rights	32,703	28,881	33,229	16,198	15,100	2,225
EBITDA	**214,381**	**256,310**	**310,767**	**153,284**	**169,943**	**25,046**
Equity-settled share-based compensation expenses	21,073	20,702	25,660	13,397	11,046	1,628
Adjusted EBITDA	**235,454**	**277,012**	**336,427**	**166,681**	**180,989**	**26,674**

Note:

(1) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

OPERATING DATA

The following data sets forth certain operating statistics relating to our Internet platforms and VAS as at the dates presented:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	(in millions)	(in millions)	(in millions)	(in millions)
Combined MAU of *Weixin* and *WeChat* [1]	1,343	1,385	1,418	1,439
Mobile device MAU of *QQ* [2]	554	524	508	520
Fee-based VAS subscriptions[3]	244	262	267	259

Notes:

(1) Combined MAU of *Weixin* and *WeChat* figures refers to the total number of user accounts that logged in and sent a message, or conducted an activity in *Moments*, games, etc. during the last month prior to the relevant date.

(2) Mobile device MAU of *QQ* figures denote the total number of MAU that logged in via applications on smart devices (iOS, Android) and sent a message, or conducted an activity in *Qzone*, *Tencent Channels*, etc. during the last month prior to the relevant date.

(3) Adjusted to report the average daily number of subscriptions since the first quarter of 2024. Historical comparative figures have been restated for the year ended 31 December 2023.

The sub-section entitled "*Risk Factors — Risks Relating to Our Business and Industry*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to Our Business and Industry

We operate in a very competitive market. If we fail to compete effectively, we may lose users to competitors and our business, future results of operations and prospects could be materially and adversely affected.

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of technology, we also face potential competition from companies which provide foundation models, AI native applications and other AI features.

If we are unable to compete effectively in our business, it could negatively affect our ability to maintain user engagement, and monetise our services, any of which could materially and adversely affect our business, future results of operations and prospects.

If we fail to keep up with the technological developments and users' changing requirements, we may not be able to monetise our business, and future results of operations and prospects could be materially and adversely affected.

Our business and prospects will depend on our ability to respond to rapidly changing technologies, adapt our services to evolving industry standards and improve the performance and reliability of our services. Our failure to adapt to such changes could harm our business. In addition, changes in user behavior resulting from technological developments may also adversely affect us. Furthermore, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or integrate our products, services or technologies. If we fail to anticipate and adapt to material technological changes, our market share could suffer, which in turn could materially and adversely affect our business, future results of operations and prospects.

We operate in a rapidly evolving environment. If we fail to continue to launch attractive new services or products, our business could be harmed.

We operate in a dynamic and evolving industry with the rapid emergence of new technologies and new services and products. To remain competitive, we must introduce new services and products to diversify our portfolio, adapt to new technologies, appeal to changing consumer trends and preferences and generate additional revenue. We may continue to exit some legacy business areas in order to focus on the key drivers of our growth. Further, some of our new services and products may attract users from our existing offerings. Some of our existing services and products may also become incompatible with emerging technologies and new devices. If we are unable to continue to launch new services and products that can offset the loss of popularity of our maturing services and products, our market share could erode, which in turn could materially and adversely affect our financial condition and results of operations.

If we fail to maintain and enhance our brand recognition, or if we incur excessive expenses in this effort, our business, future results of operations and prospects could be materially and adversely affected.

It is critical for us to maintain and develop our brands so as to effectively maintain and increase our business partnerships and grow our revenue. Well-recognised brands are critical to increasing the number and engagement of our users and, in turn, enhancing our attractiveness to advertisers. Since we operate in a highly competitive market, maintaining and enhancing our brands directly affects our ability to maintain our market position. Our main competitors have established brands and are continuing to take steps to increase their brand recognition. We must also continue to maintain and enhance the recognition and value of our brands. In order to attract and retain users, we may need to substantially increase our expenditures for creating and maintaining brand loyalty. As a result, our selling and marketing expenses may increase significantly, which may impact our profitability.

Our success in promoting and enhancing our brands, as well as our ability to remain competitive, will also depend on our success in offering high-quality content, features and functionality. If we are unable to maintain and enhance our brand recognition, our business, future results of operations and prospects could be materially and adversely affected.

We may not be successful in implementing our growth strategies or sustaining our historical growth rate.

We are pursuing a number of growth strategies, including developing new AI capabilities and products to capture exciting new opportunities, enriching our ecosystem through better user engagement and strengthening transaction capabilities, and leveraging our technology expertise and operational know-how to expand game and cloud businesses internationally. We are also pursuing opportunities for growth through acquisitions and investments. Although we have achieved significant growth in the past, we cannot be assured that this level of significant growth will be sustainable or achieved at all in the future. For example, future saturation in the market for online services could hamper our ability to continue to monetise our services. As we expand into new markets, we may face challenges from local incumbents and have difficulty gaining consumer mindshare. Also, as we expand into new services, such as AI foundation models and AI agent services, we may become subject to new technical challenges and regulatory requirements that could restrict our ability to effectively grow these new business lines.

As we enter into new business segments, we may not be able to maintain our historical margins. Further, we cannot assure you whether all or any of these strategies will be successful. If we are unable to implement our growth strategies, our competitiveness may be materially and adversely affected, which would have a material and adverse effect on our results of operations and prospects.

We face uncertainties regarding the growth of the game industry and continuous market acceptance of our games and in-game items.

We have derived a significant portion of our revenue from the game industry, which is rapidly evolving. Revenue from games under VAS business constituted 30%, 30%, 32%, 33% and 32% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of the game industry is subject to a high degree of uncertainty. Our future results of operations associated with this industry will depend on numerous factors, including:

- whether the global game industry continues to grow and the rate of any such growth;

- laws, rules, regulations, policies and approvals affecting the game industry, including regulatory action (or inaction) limiting or prohibiting our ability to licence, market or release new games;

- general economic conditions, particularly economic conditions that impact the level of discretionary consumer spending;

- the availability and popularity of other forms of entertainment;

- changes in consumer demographics, public tastes and preferences;

- our ability to develop, licence or acquire new games and related products to meet market demand and user preferences;

- the popularity and price of new games and in-game items that we and our competitors launch and distribute; and

- our ability to timely upgrade and improve our existing games to extend their lifespans and to maintain their competitive positions in the game market.

Due to these challenges and uncertainties, we cannot assure you that our game business will continue to grow at the rates it achieved in the past. Our failure to successfully develop this business could have a material and adverse effect on our results of operations and prospects.

The online game industry is highly regulated in China, which may affect our business operations and prospects.

The regulatory environment of online games in China has been changing over the years. The regulatory bodies of the online game industry in the PRC suspended the registration of online games and issuance of publication numbers for publication of online games for most of 2018, and imposed a second suspension of approximately eight months from August 2021 to April 2022. Furthermore, in December 2018, the Online Games Ethics Committee of the PRC was established, which carries out moral assessment of online games and related services that may cause or have caused moral disputes and social opinions and provide reference for the decision-making of the regulatory bodies of the online game industry.

Although the registration of online games and issuance of publication numbers has resumed in recent years, there is no assurance that a similar cessation in online video games approval will not occur again in the future, and we may face similar or other regulatory hurdles in obtaining approvals for our new online games in the future. Consequently, there is no assurance that we will continue to obtain approval for our new online games in a timely fashion or at all, and any failure, delay or other limitations in obtaining regulatory approvals for our new online games could materially and adversely affect our business, revenue and profits and results of operations.

If we are unable to consistently develop additional successful games, our business, future results of operations and prospects could be materially and adversely affected.

In order to maintain our long-term profitability and operational success, we must continue to develop, acquire, co-develop or licence new games that are attractive to users before our existing games reach the end of their commercial lifespans. This requires us to maintain and grow our in-house game development capability to anticipate changing consumer tastes and preferences, adopt new technologies, attract, retain and motivate talented game developers and effectively execute game development plans. There is no assurance that we can successfully maintain or develop our in-house game development capability in such manner. In addition, games we develop for one market may not always be successful in other markets.

There is no assurance that the games which we have developed will be attractive to users and will always comply with relevant content restrictions such as government regulations. If we are not able to mitigate the potential adverse impact as a result of competition or disputes among our overseas licensors and consistently develop games with continuing appeal to users, our business, future results of operations and prospects could be materially and adversely affected.

The online video and music industries are highly regulated in China. Our failure to comply with any government policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation.

The PRC government regulates the online video and music industry extensively. A number of regulatory authorities, such as MOCT, MIIT, NRTA and NCA, regulate different aspects of the online video and music industry. These governmental authorities promulgate and enforce laws and regulations that cover many aspects of the online video and music industry, including entry into such industries, scope of permitted business activities, licences and permits for various business activities and foreign investments into such industry. Operators are required to obtain various government approvals, licences and permits in connection with their provision of Internet information services, Internet culture services, online audio-visual products and other related value-added telecommunications services. If we fail to obtain and maintain approvals, licences or permits required for our business, we could be subject to liabilities, penalties and operational disruption and our business could be materially and adversely affected. In addition, if applicable laws and regulations are tightened by any regulatory authorities, or if there are new laws or regulations introduced to impose additional government approvals, licences, permits and requirements, our business may be disrupted and our results of operations may suffer.

Meanwhile, under PRC laws, to secure the rights to provide video or music content on the Internet or for our users to download or stream video or music from our platform, or to provide other related online video or music services, we must obtain licences from the appropriate copyright owners. However, we cannot assure you that we have obtained licences for copyrights with respect to all video or music content offered on our platform, and we cannot assure you that we will not be subject to any potential copyright infringement claims by third parties in relation to such services.

The marketing services market is subject to many uncertainties, which could cause our marketing services revenue to be materially and adversely affected.

The revenue for marketing services represented approximately 17%, 18%, 19%, 19% and 21% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of our marketing services revenue relies on increased revenue from the sale of marketing solutions and advertising inventories from our various platforms, which could be affected by the following factors:

- growth of the marketing services market;
- acceptance of marketing services as an effective marketing channel;
- our development of tailored marketing solutions to meet marketing clients' needs;
- changes in government rules and regulations impacting the marketing industry;
- alternative methods and strategies available to marketing clients to promote their brands and products; and
- development and acceptance of an independent and reliable standard for measuring the effectiveness of marketing services.

We also may be unable to respond adequately to changing trends in marketing services or advertiser demands or preferences or keep up with technological innovations and improvements in the measurement of user traffic and marketing services. If we are unable to capture and retain a sufficient share of the marketing services market, our ability to maintain or increase our current level of marketing services revenue could be materially and adversely affected.

Our cloud services business is subject to a number of laws and regulations. If we fail to adhere to applicable laws and regulations, our business of cloud services would be materially and adversely affected.

Our cloud services business is subject to extensive and evolving laws and regulations in China. Cloud service operators must obtain a value-added telecommunication service operating licence for Internet data centre business and are required to conduct business activities in accordance with the applicable national standards in respect of cloud services. Cloud service providers must comply with the regulations of the Cyber Security Law, including by taking technical and organisational measures to safeguard the operations of networks, formulate emergency response plans for cybersecurity incidents, prevent illegal and criminal activities and maintain the integrity, confidentiality and availability of network data. For the crucial information infrastructure operators, the personal information and important data collected during business activities must be stored within the territory of China. Where such data needs to be transferred overseas, a security assessment must be completed and passed prior to such transfer. Any failure or perceived failure to comply with all applicable laws and regulations may result in legal proceedings or regulatory actions against us, and could have a material adverse effect on our business and results of operations.

Our payments business is subject to a number of laws and regulations, including those governing banking, cross-border and domestic money transmission, foreign exchange and payment services.

Our payments business is subject to various laws and regulations in China, and any future expansion of our payments business would be subject to various laws and regulations in other jurisdictions where we operate. These laws include those governing banking, cross-border and domestic money transmission, foreign exchange and payment services, such as payment processing and settlement services. The legal and regulatory requirements that apply to our payments business vary in the markets where we operate and have increased over time as the geographical scope and complexity of our business and products have expanded. While our payments business has a compliance programme focused on compliance with applicable laws and regulations, there can be no assurance that we will not be subject to fines or other enforcement actions in one or more jurisdictions or be required to make changes to our business practices or compliance programmes to comply in the future. For example, regulatory authority has prescribed rules relating to third-party payment, whereby non-bank payment institutions are required to place customer funds in a centralised reserve with the PBOC. In addition, pursuant to the Circular on Transfer of Online Payment Business Conducted by Non-Bank Payment Institutions from Directly Connected Model to the NetsUnion Platform (關於將非銀行支付機構網絡支付業務由直連模式遷移至網聯平台處理的通知) ("**Circular 209**") issued by the Payment and Settlement Department of PBOC on 4 August 2017 and effective as at 30 June 2018, all online payments involving bank accounts conducted by non-bank payment institutions must be processed by the unified platform operated by the NetsUnion Clearing Corporation. The State Council of China issued the Regulations on the Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例) in December 2023, which became effective on 1 May 2024. The PBOC issued the Implementing Rules for the Regulations on Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例實施細則) on 9 July 2024. The new regulations fundamentally restructured the regulatory framework for non-bank payment institutions, including reclassifying payment business into two new categories (which may require existing licencees to convert their licences), imposing enhanced shareholder supervision requirements, strengthening systems and data security obligations (including onshore IT system and data localisation requirements), and requiring overseas non-bank institutions providing cross-border payment services to domestic users to establish a non-bank payment institution within China. The PBOC has been

actively strengthening enforcement, and the number of payment licences revoked has increased in recent years. Any new laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional licensing requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines, enforcement actions, changes in compliance requirements or limits on our ability to grow our business could have a material adverse effect on our business, future results of operations and prospects.

Our payments business is subject to anti-money laundering, counter-terrorist financing and sanctions laws and regulations.

Our payments business is, and any future expansion of our payments business would be, subject to various anti-money laundering, counter-terrorist financing and sanctions laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing anti-money laundering, counter-terrorist financing and sanctions legal and regulatory requirements. However, any errors, failures or delays in complying with anti-money laundering, counter-terrorist financing and sanctions laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new anti-money laundering, counter-terrorist financing and sanctions laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business, could have a material and adverse effect on our business, future results of operations and prospects.

Our payments business is subject to consumer protection laws and regulations.

Our payments business is subject to consumer protection laws and regulations in China, and any future expansion of our payments business would be subject to various consumer protection laws and regulations in other jurisdictions where we operate. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing consumer protection requirements. However, any errors, failures or delays in complying with such consumer protection laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new consumer protection laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business could have a material and adverse effect on our business, future results of operations and prospects.

We are subject to risks associated with our micro-loan business.

We provide online consumer loan services. Micro-finance is a highly regulated business in China subject to the supervision of and regulation by the PBOC and the relevant local government authorities, and our failure to comply with any current or future laws, rules and regulations could subject us to liability, enforcement action by regulators and could harm our reputation. Our credit assessment model may not accurately predict the creditworthiness of our borrowers, and our actual losses could materially exceed our allowances for doubtful accounts. If losses on our portfolio of loans are greater than we expect, whether due to inaccuracies with our credit assessment model or changes in economic conditions or otherwise, our net income could be materially and adversely reduced. In addition, because we continue to be exposed to risk of loss with respect to a portion of losses on the loan portfolio, any failure of borrowers to repay their underlying loans could adversely affect our business, financial condition and results of operations.

We are subject to risks and uncertainties associated with the evolving AI regulations, potential infringement claims and increasing costs for regulatory compliance.

We are making significant initial progress on our new AI products, as well as continuing to utilise AI to grow our existing core businesses. However, as with most emerging technologies, AI comes with its own set of risks and challenges that could affect its adoption and our business. AI algorithms may be flawed, and the data used could be incomplete or biased. Generative AI technologies are prone to processing errors, creating inaccurate or biased outputs, and may be manipulated via adversarial prompting to bypass security protocols. Integrating AI algorithms into our existing business segments such as automated advertising bidding or content moderation could lead to automated errors, discriminatory pricing vulnerabilities, or systemic service disruptions if an algorithm misbehaves at scale. Inappropriate or controversial data practices, by us or by others, could limit the acceptance of our AI products or AI-enhanced products and content. Deploying large language models may subject us to third-party copyright and misappropriation lawsuits regarding AI training sets or outputs. Certain AI applications could trigger ethical issues. Should our AI-related offerings become controversial due to their effects on privacy, security or other social matters, we risk reputational harm or legal repercussions. In addition, uncertainties regarding the development and application of AI technology present a potential risk. There remains the possibility that AI technology may not progress as anticipated or deliver expected benefits, which could limit the acceptance and popularity of our AI-related offerings.

Furthermore, the regulatory and legal framework on AI is evolving rapidly and might not fully address every aspect of its research, development and use. Government authorities have sped up creating laws for generative AI-related technologies, such as algorithms and deep synthesis. For example, on 10 July 2023, the CAC, together with six other regulatory authorities, issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法), which imposes compliance requirements on providers of generative AI services. The Measures require generative AI service providers to take effective measures to enhance the accuracy and reliability of the AI-generated content. Specifically, the service providers must: (i) assume the responsibilities as content producers and fulfil obligations related to network information security; (ii) assume the responsibilities as processors of personal information and ensure the protection of such data; and (iii) process training data, including conducting pre-training optimisation in compliance with applicable laws and regulations. In addition, the providers of generative AI services that possess public opinion influence or the capability for social mobilisation are required to undergo a security assessment and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (互聯網信息服務算法推薦管理規定). In March 2025, the CAC and other regulatory authorities jointly issued the Measures for Labeling AI-Generated Content (人工智能生成合成內容標識辦法), effective from 1 September 2025, which mandates service providers to add explicit labels (such as text or watermarks) and implicit labels (such as metadata) to AI-generated content. In October 2025, the Cyber Security Law was amended to include provisions specifically addressing AI, emphasising ethical governance and risk monitoring requirements for AI development. The CAC and other regulatory authorities issued the Interim Measures for the Administration of Anthropomorphized Artificial Intelligence Services (人工智慧擬人化互動服務管理暫行辦法), effective from 15 July 2026, which regulate AI services that simulate human personalities and emotions, including emotional companion chatbots and virtual personalities. If we are unable to comply with the relevant requirements, or if we have any dispute with any third party relating to intellectual property, data security or other aspects, our business operation may be adversely affected.

Our past and future acquisitions and investments could have a material and adverse effect on our ability to manage our business.

As part of our strategy to further expand our business, we may continue to acquire or make investments in additional products, assets, technologies or businesses that are complementary to our existing business if and when appropriate opportunities arise. Future acquisitions and investments as well as the subsequent integration of new products, assets, technologies and businesses into our existing business would require attention from our management and result in diversion of resources from our existing business. The areas where we face risks include:

- diversion of management time and focus from operating our business to address challenges in relation to acquisition integration and business collaboration;
- implementation or remediation of controls, procedures and policies at the acquired company;
- integration of the acquired company's accounting, human resource and other administrative systems and coordination of product, engineering and sales and marketing functions;
- transition of operations, users and customers onto our existing services;
- cultural challenges associated with integrating employees from the acquired company into our organisation, and retention of employees from the businesses we acquire;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties;
- the ability of SAMR to require the subsequent unwinding of completed M&A transactions or impose significant fines in respect of such transactions;
- in the case of overseas acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- failure to successfully further develop the acquired technology.

Also, acquired products, assets, technologies or businesses and investments may not yield the results that we anticipate. In addition, acquisitions and investments could result in the use of substantial amounts of cash, significant amortisation expenses related to identifiable intangible assets and exposure to potential impairment or write-offs of such investments, the relevant goodwill and/or identified intangible assets or potential unknown liabilities of any such acquired business. Moreover, the costs of identifying and consummating acquisitions and investments may be significant. We may also have to obtain approval from the relevant government authorities for the acquisitions and investments and comply with any applicable laws and regulations, which could result in increased costs and delays. Further, the value of our investments is subject to market and non-market fluctuations which are attributable to factors beyond our control.

Our failure to properly and timely address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realise the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally.

Future acquisitions or investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortisation expenses, write-offs of goodwill, or even provisions for prolonged impairment in value, any of which could have a material and adverse effect on our business, future results of operations and prospects.

We may face additional risks as we expand our business to new international markets.

From time to time we evaluate opportunities to expand our business, services and product offerings to markets outside China. Expanding our business, services and product offerings into new overseas markets may expose us to risks that are additional to or different from those that we currently face, including:

- difficulties in identifying and maintaining good relationships with business counterparties or partners;
- uncertainties in developing products and services catering to overseas markets and in renewing the licence agreements with licencees upon their expiration;
- our ability to maintain our brand name and the reputation of our products and services in situations where our products and services are operated by licencees or partners in the overseas markets pursuant to their own standards;
- difficulties in staffing and managing foreign operations;
- difficulties and costs associated with protecting and enforcing our intellectual property rights overseas;
- difficulties and costs relating to compliance with the different commercial and legal requirements of the overseas markets, such as licensing and certification requirements, import regulatory procedures, taxes and other restrictions and expenses;
- requirements under different local regulatory systems, some of which may conflict with each other, including potential service interruptions of our online services due to national security laws or policies in the international markets in which we operate;
- exposure to claims and litigations in markets where the laws and overall environment are unfamiliar to us;
- competition from established local competitors;
- laws and business practices that favour local competitors or prohibit or limit foreign ownership of certain businesses;
- difficulties in integrating with local payment providers, including banks, credit and debit card networks and electronic fund transfer systems;
- potentially adverse tax consequences, including local taxation of our fees or transactions on our websites/applications;
- fluctuations in currency exchange rates;
- our ability to repatriate funds from abroad; and
- interruptions in cross-border Internet connections or other system or network failures.

Our inability to expand our business internationally or any risks associated with conducting business in new overseas markets may have a material and adverse effect on our business, future results of operations and prospects.

Certain U.S. laws and Executive Orders with respect to technology and communications products and services may have negative impacts on our business, and we cannot assure you that the U.S. government will not issue similar authorities in the future.

In the past several years, the U.S. government has enacted or issued a number of laws, Executive Orders and regulations to restrict or prohibit the use of information and communications technology products and services supplied by Chinese companies, including in some cases authorities (which were subsequently rescinded without being fully implemented) that have directly authorised restrictions on transactions in the United States involving certain of our products. To date, none of our products, services and transactions have become prohibited as a result of the implementation of such authorities, but there can be no assurance that future actions taken under these authorities will not have an adverse effect on the operation of our business, particularly if such actions specifically target our products or services in the United States. There is also no assurance that the United States will not issue additional similar laws, Executive Orders or regulations that may adversely affect our business and financial conditions.

On 7 January 2025, the U.S. Department of Defense published the Notice of Availability of Designation of Chinese Military Companies. Pursuant to such notice, the Deputy Secretary of Defense has included us in the list of Chinese Military Companies (the "**CMC List**"). As we are neither a Chinese military company nor a military-civil fusion contributor to China's defense industrial base, we believe that our inclusion in the CMC List is a mistake. Unlike other lists maintained by the U.S. Government for sanctions or export control measures, inclusion in the CMC List relates only to U.S. government procurement, which does not affect the business of us and our subsidiaries. We are currently taking steps to resolve this matter, with an aim to secure a removal from the CMC List. Previously, we were successfully removed from the Notorious Markets for Counterfeiting and Piracy List by the Office of the U.S. Trade Representative as a result of our efforts and progress in protecting IP rights on its platforms, as well as its constructive and effective engagement with relevant U.S. authorities. However, there can be no assurance that our efforts to seek removal from the CMC List will be successful. There is also no assurance that the United States will not issue additional Executive Orders or other laws or regulations that may add additional consequences to our inclusion on the CMC List that may cause it to adversely affect our business and financial condition.

Inclusion on the CMC List is distinct from inclusion on the List of Chinese Military Industrial Complex Companies ("**CMICs**") maintained by the U.S. Treasury Department's Office of Foreign Assets Control pursuant to Executive Order 13959, as amended by Executive Order 14032. U.S. persons are prohibited from purchasing or selling publicly traded securities of listed CMIC entities or publicly traded securities that are derivative of or provide investment exposure to such securities. Although we are not currently impacted by the prohibitions of the CMIC sanctions program, a number of Chinese telecommunications companies have been designated as CMICs pursuant to Executive Order 14032. Pursuant to Executive Order 14032, the U.S. government has significant discretion to make or revise such designations, and if it were to do so, this could have a material adverse impact on a broader range of companies, which could potentially include us.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade restrictions may materially and adversely affect our business, financial condition and results of operations.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and restrictions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labour conditions, increased duties, taxes and other costs and political instability. The recent political tensions between the United States and China have escalated.

The United States has taken efforts to limit U.S. investment in China. On 28 October 2024, the U.S. Treasury Department issued a final rule (the Outbound Investment Rule) implementing Executive Order 14105 and creating a regime restricting investment by U.S. persons in targeted sectors in "countries of concern" (currently limited to China). On 21 February 2025, the White House released the "America First Investment Policy" memorandum, which outlined several initiatives to restrict investments involving China. On 18 December 2025, the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") was enacted as part of the 2026 National Defense Authorization Act. The COINS Act requires the Treasury Department to make certain changes to the Outbound Investment Rule, with implementing regulations required within 450 days of enactment.

The U.S government has also adopted various export controls targeting China-based companies. In October 2022, the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") released a series of export control measures on China, including new regulations restricting the export to China of advanced computing chips, advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors, and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. In October 2023, BIS released additional rules that became effective in November 2023, expanding and strengthening export control measures to further restrict China's access to advanced computing chips and semiconductor manufacturing equipment. These measures also restrict the ability of U.S. persons to provide "support" for semiconductor manufacturing and related activities in China and may seriously affect the ability of Chinese companies to purchase or obtain certain semiconductor manufacturing equipment or advanced chips. In January 2025, BIS released an interim final rule that established licensing requirements for the export of advanced computing integrated circuits that facilitate advanced AI research and development, as well as certain AI model technology; however, BIS announced in May 2025 that it would no longer enforce and intended to rescind and replace this rule, and BIS has since adopted more permissive licensing policies for exports of certain advanced computer chips to China, though significant restrictions remain in place. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the United States in the future, may impose restrictions on our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. For example, export control restrictions on high-end hardware, graphics processing units, and cloud-computing infrastructure could negatively affect our AI model capabilities, slow down R&D cycles, or inflate the capital expenditures required to acquire alternative infrastructure.

Since February 2025, the U.S. government has imposed a number of different tariffs on Chinese imports under several different legal authorities, some of which apply broadly to all Chinese imports and others of which are product- or industry-specific. In response, China imposed retaliatory tariffs on U.S. imports and other countermeasures. Currently, consistent with the Joint Statement on China-US Economic and Trade Meeting in Geneva issued on 12 May 2025 and subsequent discussions, certain of the tariffs and countermeasures have been suspended at least through 10 November 2026. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no assurance as to whether the United States will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. Additionally, certain of the U.S. tariffs have been found to be unlawful by the U.S. Supreme Court and others are subject to ongoing legal challenges; collectively, these legal proceedings create further uncertainty as to whether the tariffs will remain in place or may be removed or modified. Changes to national trade or investment policies, treaties and tariffs or fluctuations in exchange rates could adversely affect the financial and economic conditions in the jurisdictions in which we operate, which may in turn affect our financial condition and results of operations.

China has also issued regulations to give itself the ability to unilaterally nullify the effects of certain foreign restrictions that are deemed to be unjustified to Chinese individuals and entities. The Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures, promulgated by the MOFCOM on 9 January 2021, provide that, among other things, Chinese individuals or entities are required to report to the MOFCOM within 30 days if they are prohibited or restricted from engaging in normal business activities with third-party countries or their nationals or entities due to non-Chinese laws or measures; and the MOFCOM, following the decision of the relevant Chinese authorities, may issue prohibition orders contravening such non-Chinese laws or measures. Furthermore, on 10 June 2021, the Standing Committee of the National People's Congress ("**SCNPC**") promulgated the Anti-foreign Sanctions Law. The Anti-foreign Sanctions Law prohibits any organisation or individual from implementing or providing assistance in implementation of discriminatory restrictive measures taken by any foreign state against the citizens or organisations of China. In addition, all organisations and individuals in China are required to implement the retaliatory measures taken by relevant departments of the State Council of the PRC. In March 2025, the State Council issued the Regulations on the Implementation of the Anti-foreign Sanctions Law, which further refines the enforcement mechanisms and expands the scope of available countermeasures. Since 2024, Chinese authorities have significantly increased anti-sanctions enforcement activities, including designating a growing number of foreign entities to the Unreliable Entity List and the Countermeasures List. In addition, in recent years, China has introduced a series of regulatory measures targeting the import and use of U.S.-origin AI-related chips, particularly in response to escalating U.S. export controls on advanced semiconductors. For example, in May 2023, the CAC announced that products from U.S. memory chipmaker Micron Technology had failed a cybersecurity review due to possessing serious network security risks. The products would be banned from use in China's critical information infrastructure. In April 2024, Chinese authorities ordered major state-owned telecommunications companies to phase out foreign-made chips, including those from Intel and AMD, from core network infrastructure by 2027.

Rising political tensions between the United States and China could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets.

We rely on a number of third parties to provide us with content, various services and technologies. Any disruption in the provision of this third-party content or these services or technologies could materially and adversely affect our business, future results of operations and prospects.

One of our principal strengths is our ability to create a distinct online community through our services and content. We rely on a number of third parties to create traffic and provide content in order to make our products and services more attractive to consumers and advertisers, through which we may sustain and grow our online community. Third parties that provide content for our websites and services include both commercial content providers with which we have contractual relationships and our registered community members who post articles and other content on our products. If these third parties fail to develop and maintain high-quality content, our websites or other open platform offerings could lose users and advertisers. Most of our contractual arrangements with third-party content providers are not exclusive and are short-term, or may be terminated at any time for any reason by either party. There can be no assurance that our existing relationships with third-party content providers, if maintained, will result in sustainable business partnerships, successful service offerings, an acceptable level of traffic on our websites or revenue, or will not be terminated. Also, a majority of this third-party content is also available from other sources or may be provided to other Internet, SNS or other social media companies. If other Internet, SNS or other social media companies present the same or similar content in a superior manner, this could reduce our visitor traffic, which could have a material and adverse effect on our business, future results of operations and prospects.

In addition, our business also depends upon services provided by, and relationships with, third-party service and technology providers such as advertising agencies that represent advertisers, game developers, online payment vendors and other content providers. We generally do not have long-term cooperation agreements or exclusive arrangements with these third parties and they may elect to direct business opportunities to our competitors. With respect to game developers, we have revenue sharing arrangements that require periodic renewals. If we fail to retain and enhance our business relationships with these third parties, or renew our business arrangements with these third parties on the same or more favorable terms to us, our business, future results of operations and prospects may be materially and adversely affected.

We face uncertainties regarding the legal liability for providing third-party services, products, content and applications on our platforms.

A number of third-party services, products, content and applications have been, and will continue to be, provided on or through our platforms through commercial cooperation agreements we entered into with third parties. It is also possible that third parties may engage in illegal, obscene or incendiary conversations or activities that may be deemed unlawful under PRC laws and regulations on our platform. In addition, our users may generate and display content on our platforms which may involve illegal, obscene or incendiary conversations or activities. If any content on our platform is deemed illegal, obscene or incendiary, or if appropriate licences and third-party consents of such services, products, content and applications as required have not been obtained, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of such objectionable information. Although such commercial agreements provide general contractual provisions to limit or exclude our legal liabilities, we cannot assure you that we may not incur any liability caused by providing these third-party services, products, content or applications on our platforms if they are found to be in breach of the relevant rules and regulations in China or any intellectual property rights, especially in light of the fact that the current PRC laws remain uncertain regarding our liability in connection with any third-party content and applications. The Regulations on Network Information Protection (as defined below) require Internet operators to supervise and manage these third-party services with respect to collection and use of user information so as to ensure information security and privacy. The Civil Code of the PRC (中華人民共和國民法典) (the "**Civil Code**"), promulgated in 2020 and replacing certain laws including the Tort Law of the PRC (中華人民共和國侵權責任法), has further elaborated the circumstances where Internet operators may be found liable for the infringement conducted by third parties using network services provided by the Internet operators. Furthermore, the Network Data Security Management Regulation (網絡數據安全管理條例), effective from 1 January 2025, further reinforces the obligations of online platform operators to supervise and manage data processing activities carried out by users and third parties on their platforms. However, the allocation of liabilities between Internet operators and such third-party service providers is subject to legal uncertainty. Any regulatory actions or liability incurred by these third parties may disrupt our business and cause damage to our reputation.

We have been and may continue to be exposed to liability for copyright or trademark infringement and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through or published or posted on our platform. Defense of any such actions could be costly and involve significant time and attention of our management and other resources. In addition, if we are found to have not adequately monitored the content on our platform, PRC authorities may impose legal and administrative sanctions on us, including, in serious cases, suspending or revoking the licences necessary to operate our platform, which could have a material and adverse effect on our business, future results of operations and prospects.

Unauthorised use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business, future results of operations and prospects.

We regard our intellectual property rights, including our patents, trademarks and content copyrights, as critical to our success. We seek to protect our intellectual property rights by relying on a combination of patent, copyright and trademark protection and contract laws. Despite our precautions, it may be possible for third parties to use such intellectual property without authorisation. The validity, enforceability and scope of protection of intellectual property in Internet-related industries are uncertain and still evolving in China and protection and enforcement of our intellectual property rights may not be as effective as in other countries with established legal regimes. Moreover, policing and enforcing against unauthorised use of proprietary technologies are difficult and expensive. Any unauthorised use of our intellectual property could have a material and adverse impact on our business and results of operations. From time to time, we have, and may have to resort to, litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of resources.

We are subject to intellectual property rights laws in a number of jurisdictions and have been involved in lawsuits or other legal proceedings in such jurisdictions from time to time.

As a leading integrated Internet services company operating a broad range of Internet services, such as games, digital content and marketing services, we may face liability for defamation, negligence, copyright, misappropriation, patent or trademark infringement or other intellectual property rights violations of third parties. We have been involved and may continue to be involved in intellectual infringement disputes, lawsuits and other legal proceedings. Intellectual property claims and litigations are expensive and time-consuming to investigate and defend, and may divert resources and management attention from the operation of our business. If determined adversely against us, our business may be materially interrupted. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our websites to reduce the risk of future liability, could also have a material and adverse effect on our business, future results of operations and prospects.

We may receive notices of claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement claims arising from our use of technology, content offered on our Internet portals, internally developed games or merchandise and services sold on our eCommerce platforms. We could also be subject to claims based upon content that is accessible on our websites or through our services, such as content and materials posted by users on message boards, online communities, voting systems, email or Internet groups. On 17 December 2012, the Supreme People's Court of the PRC promulgated a judicial interpretation, namely, the Provisions of the Supreme People's Court of the PRC on Several Issues concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Dissemination on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which was amended by the Supreme People's Court of the PRC on 29 December 2020. This judicial interpretation regulates dissemination of infringing materials through the Internet. This judicial interpretation, like certain court rulings and certain other judicial interpretations, provides that the courts will place the burden on Internet service providers to remove not only links or content that have been specifically mentioned in the notices of infringement from right holders, but also links or content Internet service providers "should have known" to contain infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any content made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights. The provisions under this interpretation are also consistent with requirements under other PRC laws and regulations, including the Civil Code. This interpretation, as well as other PRC laws, regulations and judicial interpretations, could subject us and other Internet service providers to significant administrative burdens and litigation risks.

With respect to games and applications developed by third parties, we have procedures designed to reduce the likelihood of infringement. However, such procedures might not be effective in preventing third-party games and applications from infringing other parties' rights.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies. As a result, there could be material and adverse effects on our business, future results of operations and prospects.

In China, the valid periods for utility model patent rights, design patent rights and invention patent rights are 10 years, 15 years and 20 years, respectively. None of such patent rights are extendable. Currently, we have been granted patents and have patent applications pending in China, but we cannot assure you that we will be granted patents pursuant to our pending applications. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future. When our existing patents expire, we will lose any proprietary protection or competitive advantages they originally provided to us and we may face increased competition. The rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Further, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others will bar us from licensing and from exploiting any patents that issue from our pending applications. Issued patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

We depend on our key personnel, and our business and growth prospects may be severely disrupted if we lose their services.

Our success depends on the continuous effort and services of our current executive team and other key personnel, and we rely on their expertise in business operations, including the development of new VAS and products and maintenance of our relationships with other strategic partners. If one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to easily replace them and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business. Our present and future success will continue to depend on our ability to attract and retain highly skilled technical, managerial, editorial, marketing and customer service personnel. There is no assurance that we may be able to successfully attract, assimilate or retain the personnel we need to succeed. As competition for talent in the technology industry intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel. If we are unable to attract additional highly skilled personnel or retain or motivate our existing personnel, we may not be able to grow effectively.

Legal proceedings or allegations of impropriety against us or our key personnel could have a material and adverse impact on our reputation, results of operations and financial condition.

From time to time, we have been, and may be in the future, involved in lawsuits or subject to allegations brought by our competitors, individuals or other entities against us or our key personnel, including claims of unfair, unethical or otherwise inappropriate business practices. See "*Business — Legal Proceedings*". Any such lawsuit or allegation, with or without merit, or any perceived unfair, unethical or inappropriate business practice by us could generate negative publicity about us, harm our reputation and divert resources and management attention from the operation of our business. We cannot assure you that we will not be involved in lawsuits or subject to allegations of a similar nature

in the future. In addition, we could incur substantial costs, divert the attention of our management in dealing with these claims, and suffer reputational damage, even if we are successful in our defense or counterclaims, which could have a material and adverse effect on our business, future results of operations and prospects.

Online communications among our users may lead to adverse moral, emotional or physical consequences, which may damage our reputation, lead to litigation or government investigation and have a material and adverse effect on our business, future results of operations and prospects.

Our users engage in highly personalised exchanges over our platforms. Users who have met online through our services may become involved in emotionally charged situations and could suffer adverse moral, emotional or physical consequences. Such occurrences could be highly publicised and have a significant negative impact on our reputation. Users who have suffered such adverse consequences may bring litigation against us to claim compensation in such events. Government authorities may also require us to discontinue or restrict those services that have led, or may lead, to such events. As a result, our business, future results of operations and prospects could be materially and adversely affected.

Undetected programming errors or defects in our products or unauthorised use of our products could harm our reputation and increase user dissatisfaction, which could materially and adversely affect our business, future results of operations and prospects.

Our products may contain undetected programming errors or other defects. In addition, parties unrelated to us may use our products in unauthorised or unintended ways, such as online cheating programmes that enable users to acquire superior features for our games that they would not have otherwise. Certain cheating software programmes created independently by parties unrelated to us could allow users to eliminate superior features for our games that have been acquired by other users or otherwise affect the fairness of the game environment for our games. The occurrence of undetected errors or defects in our products, and our failure to discover and disable unauthorised or unintended uses, could disrupt our operations, damage our reputation and detract from our products' user experience. As a result, such errors, defects and cheating programmes could materially and adversely affect our business, future results of operations and prospects.

Unexpected network interruptions caused by system failures, security breaches, malware or computer or mobile device system viruses may disrupt our business operations, harm our reputation, and may require us to expend significant capital and other resources to protect our websites.

We may experience unexpected system interruptions and delays (including those caused by natural disasters such as earthquakes and floods) or security breaches, which may expose us or our users to a risk of loss or misuse of user information, prevent us from efficiently providing services or efficiently fulfilling orders or cause significant harm to our user relations and reputation and our ability to attract and maintain users and advertisers. We may be required to expend significant capital and other resources to protect our websites against the threat of computer viruses and hackers and to alleviate any problems caused by them. There is no assurance that these measures will be adequate and prevent potential future attacks. In addition, any security breach caused by hacking, which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could have a material and adverse effect on our business, future results of operations and prospects.

We maintain a distributed server network architecture hosting servers across China. We have limited backup systems and have experienced system failures and electrical outages from time to time in the past, which have disrupted our operations. Although we have a certain number of disaster recovery plans in place in the event of damage from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events and will continue to

develop additional plans, our existing backup systems and disaster recovery plans may not be effective for such events. If any of the foregoing occurs, we may experience system failures and electrical outages, which could have a material and adverse effect on our business, future results of operations and prospects.

Our users may use our products or services for critical transactions and communications, especially business communications. As a result, any system failures could result in damages to such users' businesses. These users may seek significant compensation from us for their losses. We could incur substantial costs and divert the attention of our management in defending ourselves against these claims even if we are successful in such defense.

Failure of information security could subject us to penalties, damage our reputation and brand, and harm our business, future results of operations and prospects.

The Internet and mobile industries are facing significant challenges regarding information security and privacy, including the storage, transmission and sharing of confidential information. We transmit and store over our systems confidential and private information of our users, customers, distributors and partners, such as personal information, including names, user IDs and passwords, and payment or transaction related information. We are required by PRC laws to ensure the confidentiality, integrity, availability and authenticity of the information of our users, customers, distributors and partners, which is also essential to maintain their confidence in our online products and services. In addition, we are subject to a number of international information security regulations.

We have adopted strict information security policies and deployed advanced measures to implement the policies, including, among others, encryption technologies. However, advances in technology, increased level of sophistication and diversity of our products and services, increased level of expertise of hackers, new discoveries in the field of cryptography or others could still result in a compromise or breach of the measures that we use. We have experienced and may continue to experience security breaches and hacking attacks. The Internet service providers are required to take measures to ensure confidentiality of information of users by relevant PRC laws and regulations. The Cyber Security Law and the Civil Code also require the Internet operators to take necessary technical measures or other measures to protect personal data. Particularly, for the operators of crucial information infrastructure, personal data and crucial data should be stored in the territory of China, under circumstances that such data need to be provided to overseas parties due to business requirements, a security assessment shall be conducted before the transmission of the data. However, the effect of these new laws and regulations on curbing hacking and other illegal online activities still remains to be seen.

In recent years, the PRC government has tightened the regulation of cybersecurity and data protection. According to the institutional reform plan of the State Council approved by the National People's Congress on 10 March 2023, the National Data Bureau has been established under the administration of the NDRC on 25 October 2023. The National Data Bureau is responsible for, among other things, advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources and promoting the digitalisation of China's economy and society. A series of cybersecurity and data protection related laws and regulations have been adopted in recent years, including the PRC Data Security Law (中華人民共和國數據安全法) which took effect on 1 September 2021, the PRC Personal Information Protection Law (中華人民共和國個人信息保護法) which took effect on 1 November 2021, the Cybersecurity Review Measures (網絡安全審查辦法) which became effective on 15 February 2022, the Security Assessment Measures for Outbound Data Transfers (數據出境安全評估辦法) which took effect on 1 September 2022, the Provisions on Promoting and Regulating the Cross-Border Flow of Data (促進和規範數據跨境流動規定) which was issued on 22 March 2024, and the Regulations on Network Data Security Administration (網絡數據安全管理條例) which took effect on 1 January 2025. The Cyber Security Law (中華人民共和國網絡安全法), formulated in 2016 as a fundamental legal framework in the field of cybersecurity, was amended on 28 October 2025 and such amendment took effect on 1 January

2026. On 11 September 2025, the CAC announced the Administrative Measures for the Reporting of National Cybersecurity Incidents (國家網絡安全事件報告管理辦法) (the "**Cybersecurity Incidents Reporting Measures**"), which became effective on 1 November 2025 and provides that network operators that build or operate networks or provide services through networks within the territory of the PRC shall report incidents that endanger cybersecurity. These new laws and regulations have established China's current regulatory system for cybersecurity and data protection related matters, including data classification, personal information protection, cybersecurity review and outbound data transfer. Since these laws and regulations are relatively new, uncertainties still exist in relation to their interpretation and implementation. Any future change in laws and regulations relating to cybersecurity and data protection could affect our compliance and operating costs in providing our products and services and results of operation.

Significant capital, managerial and human resources are required to comply with legal requirements, enhance information security and to address any issues caused by security failures. If we are unable to protect our systems or the information stored in our systems from unauthorised access, use, disclosure, disruption, modification or destruction, such problems or security breaches could cause loss or give rise to our liabilities to the owners of confidential information, such as our users, customers, distributors and partners, subject us to penalties imposed by administrative authorities and disrupt our operations. This will become more difficult as we continue to grow the number and scale of our cloud-based offerings and store and process increasingly large amounts of information in an environment increasingly hostile to information security. Any negative publicity on the safety or privacy protection mechanism and policy of our websites or mobile or platform services could also have a material and adverse effect on reputation and brand and harm our business, future results of operations and prospects.

We could be liable for fraudulent or unlawful activities of sellers and users.

Our online payments services are susceptible to potentially illegal or improper use, including fraudulent sales of goods or services, illicit sales of controlled substances, restricted or unlawful items, piracy of software, movies, music and other copyrighted or trademarked goods, money laundering, terrorist financing, bank fraud, child pornography, drug trafficking, online securities fraud, identity theft and encouraging, promoting, facilitating or instructing others to engage in illegal activities. Although we have implemented policies to restrict these activities on our platforms, we may not be able to prevent all such misuse by our users. Excessive misuse of our services by users could result in fines, the suspension of our services or reputational harm. We may be subject to claims from customers that merchants have not performed or that their goods or services do not match the merchant's description, whether those arise from merchant fraud or from an unintentional failure to perform by the merchant. While we are indemnified by our partners, we may not be able to recover in full if our partners are unwilling or unable to pay. We may also be subject to claims from users for unauthorised purchases. Negative publicity and customer sentiment generated as a result of fraudulent or deceptive conduct through our online payments services and transactions could damage our reputation, reduce our ability to attract new users or retain existing users and adversely impact our brands. Any costs incurred as a result of potential liability relating to the alleged or actual sale of unlawful goods or the unlawful sale of goods could harm our business. In addition, governmental agencies could require us to modify our business practices and discontinue or restrict our services.

We are subject to complex and evolving laws and regulations regarding privacy, data protection and cybersecurity.

We are subject to privacy, data protection and cybersecurity regulations from a number of jurisdictions. From time to time, concerns have been expressed about whether our products, services or processes compromise the privacy of users and others. Concerns about our practices with regard to the collection, use, disclosure or security of personal information or other privacy related matters, even if unfounded, could damage our reputation and adversely affect our operating results.

Regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. In addition, the interpretation and application of consumer and data protection laws in the Chinese Mainland, United States, Europe and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and could have a material and adverse effect on our business, future results of operations and prospects.

We may become the target of anti-monopoly and unfair competition claims, which may result in our being subject to fines as well as constraints on our business.

The PRC anti-monopoly regulators have in recent years strengthened enforcement under the anti-monopoly and competition laws and regulations. In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the departments under the NDRC, the SAIC and the MOFCOM. In November 2021, the National Anti-Monopoly Bureau was inaugurated by the State Council, which aims to further implement the fair competition policies and strengthen anti-monopoly supervision in the PRC, especially to strengthen oversight and law enforcement in areas involving the platform economy, innovation, science and technology, information security and people's livelihoods.

The PRC Anti-Monopoly Law (中華人民共和國反壟斷法) (the "**Anti-Monopoly Law**"), which was issued on 30 August 2007 and took effect on 1 August 2008, and most recently amended on 24 June 2022 by the SCNPC provides the regulatory framework for the PRC anti-monopoly. Under the Anti-Monopoly Law, the prohibited monopolistic acts include monopolistic agreements, abuse of a dominant market position and concentration of businesses that may have the effect to eliminate or restrict competition. The Anti-Monopoly Law stipulates that even where a concentration of undertakings does not meet the notification thresholds as required by the State Council, the anti-monopoly enforcement agency may order the operators to file the concentration of undertakings if there is evidence that the concentration of undertakings has or may have the effect of eliminating or restricting competition. In addition, if operators fail to notify the concentration of undertakings which has or may have the effect of eliminating or restricting competition, the anti-monopoly enforcement agency may impose orders on such operators including suspension of implementation of concentration, disposal or transfer of shares, assets and/or business within a prescribed time frame, or take other necessary measures to restore to the state before the concentration, and impose a fine of up to 10% of the sales revenue in the previous year. To the extent that any operator fails to make requisite filings of any concentration in a timely manner which does not have the effect of eliminating or restricting competition, a fine of up to RMB5,000,000 may still be imposed on such operators.

In addition, the Anti-Monopoly Law provides a private right of action for stakeholders to bring anti-monopoly claims against companies. In recent years, an increasing number of stakeholders have been exercising their right to seek relief under the Anti-Monopoly Law. As public awareness of rights under the Anti-Monopoly Law increases, more stakeholders may seek remedies under the law to improve their competitive position, regardless of the merits of their claims.

The PRC anti-monopoly regulators may also issue implementation rules or guidelines from time to time to reinforce their regulation, including among others, the Anti-Monopoly Compliance Guideline for Operators (經營者反壟斷合規指南), which was issued by the Anti-Monopoly Committee of State Council on 11 September 2020 and amended on 25 April 2024.

On 7 February 2021, the Anti-Monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines on the Platform Economy (國務院反壟斷委員會關於平台經濟領域的反壟斷指南) (the "**Platform Economy Anti-Monopoly Guidelines**"). The Platform Economy Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of Internet platforms in order to protect market competition and safeguard interests of users and undertakings

participating in Internet platform economy, including but not limited to prohibiting platforms with dominant positions from abusing their market dominance (such as using big data and analytics to discriminate customers in terms of pricing and other transactional conditions, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interfaces, favorable positioning in search results of goods displays, using bundle services to sell services or products, compulsory collection of unnecessary user data). In addition, the Platform Economy Anti-Monopoly Guidelines for Internet Platforms also reinforces antitrust merger review for transactions related to Internet platforms in order to safeguard market competition. Furthermore, on 28 January 2026, the SAMR issued the Anti-Monopoly Compliance Guidelines for Internet Platforms (互聯網平台反壟斷合規指引) (the "**Internet Platforms Anti-Monopoly Guidelines**"), which became effective on the same date. The Internet Platforms Anti-Monopoly Guidelines require platform operators to strengthen anti-monopoly compliance management. The Internet Platforms Anti-Monopoly Guidelines restated that internet platform operators are prohibited from using data, algorithms, technology, capital advantages, platform rules or other means to engage in monopolistic conduct prohibited under the Anti-Monopoly Law, entering into monopolistic agreements, abusing a dominant market position and organising or providing substantial assistance to other operators in reaching monopolistic agreements. In addition, platforms with significant market share or market power are encouraged to assess periodically whether they may be deemed to hold a dominant market position. Whilst we will continue to enhance our antitrust compliance system in accordance with the applicable laws and guidelines, we cannot estimate the impact it may have on our business operations.

On 10 March 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings (經營者集中審查規定), the Provisions on the Prohibition of Monopoly Agreements (禁止壟斷協議規定), the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions (禁止濫用市場支配地位行為規定), and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition (制止濫用行政權力排除、限制競爭行為規定), all of which took effect on 15 April 2023. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimised the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. In addition, the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (關於經營者集中申報標準的規定) issued by the State Council in 2008, with its latest amendment on 22 January 2024, further adjusts the filing threshold for concentration of undertaking as, during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year.

To our knowledge, a certain number of PRC Internet companies have adopted Variable Interest Entity Structure ("**VIE structure**"), but there have been few precedents where Internet companies with a VIE structure were investigated for being involved in the concentrations of undertakings until recently. It has been long debated whether transactions involving Internet companies with a VIE structure are subject to prior filing of notification requirements. Due to such regulatory history in the industry and as a matter of common industry practice in the past, we did not notify concentrations of undertakings with the relevant authorities. In April 2020, the SAMR published a case of concentration of undertaking where a VIE structure was involved (such case was concluded and approved unconditionally in July 2020). In November 2020, the Draft Platform Economy Anti-Monopoly Guidelines (關於平台經濟領域的反壟斷指南(徵求意見稿)) also, for the first time, expressly stipulates that concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered. Furthermore, in December 2020, SAMR has, for the first time, formally penalised three Internet companies with a VIE structure for failure to notify the implementation of concentrations. Hence, since 2020, SAMR has been reviewing historical non-filing cases of concentrations of undertakings of Internet companies with a VIE structure, and any

gun-jumping cases may be investigated and penalised. The Platform Economy Anti-Monopoly Guidelines which was officially promulgated on 7 February 2021 also confirmed that the concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered.

We may receive intensive scrutiny from government agencies under the Anti-Monopoly Law and may be subject to the law, regulations and guidelines in connection with our business practices, investments and acquisitions. Any anti-monopoly lawsuit or administrative proceeding initiated against us may result in our being subject to profit disgorgement, heavy fines and various constraints on our business, or result in negative publicity which could harm our reputation. We have received penalties from the SAMR in the past few years related to gun-jumping cases in connection with our previous acquisitions; for example, in March 2021 and in December 2020, each of us and one of our subsidiaries, *China Literature,* received from the SAMR an official notice of imposition of a fine of RMB500,000, respectively, due to the foregoing reason. There remains a possibility that we or any of our subsidiaries may be subject to more penalties in the future and our ability to implement strategic acquisitions may be affected. These constraints could include forced termination of any anti-competitive agreements or arrangements that are determined to be in violation of anti-monopoly laws, divestitures and rectifications of certain business practices, which may limit our ability to innovate and thereby increase our operating costs. For example, in July 2021, SAMR issued a decision that required each of us and one of our subsidiaries, Tencent Music Entertainment Group, to terminate exclusive music copyright licensing arrangements and submit an annual compliance report to SAMR. Moreover, the merger control regulation enforced by SAMR may limit our investment ability. For example, in July 2021, SAMR announced its decision to block the proposed merger between a non wholly-owned subsidiary of the Company, HUYA Inc., and one of our investee companies, DouYu International Holdings Limited. These types of constraints could result in more uncertainties and regulatory challenges to our business practice.

Failure to comply with the terms of our indebtedness could result in acceleration of indebtedness, which could have an adverse effect on our cash flow and liquidity.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable under the Programme comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes. See "*Description of Other Material Indebtedness*". Under the terms of our current indebtedness and any debt financing arrangement that we may enter into in the future, we are, and may be in the future, subject to financial and other covenants that could, among other things, restrict our business and operations. If we breach any of these covenants, including by failing to maintain certain financial ratios, our lenders or noteholders will be entitled to accelerate our debt obligations. Any default under our indebtedness could potentially require us to repay these loans or redeem the notes prior to maturity as well as limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity.

We are subject to interest rate risk in connection with our indebtedness.

We are exposed to interest rate risk related to our indebtedness. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. Although we regularly monitor our interest rate risk to identify if

there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risks by using interest rate swaps, when necessary, we cannot guarantee the fluctuation of interest rates will not materially impact our financing costs, which in turn may have a material adverse effect on our cash flow and liquidity.

We may need additional capital but may not be able to obtain it.

We may require additional cash resources due to future growth and developments of our business, including any investments or acquisitions we may decide to pursue, any repurchase of shares or any repurchase or redemption of bonds we may decide to conduct from time to time, or for other business changes. If cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, the liquidity of international capital and lending markets, PRC governmental regulations over foreign investment and the technology industry in China. In addition, incurring indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, if at all.

If we are unable to raise additional funds on terms favourable to us, or at all, this could have a material and adverse effect on our business, financial condition and results of operations. For example, we may not be able to carry out parts of our growth strategy or invest in technologies necessary to maintain our growth and competitiveness.

We have limited business insurance coverage.

Insurance companies in the Chinese Mainland offer limited business insurance products. As a result, although we have insurance for property damage, we do not have any product liability, business liability or disruption insurance coverage for our operations in the Chinese Mainland, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business and reputation. Any business disruption, litigation or natural disaster could expose us to substantial costs and diversion of resources.

We face risks relating to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our business, financial condition and results of operations.

The occurrence of a natural disaster or an outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. Health epidemics or fear of spread of contagious diseases, such as the outbreak of Ebola virus disease ("**EVD**"), coronavirus disease 2019 ("**COVID-19**"), Middle East respiratory syndrome ("**MERS**"), severe acute respiratory syndrome ("**SARS**"), H1N1 flu, H7N9 flu, and avian flu could cause a temporary closure of facilities we operate, affect the health of our employees and their work efficiency, and impact our users, merchants and business partners.

The laws and regulations governing the Internet and telecommunications and other related industries in China are developing and subject to future changes. If we fail to adhere to applicable regulations, or if we fail to obtain or maintain all applicable permits and approvals, our business, future results of operations and prospects could be materially and adversely affected.

The Internet and telecommunications and other related industries in China are highly regulated by the PRC government. See "*General Regulation on Internet and Telecommunications Industries*". Various regulatory authorities of the PRC government, including, but not limited to, State Council, the Cyberspace Administration of China ("**CAC**"), MIIT, SAMR, Ministry of Culture and Tourism ("**MOCT**"), National Radio and Television Administration ("**NRTA**"), Publicity Department of the

Central Committee of the Communist Party of China ("**Publicity Department of the CCCPC**"), the MOFCOM and the Ministry of Public Security ("**MPS**"), are empowered to promulgate and implement regulations governing various aspects of the Internet and telecommunications and other related industries and we are thus required to obtain applicable licences, permits and approvals from a number of these regulatory authorities in order to conduct our business. Although we have obtained the licences essential to operating our business, these licences are subject to periodical government review. For example, the periodic renewal applications of a few of our licences are currently being reviewed by the government. Although we do not expect any obstacles for their renewals, we cannot assure you that such renewals will be successfully obtained.

As the Internet and telecommunications and other related industries mature, the PRC government authorities are likely to continue to issue new regulations governing these industries and hence require new and additional licences, permits and approvals. While in recent years the PRC government has implemented pilot programs to ease foreign investment restrictions in certain value-added telecommunications services in designated areas, regulatory requirements and compliance obligations continue to evolve. As we further develop and expand our product and services offerings and functions, including new services and products, we and our users may in the future become subject to additional or new regulations (such as stricter regulations relating to content publication, user identity, privacy, consumer and data protection, artificial intelligence services and the provision of online payment services), and we may also need to obtain additional qualifications, permits, approvals or licences. There is no assurance that we can obtain and renew those licences, permits and approvals in a timely or cost-effective manner. Failure to obtain them could materially and adversely affect our business, future results of operations and prospects.

The PRC government has promulgated a series of rules, regulations and policies that may have negative impact on the online game industry, and we cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future.

The online game industry is highly regulated in China. The PRC government has adopted a series of rules, regulations and policies to monitor and control the online game industry in response to, among other things, perceived addiction to online games and its perceived negative social effects, particularly for minors.

On 25 October 2019, the NPPA issued the Notice on Preventing Minors from Addiction to Online Games (關於防止未成年人沉迷網絡遊戲的通知) (the "**Addiction Prevention Notice**") which came into effect on 1 November 2019. The Addiction Prevention Notice requires online game operators to establish and implement real-name registration system for users and not provide any game services for users not completing real-name registration from 1 November 2019, and online game enterprises must require all their existing users to complete real-name registration and stop providing game services for users who have not completed real name registration within two months after the Addiction Prevention Notice took effect. In addition, period and length of time for playing online games by minors are strictly controlled. Online game operators are not permitted to provide game services for minor users from 22:00 to 8:00 and the length of time for playing online games by minors shall not exceed three hours on each statutory holiday and 1.5 hours on each working day. The Addiction Prevention Notice also regulates for-charge services provided by online game operators to minors, e.g., online game operators shall not provide for-charge service to minors under the age of eight; the recharge amount shall not exceed RMB50 once and RMB200 every month by game users who have reached the age of eight but not the age of 16, and not exceed RMB100 once and RMB400 every month by minors who have reached the age of 16, etc.

On 30 August 2021, the NPPA promulgated the Notice of Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games (國家新聞出版署關於進一步嚴格管理切實防止未成年人沉迷網絡遊戲的通知) (the "**Further Addiction Prevention Notice**"), which came into effect on 1 September 2021. Compared to the Addiction Prevention Notice, the Further Addiction Prevention Notice imposes stricter time limits for playing online games by minors

(individuals under the age of 18), which requires all online game operators can only provide game services to minors (under the age of 18) from 20:00 to 21:00 on each Friday, Saturday, Sunday and statutory holiday. This Further Addiction Prevention Notice also requires that all the online games must be connected to the real-name registration and game addiction prevention system, emphasising the requirements that online game operators shall strictly implement the real-name registration system for users and shall not provide game services in any form to users not registering and logging in without real-name authentication. On 20 October 2021, the Ministry of Education, the Publicity Department of the CCCPC, the CAC, the MIIT, the MPS and the SAMR jointly issued the Notice on Strengthening the Management of Preventing Primary and Middle School Students from Indulging in Online Games (教育部辦公廳等六部門關於進一步加強預防中小學生沉迷網絡遊戲管理工作的通知) (the "**Addiction Prevention Management Notice**"), which became effective on the same day, providing substantially the same requirements as the Further Addiction Prevention Notice. For example, the Addiction Prevention Management Notice addresses the requirement of pre-approval for online games operation. This Addiction Prevention Management Notice also emphasises online game operators are banned from providing game services in any form to minors under the age of 18 unless in the permitted time slots stipulated in the Further Addiction Prevention Notice. On 16 October 2023, the State Council promulgated the Regulations on the Online Protection of Minors (未成年人網絡保護條例) (the "**Minor Protection Regulations**"), which came into effect on 1 January 2024. The Minor Protection Regulations set out in detail the responsibilities of the online platforms, online product or service providers, personal information processors and manufacturers and sellers of smart terminal products. If we fail to comply with the requirements under the Minor Protection Regulations, the competent authorities can order us to make rectifications, issue a warning and confiscate the illegal gains, as well as impose monetary fines. If we refuse to make rectifications or the circumstances are serious, we may be ordered to suspend our relevant business, cease our business for rectification, close our website or revoke our relevant permits or business licence. The responsible managerial personnel and other directly liable staff could be subject to monetary fines.

On 22 December 2023, the NPPA released for public comment the Measures for the Administration of Online Games (Draft for Comments) (網絡遊戲管理辦法(草案徵求意見稿)) (the "**Online Games Measures Draft**"). According to the Online Games Measures Draft, the publishing authority is responsible for the supervision and management of online game publishing and operating activities. The Online Games Measures Draft sets forth provisions on the establishment, administration and supervision of online game publication and operation entities, restrictions on the excessive use and high consumption of games, protection of minors, etc., which further regulates activities concerning publication and operation of online games. The release of the Online Games Measures Draft caused significant market volatility, resulting in a sharp decline in the share prices of major gaming companies. Although the formal adoption of the Online Games Measures Draft has not yet occurred, there remains substantial uncertainties as to how and when the measures will be enacted, interpreted or implemented and how they will affect our operations. If there are any new supervision requirements in the future for the distribution and operation of online games, there is no assurance that we can meet all such supervision requirements in a timely or cost-effective manner. Failure to comply with the supervision requirements could materially and adversely affect our business, future results of operations and prospects.

We cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future, particularly during periods when public opinion does not favor online games. Such rules, regulations and policies could significantly reduce our revenue and materially and adversely affect our business, future results of operations and prospects.

Any administrative changes in regulatory government authorities may impact market conditions which could in turn affect our results of operations.

Our operations of online games are subject to the supervision and administration of multiple government authorities in China. Any administrative changes in regulatory government authorities may also impact market conditions which could in turn affect our results of operations. In early 2018, the responsibilities of the SAPPRFT, being the government authority responsible for pre-approval of online games, in respect of administration of press and publication were transferred to the Publicity Department of the CCCPC. In addition, it is reported that no new online games were approved during the period from April 2018 to December 2018, and a second suspension of approximately eight months occurred from August 2021 to April 2022. On 30 August 2018, eight PRC regulatory authorities at national government level, including the NPPA and the Ministry of Education, released the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (綜合防控兒童青少年近視實施方案) (the "**Implementation Programme**"). As a part of the plan to prevent myopia among children, the Implementation Programme plans to regulate the number of new online games and restrict the amount of time children spend playing on electronic devices. On 14 December 2018, SAMR issued the Action Plan for the Implementation of the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (貫徹落實《綜合防控兒童青少年近視實施方案》行動方案), which stipulates that SAMR will conduct an inspection of the anti-fatigue system of online games at the proper time. Any future suspension of online game approvals and filings by the relevant government authorities, as well as the Implementation Programme, may impact our introduction of new online games and expansion of our operational scales. If such adverse market conditions persist, our results of operations may be materially and adversely affected.

In addition, on 18 September 2026, the CAC issued the Provisions of the State Council on Safeguarding Minors' Healthy and Safe Use of the Internet (Draft for Comments) (國務院關於保障未成年人健康安全使用網絡的規定(徵求意見稿)) (the "**Minor Internet Protection Draft**"). The Minor Internet Protection Draft sets forth enhanced compliance requirements for internet service providers covering social networking, content services and online game businesses, including prohibiting the provision of certain internet services to minors, mandating the application of minor mode for certain internet services, strengthening minor user identification capabilities, and requiring the performance of statutory minor internet protection obligations. The draft is currently open for public comments and has not been officially finalized and implemented, however, substantial uncertainties remain regarding its final provisions, official interpretation and effective timeline. If there are any new regulatory requirements for our internet services in the future, there is no assurance that we can meet all such regulatory requirements in a timely and cost-effective manner. Failure to comply with the relevant regulatory requirements could materially and adversely affect our business, future results of operations and prospects.

Currently, there is no law or regulation specifically governing virtual property rights and therefore it is not clear what liabilities, if any, online game operators may have for virtual property.

In the course of playing online games, users may acquire and accumulate some virtual property, such as virtual Avatars, game tokens, special equipment and other accessories. Such virtual property may be important to online game players and have monetary value and in some cases may be traded among players for actual money. In practice, virtual property can be lost for various reasons, often through unauthorised use of user accounts by other users and occasionally through data loss caused by a delay of network service, a network crash or hacking activities. The Civil Code contains a general provision in respect of the protection of data and network virtual property. However, there is no PRC law or regulation specifically governing virtual property rights. As a result, there is uncertainty as to who is the legal owner of virtual property, whether and how the ownership of virtual property is protected by law, and whether an online game operator would have any liability to game players or other interested parties (whether in contract, tort or otherwise) for loss of such virtual property. In case of a loss of virtual property, we may be sued by our game players and held liable for damages, which may negatively affect our reputation and business and financial condition.

Based on recent PRC court judgements, the courts have typically held online game operators liable for losses of virtual property by game players if the operators are found to have failed to fulfil their reasonable security obligations, and in some cases have allowed online game operators to return the lost virtual property to game players in lieu of paying damages. If we are sued by our game players or users and held liable for damages, our business, future results of operations and prospects may be negatively affected.

Compliance with the laws or regulations governing virtual currency may result in us having to obtain additional approvals or licences or change our current business model.

The issuance and use of "virtual currency" in China has been regulated since 2007 in response to the growth of the online game industry in China. In January 2007, the MPS, MOC, MIIT and GAPP jointly issued the Notice on Regulating the Operation of Online Games and Investigating to Prohibit Gambling by Way of Online Games (關於規範網絡遊戲經營秩序查禁利用網絡遊戲賭博的通知), which has implications for the use of virtual currency. To curtail online games that involve online gambling, as well as address concerns that virtual currency could be used for money laundering or illicit trade, the circular: (i) prohibits online game operators from charging commissions in the form of virtual currency in relation to winning or losing of games; (ii) requires online game operators to impose limits on use of virtual currency in guessing and betting games; (iii) bans the conversion of virtual currency into real currency or property; and (iv) prohibits services that enable game players to transfer virtual currency to other players. On 4 June 2009, MOC and MOFCOM jointly issued a notice regarding strengthening the administration of online game virtual currency (關於加強網絡遊戲虛擬貨幣管理工作的通知) (the "**Virtual Currency Notice**") which, among other things, stipulates that a single enterprise may not operate both virtual currency issuing services and virtual currency trading services. The Online Game Measures and other rules and guidelines issued by MOC also imposed restrictions on virtual currency related business. However, since the MOCT no longer assumes the responsibility for the administration of online game industry and the Online Game Measures was abolished, it is unclear whether the responsibility for supervising the virtual currency will be undertaken by another government agency and to what extent the issuance and trading of virtual currency shall be subject to relevant rules and guidelines that were issued by MOC and have not been officially abolished.

We issue game tokens to game players and our users use them to purchase various virtual items or time units to be used in our online games. We believe we only offer game tokens for in-game consumption, which are not transferable among our user accounts and are not convertible into real currency. In addition, we do not offer secondary trading services of the game tokens. Nonetheless, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and that we may not be subject to certain penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could have a material and adverse effect on our business and results of operations. In addition, the Virtual Currency Notice prohibits online game operators from setting game features that involve the direct payment of cash or virtual currency by players for the chance to win virtual items or virtual currency based on random selection through a lucky draw, wager or lottery. The notice also prohibits game operators from issuing currency to game players through means other than purchases with legal currency. Although we believe that we do not engage in any of the above-mentioned prohibited activities, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and deem such feature as prohibited by the Virtual Currency Notice, thereby subjecting us to penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could materially and adversely affect our business, future results of operations and prospects.

Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for content displayed on or linked to our websites.

The PRC government has adopted regulations governing Internet access and the distribution of news and other information over the Internet. Under these regulations, Internet content providers and Internet publishers are prohibited from posting or displaying content over the Internet that, among other things, violates PRC laws and regulations, impairs the national dignity of China or is reactionary, obscene, superstitious, fraudulent or defamatory. Further, MIIT or its local branches may shut down the website of any local Internet service provider that violates such content restrictions, suspend its operations or revoke its ICP licence. If the PRC government takes any action to limit or prohibit the distribution of information through our network or any of our platforms, or to limit or regulate any current or future content or services available to users on our network, our business could be adversely impacted. Failure to comply with the applicable requirements may result in the revocation of licences to provide Internet content and other licences, the closure of the concerned websites and may subject the website operator to potential liabilities for such censored information displayed on or linked to the website. If our network or any of our platforms is found to be in violation of any such requirements, we may be penalised by relevant authorities, and our operations or reputation could be adversely affected.

We are also subject to potential liability for content on our websites that is deemed inappropriate by the PRC government and for any unlawful actions of our users or website visitors. When Internet and mobile service providers find that any obscene, superstitious, fraudulent or defamatory information has been transmitted on their platforms, they are required to terminate the transmission of such information or delete such information immediately, keep records and report to relevant authorities. Mobile network operators like *China Mobile*, *China Telecom* and *China Unicom* also have their own policies prohibiting or restricting the distribution of inappropriate content. On 15 December 2009, the MIIT issued the Notice Regarding Plan for Further Regulating Obscene Materials on Mobile Phones (關於進一步深入整治手機淫穢色情專項行動工作方案的通知) ("**Circular 672**"). Under Circular 672, mobile network operators are required to examine their business, promotional channels, as well as the business of their partners, and must immediately terminate such business if any obscene material is involved. Mobile service providers involved in distributing or publishing such obscene materials on mobile handsets are subject to immediate suspension or termination of cooperation with mobile network operators, and violations are reported to relevant authorities. Mobile network operators and mobile service providers must examine all websites accessed through mobile handsets and conduct full daily inspection of such websites. If any obscene material is found, access and transmission must be ceased and be reported to authorities. On 12 August 2013, the MOC issued the Administrative Rules on Content Review by Internet Culture Operating Entities (網絡文化經營單位內容自審管理辦法), which became effective on 1 December 2013, pursuant to which companies operating Internet culture businesses are required to employ personnel certified to conduct content review on their products before they are released to the public and retain records of the content review for at least two years.

In addition, the CAC has also issued rules from time to time to enhance the Internet service provider's obligations to monitor the information displayed on the information platform and prevent dissemination of illegal content. At the end of 2019, the CAC issued the Provisions on the Management of Network Information Content Ecology (網絡信息內容生態治理規定) (the "**CAC Order No. 5**"), which became effective on 1 March 2020, to further strengthen the regulation and management of network information content. Pursuant to the CAC Order No. 5, each network information content service platform is required, among other things: (i) not to disseminate any information prohibited by laws and regulations, such as information jeopardising national security; (ii) to strengthen the examination of advertisements published on such network information content service platforms; (iii) to promulgate management rules and platform conventions and improve user agreements, such that such network information content service platform could clarify users' rights and obligations and perform management responsibilities required by laws, regulations, rules and conventions; (iv) to establish convenient means for complaints and reports; and (v) to prepare annual

work report regarding its management of network information content ecology. In addition, a network information content service platform must not, among other things (a) utilise new technologies such as deep-learning and virtual reality to engage in activities prohibited by laws and regulations, (b) engage in online traffic fraud, malicious traffic rerouting and other activities related to fraudulent accounts, illegal transaction accounts or maneuver of users' accounts or (c) infringe a third party's legitimate rights or seek illegal interests by way of interfering with information display. The CAC has intensified its enforcement activities through regular targeted campaigns such as the Qinglang campaigns, which have expanded to address algorithm transparency, AI misuse, deep synthesis and data security.

Although we attempt to monitor the content in our online communities, we are not able to control or restrict the content of other Internet content providers linked to or accessible through our websites, or content generated or placed on our other online communities by our users. If third-party websites linked to or accessible through our websites operate unlawful activities such as online gambling on their websites, PRC regulatory authorities may require us to report such unlawful activities to relevant authorities and to remove the links to such websites, or they may suspend or shut down the operation of such websites. To the extent that the PRC regulatory authorities find any content displayed on our websites objectionable, they may require us to limit or eliminate the dissemination of such information on our websites. For example, on 23 January 2019, CAC issued a notice requiring us to make further changes to content we deliver on one of our apps. The notice also stated that the agency had shut down over 9,000 apps and 700 websites since 3 January 2019 due to harmful content. If in the future the PRC government authorities decide to restrict the dissemination of information via microblog services or online postings in general, they may temporarily block access to certain websites for a period of time, require us to discontinue or restrict certain services and websites or levy penalties or fines for violations of relevant rules and regulations arising from content displayed on or linked to our websites. We may also be required to delete content that violates PRC laws and report content that we suspect to violate PRC laws. Any of these actions may adversely affect user confidence in our services and lead to reduced user traffic, which in turn may materially and adversely affect our reputation, business and results of operations.

We also need to monitor the advertising content shown on our websites to ensure that such content is true, accurate and in full compliance with applicable PRC laws and regulations. On 25 February 2023, the SAMR published the Administrative Measures for Internet Advertising (互聯網廣告管理辦法) ("**Measures of Internet Advertising**"), which came into force on 1 May 2023. The Measures of Internet Advertising emphasises, among other things, the responsibilities of Internet advertising operators and publishers. Internet advertising operators and publishers shall establish and improve the management systems regarding acceptance, registration, review and filing of the Internet advertising businesses according to the relevant regulations and shall examine, verify and register the identity information of advertisers such as their names, addresses and valid contact details, set up registration files and check and update them on a regular basis. Violation of these laws, rules or regulations may result in penalties, including fines up to RMB2 million or of other amounts calculated based on the advertising fees involved, confiscation of advertising revenues, and orders to cease the dissemination of advertisements. In case of serious violations, the PRC government may suspend or revoke our licences. The Enforcement Guidelines 1 on the Application of the PRC Advertising Law (《中華人民共和國廣告法》適用問題執法指南(一)) issued by the SAMR in June 2025 provided a detailed definition of "advertisement" aimed at distinguishing commercial advertisements from other forms of commercial promotion. The guidelines also introduce a checklist to help identify situations where advertising laws and regulations apply. The costs associated with complying with these laws, rules and regulations, including any penalties or fines resulting from non-compliance, could have a material adverse effect on our business, financial condition and results of operations.

The sub-section entitled "*Risk Factors — Risks Relating to the Chinese Mainland*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to the Chinese Mainland

The PRC legal system is evolving and the interpretation and implementation of PRC laws and regulations involves uncertainties.

The PRC legal system is based on written statutes, while People's Courts of all levels carry out trials of similar cases with reference to guiding cases issued by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, competition and anti-trust, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of guiding cases, interpretation and enforcement of these laws and regulations involve uncertainties. As the PRC legal system develops, changes in such laws and regulations, or in their interpretation or enforcement, could have a material and adverse effect on our business operations. For example, we may be subject to competition and anti-trust investigations by the PRC government from time to time in the future. The outcomes of such investigations may prevent us from offering certain features, functions, services or products; requiring a change in our business practices or requiring development of non-infringing services, products or technologies, which could have a material and adverse effect on our business operations.

We may face uncertainties regarding the regulation and administration of our businesses and operations after the institutional reforms of PRC government authorities, as well as uncertainties in the changes and enforcement of certain laws, regulations and policies, which may have an effect on our business operations. For example, in May 2019, the MOCT issued the MOCT Adjustment Notice to adjust the applicable scope of the Network Culture Operating Permit (關於調整《網絡文化經營許可證》審批範圍進一步規範審批工作的通知), or "the MOCT Adjustment Notice". Pursuant to the MOCT Adjustment Notice, the MOCT would no longer be the authority supervising the online game industry in the PRC and therefore the business scope of a Network Culture Operating Permit issued by it and its local counterparts would not include online games. On 10 July 2019, the Online Game Measures was abolished by the MOCT. On 22 December 2023, the Measures for the Administration of Online Games (Draft for Comments) (《網絡遊戲管理辦法》(徵求意見稿)) drafted by the NPPA is released to the public for comments, despite that no final rules are enacted thereafter. Tencent Computer and some other entities in our group have obtained the Network Culture Operating Permit for online games. These Network Culture Operating Permits for online games will not be renewed after their expiration and those also covering other network culture business may be renewed with the online games removed from the approved business scope. As there are uncertainties regarding the authority supervising the online game industry in the Chinese Mainland, we cannot assure you that we will be able to obtain any other licences necessary for us to carry out online game business, or that our existing licences will continue to cover all aspects of our online game operations upon their renewal. In addition, on 29 December 2023, the SCNPC promulgated the amended PRC Company Law, which came into effect on 1 July 2024. The amended PRC Company Law imposes stricter requirements on capital contributions for companies established in the PRC. The State Council on Implementing the Registered Capital Registration and Management System under the Amended PRC Company Law (國務院關於實施《中華人民共和國公司法》注冊資本登記管理制度的規定) issued by the State Council on 1 July 2024 further specify the detailed requirements and measures for the registration and management of registered capital under the amended PRC Company Law. Pursuant to these new laws and regulations, we may need to fulfil capital contribution obligations to our subsidiaries or provide financial support to the nominee shareholders of the variable interest entities within a much shorter time frame than required before. On 5 May 2026, the State Council issued the Regulations on Outbound Investment (國務院關於對外投資的規定), which became effective on 1 July 2026. The regulations establish a comprehensive regulatory framework governing overseas

investment by PRC investors. Pursuant to the regulations, PRC investors are prohibited from exporting Chinese goods, technologies, services or data that are subject to export prohibitions, including by dispatching technical personnel overseas, arranging for employees to work abroad, providing cross-border technical consulting services, or organizing international training. PRC investors are also prohibited from exporting restricted Chinese goods, technologies, services or related data without approval. However, since these laws and regulations are still relatively new, there remains uncertainty regarding the law and provisions' implementation and interpretation. In addition, on 21 August 2026, the NDRC issued the Measures for the Administration of Outbound Investment (Revised Draft for Comments) (對外投資管理辦法(修訂徵求意見稿)), which proposes to revise Administrative Measures for the Outbound Investment by Enterprises (企業境外投資管理辦法) by, among other things, expanding the scope of regulated investors to include resident individuals and other organisations, introducing a pre-investment reporting system, broadening offshore reinvestment reporting obligations, clarifying the application of the regime to QDII investments, and extending security review requirements to both investment and exit stages, although substantial uncertainties remain as to its final provisions and implementation timeline.

Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to those in common law jurisdictions. In addition, it may be time-consuming for us to obtain satisfactory enforcement of laws in the PRC or the enforcement of judgements by a court in another jurisdiction.

China's economic, political and social conditions as well as government policies could adversely affect our business, future results of operations and prospects.

China's economy differs from the economies of most developed countries in many respects, including government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. China's economy has been transitioning from a planned economy to a more market-oriented economy, and the PRC government has implemented measures emphasising economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. There can be no assurance that the PRC government will continue to pursue a policy of economic reform or that any such reforms will not have an adverse effect on the way we operate our business. Our business and financial condition could also be materially and adversely affected by any changes in PRC laws and regulations (or the interpretation thereof), as well as changes in the political, economic and social conditions of China.

We may be adversely affected by a severe downturn of the global or China's economy.

While China's economy has experienced significant growth in the past decades, the growth rate of China's economy has gradually slowed since 2010, which trend may continue. Any adverse changes in economic conditions in China could adversely affect our business and operating results, lead to reduction in demand for our products and services and adversely affect our financial results. Other economies around the globe have also experienced stagnant or negative growth. Whether this will lead to a severe downturn in the global economy is still unknown.

There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. The U.S. Federal Reserve's monetary policy has undergone significant changes in response to economic challenges over the past few years. The U.S. federal government implemented reductions in 2020 due to the COVID-19 pandemic, reaching a historic low of 0% to 0.25%. As the economy began to recover in 2022, the U.S. federal government shifted its focus to address rising inflation and the economic impacts of the Russia-Ukraine conflict, resulting in a series of rate hikes that brought the federal funds rate to a range of 5.25% to 5.50% by 2023. From September to December 2024, the U.S. Federal Reserve announced total cuts of 100 basis points in the benchmark federal funds rate, followed by total cuts of 75 basis points from September to December 2025, bringing it to a new target range of 3.50% to 3.75%.

Furthermore, the Russia-Ukraine conflict, the war in the Gaza Strip, the ongoing conflict among the United States, Israel and Iran since February 2026, terrorist threats and the potential for war in the Middle East and elsewhere, elevated inflation levels, trade war, sanctions and high food and energy prices may increase market volatility across the globe. It is unclear whether these challenges and uncertainties will be contained or resolved and what effects they may have on the global political and economic conditions in the long term. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China.

Any slowdown in China's economy and globally may lead to reduced Internet-related activities and consumer spending. The deterioration in economic conditions in China and globally may harm the business of our customers, who may experience reduced business volume, and therefore decrease or delay in marketing service spending, or reduce their budgets or other spending across our platforms. In addition, there may be decreases in demand for our cloud projects due to the negative impact on our enterprise customers by the deterioration in economic conditions. We may also see decreases in demand for our FinTech services from users, such as payment, lending and wealth management services. This may have a negative impact on our business, results of operations and financial condition, and continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

If the PRC tax authorities determine that we are a "resident enterprise", we and the Noteholders may face unfavorable tax consequences.

Under the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法) effective on 1 January 2008, and subsequently amended on 24 February 2017 and on 29 December 2018 (the "**2008 EIT Law**"), enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises". The Regulation on the Implementation of the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法實施條例) (the "**Implementation Rules**") defines "de facto management body" as an organisation that exercises substantial and overall management and control over an enterprise's manufacturing, or business operation, personnel, accounting and property. In addition, the STA has promulgated the Circular on Identification of China-Controlled Overseas-Registered Enterprises as Resident Enterprises on the Basis of De Facto Management Bodies (Guo Shui Fa [2009] No. 82) (國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) (國税發[2009]82號) (the "**Circular 82**"), which was amended on 29 December 2017. The Circular 82 further provides certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore incorporated enterprise is located in China. The criteria include whether: (i) the premises where the senior management and the senior management departments responsible for the daily production and operation management of the enterprise perform their functions are mainly located within China, (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in China, (iii) the enterprise's primary assets, accounting books and records, company seals and board and shareholders' meeting minutes are located or maintained in China, and (iv) 50% or more of voting board members or senior executives of the enterprise habitually reside in China. Circular 82 further requires a "substance over form" principle to be followed when determining the location of the de facto management body. The STA has subsequently issued measures concerning the recognition, administration and taxation of China-controlled offshore enterprises whose de facto management bodies are located within China. Although Circular 82 applies only to offshore enterprises controlled by enterprises or enterprise groups located within China, not including those ultimately controlled by Chinese individuals, the determining criteria set forth in Circular 82 may reflect the STA's general position on how the "de facto management body" test may be applied in determining the tax resident status of all offshore enterprises.

As the tax residency of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to offshore entities such as us, we cannot assure you that we will not be considered to be a PRC tax resident enterprise. If we were determined to be a PRC tax resident enterprise, we would be subject to a 25% corporate income tax on our worldwide taxable income (other than non-taxable dividends from our subsidiaries based on relevant tax circulars). In addition, we might in that case be subject to PRC corporate income tax reporting obligations. Furthermore, because interest payments on the Notes would in that case be regarded as being derived from sources within China, we would be obligated to withhold PRC income tax at a rate of 10% on interest payments to non-resident enterprise investors or up to 20% on interest payments to non-resident individuals. In addition, interest payable by us to non-resident noteholders may be subject to PRC VAT at a rate of 6% and related local levies, including educational surtax and urban maintenance and construction tax at a rate of up to 0.72%. Failure to withhold these taxes if required to do so could cause us to be subject to fines and other penalties. The requirement to pay additional amounts would increase the cost of servicing the interest payments on the Notes and could have an adverse effect on our financial condition.

Any PRC tax liability may be reduced by an applicable tax treaty, such as the Arrangement Between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), which reduces the applicable PRC income tax on interest to 7% for certain qualifying Hong Kong resident enterprises. Hong Kong individual tax residents could also apply the treaty if the individuals are beneficial owners of the interest.

If we were treated as a PRC tax resident enterprise, any gain realised by non-resident investors from the transfer of the Notes may be regarded as PRC source income and be subject to a 10% PRC tax for non-resident enterprises or a 20% tax for non-resident individuals, unless an applicable tax treaty or arrangement provides for a reduced tax rate.

The new PRC Value-Added Tax Law may subject us to more taxes, which could adversely affect our business, future results of operations and prospects.

On 25 December 2024, the SCNPC published the Value-Added Tax Law of the PRC (中華人民共和國增值税法) (the "**PRC VAT Law**"), which came into effect on 1 January 2026, replacing the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例) which was promulgated by the State Council on 13 December 1993 and last amended on 19 November 2017 with effect from the same day. On 25 December 2025, the State Council issued the Regulations for the Implementation of the Value-Added Tax Law of the PRC (中華人民共和國增值税法實施條例), which became effective on 1 January 2026. Pursuant to these regulations, the VAT rates generally applicable are simplified as 13%, 9% and 6%, and the VAT rate for simplified tax calculation method is 3%. Although the PRC VAT Law largely preserves the tax framework and rate structure under the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例), it makes changes in the areas of taxable acts, tax jurisdiction, deemed sales, non-taxable items, simplified taxation, withholding agents, input taxes, non-creditable input taxes, mixed sales and input credit carry-forward and refund. Consequently, we may be subject to additional taxes under the PRC VAT Law in connection with our operations and activities in China, which could materially and adversely affect our business, results of operations and prospects.

Discontinuation of any of the preferential tax treatments or imposition of any additional taxes could adversely affect our business, future results of operations and prospects.

The National People's Congress passed the 2008 EIT Law which was amended in 2017 and 2018 with the latest amendment becoming effective on 29 December 2018, and the State Council passed its implementation rules, which became effective on 1 January 2008 and were amended in 2019 and 2024 with the latest amendment becoming effective on 20 January 2025. The 2008 EIT Law significantly curtails tax incentives granted to foreign-invested enterprises under the PRC Income Tax Law

Concerning Foreign-Invested Enterprises and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得稅法) effective prior to 1 January 2008. The 2008 EIT Law, however, (i) reduces the statutory rate of the CIT from 33% to 25% and (ii) introduces new tax incentives, subject to various qualification criteria.

The 2008 EIT Law and its implementing rules permit certain "high/new technology enterprises" to enjoy a reduced 15% CIT rate subject to certain new qualification criteria. Pursuant to the Circular on Income Tax Policies for Further Encouraging the Development of Software Industry and Integrated Circuit Industry issued on 20 April 2012 (Cai Shui [2012] No. 27 (關於進一步鼓勵軟件產業和集成電路產業發展企業所得稅政策的通知(財稅[2012]27號)) ("**Circular 27**") which was last amended on 11 December 2020, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years before 31 December 2017, followed by a reduction of income tax to 12.5% for the subsequent three years. Moreover, pursuant to the Announcement on Income Tax Policies for Integrated Circuit Design and Software Enterprises (MOF and State Administration of Taxation Announcement [2019] No. 68) (關於集成電路設計和軟件產業企業所得稅政策的公告) ("**Bulletin 68**"). The Announcement on the Policy Applicable to the Final Settlement of Enterprise Income Tax for the Year 2019 for Integrated Circuit Design Enterprises and Software Enterprises (Announcement of the Ministry of Finance and State Taxation Administration [2020] No. 29) (關於集成電路設計企業和軟件企業2019年度企業所得稅匯算清繳適用政策的公告) (財政部、稅務總局公告2020年第29號), and the Announcement on the Enterprise Income Tax Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry (Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology [2020] No. 45) (關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告(財政部、稅務總局、發展改革委、工業和信息化部公告2020年第45號)) ("**Bulletin 45**"), the aforesaid "tax exemption for the first two years and 50% tax reduction for the next three years" for the qualified software enterprise has been extended accordingly. In addition, pursuant to the Bulletin 45 effective from 1 January 2020, the key integrated circuit design enterprises and software enterprises encouraged by the State are entitled to be exempted from CIT from the first year to the fifth year since its profit-making year, and then enjoy a reduced 10% CIT rate since the sixth year. Certain of our WFOEs and consolidated affiliated entities have been recognised by the relevant authorities as "high/new technology enterprises" or satisfy the criteria of "national key software enterprises" or "software production enterprises" and therefore are eligible for the preferential tax treatments upon their filing or reporting of the qualified status with the relevant tax authorities. In addition, there is a preferential tax rate of 15% applicable to some WFOEs and consolidated affiliated entities located in certain areas of the Chinese Mainland upon fulfilment of certain requirements of the respective local governments. Preferential tax treatments granted to our WFOEs and consolidated affiliated entities by the local governmental authorities are subject to review and may be adjusted or revoked at any time. We cannot assure you that we will be able to maintain our current effective tax rate in the future. If any of the WFOEs or consolidated affiliated entities which have enjoyed such preferential tax treatments fails to maintain their qualification status or renew their qualifications when the relevant term expires, their applicable CIT rate may increase to 25%, which could have a material and adverse effect on our business, future results of operations and prospects.

We may rely on dividends and other distributions on equity paid by the WFOEs to fund any cash and financing requirements we may have. Any limitation on the ability of our WFOEs to pay dividends to us could materially and adversely affect our business, future results of operations and prospects.

We are a holding company, and we may rely on dividends and other distributions on equity to be paid by our WFOEs to meet our cash and financing requirements, including the funds necessary to pay service and debt we may incur. If any of our WFOEs incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, our WFOEs may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, each of our WFOEs in China is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. With approval by its shareholders in accordance with its articles of association, the WFOE may allocate a portion of its after-tax profits based on PRC accounting standards to discretionary reserve funds. These reserve funds are not distributable as cash dividends. Furthermore, in recent years, PRC government authorities have continued to strengthen tax oversight and enforcement, including by promulgating and implementing new rules, policies, guidelines and interpretations and undertaking other enforcement measures.

Any restrictions on the ability of our WFOEs in China to pay dividends or make other distributions to us could materially and adversely affect our ability to grow our business, make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund and conduct our business.

According to the 2008 EIT Law and the Implementation Rules and other prevailing PRC tax circulars, dividends generated from the business of our WFOEs in China on or after 1 January 2008 and payable to the WFOEs' immediate holding companies incorporated in Hong Kong will be subject to a withholding tax rate of 10% if the PRC tax authorities determine that such holding companies are not beneficial owners of the dividends and not eligible for the lower withholding tax treatments under the applicable double taxation arrangement between the Chinese Mainland and Hong Kong. If the Hong Kong holding companies' beneficial owner status is not challenged by the PRC tax authorities, the withholding tax rate could be reduced to 5% from 10%.

In addition, according to Circular 6, any payment, especially service fees and royalties that are made by enterprises to their offshore affiliates, which fails to satisfy the arm's-length transaction principles may not be deducted from such enterprise's taxable income when calculating its enterprise income tax. In the case of any foregoing payment to offshore affiliates, the PRC tax authorities may request the payer to provide relevant transaction documents thereunder and to prove the real transaction background and the arm's-length transaction nature of such payment and transaction, and will take into consideration the offshore affiliate's actual contribution in such transaction when determining whether such transaction is in compliance with the arm's-length transaction principles. Accordingly, the distributions paid by our WFOEs to us might be challenged on their actual transaction background by the PRC tax authorities based on Circular 6 and might therefore incur certain tax burdens on our WFOEs.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or may otherwise adversely affect us.

On 4 July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicle (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) ("**Circular 37**"), which abolishes and supersedes the Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) ("**Circular 75**") issued by SAFE on 21 October 2005. Circular 37 and its implementation guidelines require PRC residents to register with local branches of SAFE (or qualified banks in accordance with SAFE Circular 13 as defined below) in connection with their direct establishment or indirect control of an offshore entity for the purpose of overseas investment and financing with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in Circular 37 as a "special purpose vehicle". Circular 37 further requires amendment to the registration in the event

of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by Chinese individuals, share transfer or exchange, merger, division or other material event. In the event that a Chinese shareholder holding interests in a special purpose vehicle fails to fulfil the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC laws for evasion of foreign exchange controls.

On 13 February 2015, SAFE promulgated Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) ("**SAFE Circular 13**"), which became effective on 1 June 2015 and was amended on 30 December 2019. In accordance with SAFE Circular 13, if no retroactive SAFE registration is required, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under the Circular 37, with qualified banks, instead of SAFE, while SAFE will handle retroactive SAFE registration. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

We have notified substantial holders of ordinary shares of the Company whom we know are PRC residents to register with the local SAFE branch and update their registrations as required under the SAFE regulations described above. We, however, cannot provide any assurances that all of our shareholders who are PRC residents will file all applicable registrations or update previously filed registrations as required by these SAFE regulations. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth therein may subject such PRC resident shareholders to fines and legal sanctions, restrict our cross-border investment activities or limit our PRC subsidiaries' ability to distribute dividends to us or restrict us in injecting additional capital or extending loans to our PRC subsidiaries.

As it is uncertain how the SAFE regulations described above will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a Chinese domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business, future results of operations and prospects.

Governmental control of currency conversion may limit our ability to obtain sufficient foreign currency to satisfy our currency demands and may affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB and substantially all of our cash inflows and outflows are denominated in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our Chinese operating subsidiaries. We may convert a portion of our revenues into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our ordinary shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies generally without

prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate banks appointed by government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay interests in foreign currencies to the holders of the Notes.

PRC laws and regulations establish more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

PRC laws and regulations, such as the Regulations on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors ("**M&A Rules**") (關於外國投資者併購境內企業的規定) adopted in September 2006 and amended on 22 June 2009, the Anti-Monopoly Law which became effective on 1 August 2008 and amended on 24 June 2022, and Notice of the General Office of the State Council on the Establishment of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知), effective from 3 March 2011, established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a Chinese domestic enterprise, or that the approval from the MOFCOM be obtained in circumstances where overseas companies established or controlled by Chinese enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. The Provisions of the MOFCOM on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定), effective from 1 September 2011, further provide that, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review by PRC governmental agencies, the principle of substance over form should be applied and foreign investors are prohibited from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. On 19 December 2020, the NDRC and the MOFCOM promulgated the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法), which came into effect on 18 January 2021 and further provide that foreign investment in certain key areas with bearing on national security, such as important cultural products and services, important information technology and Internet services and products, key technologies and other important areas with bearing on national security which results in the acquisition of de facto control of investee companies, shall be filed with a specifically established office before such investment is carried out. See "*Regulations on Foreign Investor's Merger and Acquisition of PRC Enterprises*" for more details. If the business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any contractual arrangements. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-Chinese holding companies.

On 10 December 2009, the STA issued the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises ("**Circular 698**") (國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知), with retroactive effect from 1 January

2008, which has been repealed from 1 December 2017. On 3 February 2015, the STA further promulgated the Announcement on Enterprise Income Tax for Indirect Transfers of Properties by Non-PRC Resident Enterprises ("**Circular 7**") (國家税務總局關於非居民企業間接轉讓財產企業所得税若干問題的公告), effective from 3 February 2015 and further amended in December 2017, to replace certain provisions under Circular 698 and to further strengthen the regulation regarding indirect transfers of Chinese properties through the transfer of equity interests in PRC resident enterprises by non-PRC resident enterprises. According to Circular 7, if a non-resident enterprise conducts an "indirect transfer" by transferring its equity interest in an offshore enterprise, which directly or indirectly owns Chinese real property or property of a business conducted within China ("**PRC Taxable Property**"), and the foregoing "indirect transfer" does not satisfy the "reasonable business purpose test" as provided in Circular 7, each of the transferor, the transferee and the PRC resident enterprise (as the ultimate target company under the transfer) has discretion to report the transfer to the relevant tax authority of the PRC resident enterprise.

According to Circular 7, several factors must be considered when determining whether an indirect transfer has a reasonable business purpose, including (i) whether the value of the equity interest in the overseas holding company derives, directly or indirectly, from the PRC Taxable Property; (ii) whether investments within China constitute, directly or indirectly, the main assets of the overseas holding company, or, whether the income of the overseas holding company is mainly generated, directly or indirectly, from China; (iii) whether the functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property, can establish the economic substance of the corporate structure; (iv) the shareholders and business model of the overseas holding company and the duration that the relevant corporate structure has existed; (v) the foreign income tax consequences of such indirect transfer; (vi) whether such indirect transfer and indirect investment regarding the PRC Taxable Property could have been made through a direct transfer of and indirect investment in the PRC Taxable Property; and (vii) the tax treaties or arrangements applicable in China to gains derived from such indirect transfer. However, notwithstanding the foregoing factors, if such indirect transfer and other arrangements related thereto satisfy all of the following conditions, such indirect transfer is deemed to lack a "reasonable business purpose": (a) the PRC Taxable Property constitutes 75% or more of the value of the equity interests of the overseas holding company; (b) at any time within one (1) year before such indirect transfer, the overseas holding company's investment in China constitutes, directly or indirectly, 90% or more of its total assets (exclusive of any cash), or, within one (1) year before such indirect transfer, 90% or more of the overseas holding company's income was generated, directly or indirectly from within China; (c) the limited functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property are insufficient to establish the economic substance of their corporate structure and (d) the foreign income tax rate on such indirect transfer is lower than that on the PRC Taxable Property under applicable PRC laws.

Circular 7 also provides some exceptions for indirect transfers of certain PRC Taxable Property, including (i) shares in an offshore listing company that are bought and sold by a non-PRC resident enterprise via a public market, or (ii) gains derived from indirect transfers that would not have been subject to income tax pursuant to the applicable tax treaties or arrangements had the PRC Taxable Property been directly transferred or (iii) transactions that are internal transfers among affiliates via share swaps and would not ultimately decrease the amount of gain subject to PRC income tax, taking the contingent transactions into consideration. Gains derived from an indirect transfer of the PRC Taxable Property may be subject to PRC withholding tax at a rate of up to 10%. If they decide that any of such transactions do not have a reasonable commercial purpose, the PRC tax authorities may apply Circular 7 to our previous financing transactions where non-resident private equity investors were involved, or the sale or purchase of shares in other non-PRC resident companies or other taxable assets held by us. As a result, we and our non-resident investors in such transactions may become at

risk of being taxed under Circular 7, and we may be required to expend valuable resources to comply with Circular 7 or to establish that we should not be taxed under the general anti-avoidance rule of the 2008 EIT Law. This may have a material and adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知) issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in the Chinese Mainland for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, pursuant to the Capital Account Foreign Exchange Business Guidelines (2024 Version) issued by SAFE, proceeds from the sale of equity incentive plan shares should in principle be remitted back to the Chinese Mainland within six months of the sale. We and our directors, executive officers and other employees who are PRC citizens or who reside in the Chinese Mainland for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options are subject to these regulations. Failure to complete the SAFE registrations may subject such individuals to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in the Chinese Mainland and limit these subsidiaries' ability to distribute dividends to us.

In addition, the STA has issued certain circulars concerning employee share options or restricted shares. Under these circulars, the employees working in the Chinese Mainland who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of such overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes according to applicable laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Fluctuations in exchange rates may have a material and adverse effect on your investment.

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on exchange rates set by the PBOC. Pursuant to reforms of the exchange rate system announced by the PBOC on 21 July 2005, RMB-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from 18 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the RMB against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on 21 May 2007. This allows the RMB to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on 16 April 2012 and further widened to 2.0% on 17 March 2014. These changes in currency policy resulted in the RMB appreciating against the U.S. dollar by approximately 24.5% from 21 July 2005 to 31 December 2016. On 11 August 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorising market-makers to provide parity to the China Foreign Exchange Trading Centre operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the RMB against the U.S. dollar depreciated by nearly 2.0% as compared

to 10 August 2015, and further depreciated by nearly 1.6% on 12 August 2015 as compared to 11 August 2015. The International Monetary Fund announced on 30 September 2016 that, effective from 1 October 2016, the RMB would be added to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the RMB against foreign currencies.

We mainly operate in China with most of our transactions settled in RMB. The conversion of RMB-denominated balances into foreign currencies is subject to the rates and regulations of foreign exchange control promulgated by the PRC government. We hold some financial assets denominated in U.S. dollars, H.K. dollars, Euro and Korea Won subject to certain thresholds stated in our treasury mandate and borrow some bank loans denominated in U.S. dollars. We also issue long-term notes denominated in U.S. dollars and H.K. dollars from time to time. This exposes us to foreign exchange risk.

Any significant revaluation of RMB may materially and adversely affect our revenue, earnings and financial position, and the value of the Notes in U.S. dollars. For example, an appreciation of RMB against the U.S. dollar would reduce the amount of RMB we would receive if we need to convert U.S. dollars into RMB. Conversely, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the value of the Notes. It is difficult to predict how the PBOC's policy may impact the RMB exchange rate in the future.

We manage our foreign exchange risk by regularly reviewing net foreign exchange exposures and try to minimise these exposures through natural hedges wherever possible and may enter into forward foreign exchange contracts, when necessary. However, the availability and effectiveness of these current and future arrangements may be limited, and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by China's exchange control regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material and adverse effect on your investment.

Implementation of the labour laws and regulations in China may adversely affect our business and results of operations.

Pursuant to the PRC Labour Contract Law (中華人民共和國勞動合同法) that became effective in January 2008 and further amended on 28 December 2012 and became effective on 1 July 2013, and its implementation rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labour contracts. Due to the lack of detailed interpretation rules and uniform implementation practice and possible penalties, it is uncertain as to how it would affect our current employment policies and practices. Our employment policies and practices may violate the PRC Labour Contract Law or its implementation rules, and we may thus be subject to related penalties, fines or legal fees. Compliance with the PRC Labour Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labour practices, the PRC Labour Contract Law and its implementation rules may also limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. On 28 October 2010, the SCNPC promulgated the PRC Social Insurance Law (中華人民共和國社會保險法) which became effective on 1 July 2011 and was amended on 29 December 2018. On 10 August 2026, the State Council amended the Regulation on the Administration of Housing Accumulation Funds which became effective on 20 September 2026. According to applicable PRC social insurance laws and the Regulation on the Administration of Housing Accumulation Funds (住房公積金管理條例), employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance and housing funds and the employers must, together with their employees or separately, pay the social insurance premiums and housing funds for such employees. On 20 July 2018, the General

Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Plan for Reforming the State and Local Tax Collection and Administration Systems (國税地税徵管體制改革方案), which stipulated that the STA would become solely responsible for collecting social insurance premiums. On 24 January 2014, the Ministry of Human Resources and Social Security promulgated the Provisional Rules on Labour Dispatching (勞務派遣暫行規定), effective on 1 March 2014. Intended to control labour dispatching arrangements, these regulations require that dispatched workers may be designated only to positions of a temporary, supporting or substitute nature, and further require employers to change and adjust their employment structure so that their used dispatched workers should not exceed a statutory cap of 10% of total employees.

We expect our labour costs to increase due to the implementation of these laws and regulations. As the interpretation and implementation of these laws and regulations are still evolving, we cannot assure you that our employment practice will at all times be deemed in full compliance with labour-related laws and regulations in the PRC which may subject us to labour disputes or government investigations. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected. Further, labour disputes, work stoppages or slowdowns at our offices and facilities or any of our clients or suppliers could significantly disrupt our daily operation or our expansion plans and have material and adverse effects on our business.

Inflation in China and measures to contain inflation may negatively affect our profitability and growth.

While China's economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographical areas of the country and among different demographic sectors in the community. If prices for our services and products rise at a rate that is insufficient to compensate for the rise in the costs, our business may be materially and adversely affected. In order to control inflation in the past, the PRC government has imposed controls on bank credits, limits on loans for fixed assets, and restrictions on state bank lending. Such austerity measures can lead to a slowing of economic growth in China, which could materially and adversely affect our business, future results of operations and prospects.

The section entitled "*Capitalisation and Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

CAPITALISATION AND INDEBTEDNESS

The following table sets forth our debt and capitalisation as at 30 June 2026.

This table should be read in conjunction with "*Use of Proceeds*", "*Selected Consolidated Financial and Other Data*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Company's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 and related notes thereto included elsewhere in this Offering Circular.

	As of June 30, 2026	
	(Unaudited)	
	(RMB in million)	(US$ in million)
Current liabilities:		
Borrowings	86,292	12,718
Notes payable	—	—
	86,292	**12,718**
Non-current liabilities:		
Borrowings	212,650	31,341
Notes payable	154,021	22,700
	366,671	**54,041**
Total debts	**452,963**	**66,759**
Equity attributable to equity holders of the Company		
Share capital	—	—
Share premium	73,692	10,861
Treasury shares	(2,180)	(321)
Shares held for share award scheme	(8,315)	(1,225)
Other reserves	5,893	869
Retained earnings	1,066,763	157,220
	1,135,853	**167,404**
Non-controlling interests	86,660	12,772
Total equity	**1,222,513**	**180,176**
Total capitalisation (1)	**1,675,476**	**246,935**

Note:

(1) Total capitalisation represents the sum of total debts under current and non-current liabilities and total equity.

As at the date of this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 30 June 2026.

The section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of our financial condition and results of operations as at and for the years ended 31 December 2023, 2024 and 2025 and as at and for the six months ended 30 June 2025 and 2026, and of the material factors that we believe are likely to affect our financial condition and results of operations. You should read this section in conjunction with our audited consolidated financial statements and unaudited interim condensed consolidated financial information included in this Offering Circular beginning on page F-2. Our consolidated financial statements and unaudited interim condensed consolidated financial information have been prepared in accordance with IFRS Accounting Standards.

In addition, the following discussion contains certain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Circular, including "Risk Factors".

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the most significant factors that have affected or are expected to affect our results of operations and financial condition include, among others:

Ability to increase the engagement and monetisation of our vast user base

The growth of our business and revenues depends on the attractiveness and demand for our service and product offerings and our ability to deepen user engagement and further increase the monetisation of our vast user base. We have seen a modest growth in our *Weixin* and *WeChat* user base and maintained large numbers of *QQ* users. As at 30 June 2026, combined MAU of *Weixin* and *WeChat* reached 1,439 million, an increase of 2%, from 1,411 million as at 30 June 2025, and mobile device MAU of *QQ* was 520 million.

We believe the depth of user engagement of our massive online communities is one of our key competitive advantages. We continue to increase user engagement by enhancing user experience and broadening our products and services, creating opportunities for our ecosystem partners. We introduce high-quality digital content, including games, video, music and literature, and seek to integrate these digital content services with our social platforms to enhance the holistic and differentiated social experience for our users. We seek to leverage the size of our user base and integrated nature of our platforms to build up user traffic for our new services and products. In addition, our large and logged-in user base and our leading mobile payment services also make our platforms more attractive to advertisers and merchant partners.

We have also monetised user traffic generated from our various digital content and *Weixin* services. We have accumulated expertise in cross-marketing our services and products across our massive user base. Our major digital content, including games, video, music and literature, help attract users and drive conversion into paying users. The numerous *Weixin* services, such as *Mini Programs, Video Accounts, Mini Shops* and *Weixin Pay*, help merchants digitalise their businesses and complete more online-to-offline transactions. Leveraging an AI-powered technology platform, we enhance our capabilities for marketing, games and business services, generating higher revenues.

Ability to innovate and adopt new technologies such as AI

The technology industry is highly competitive, innovative and ever changing due to the evolving development of technology and user behavior. We have endeavored to embrace generative and agentic AI technologies, implement AI technologies to businesses, such as games, marketing and business services, and provide AI based solutions to external customers.

We not only encourage our employees to innovate, but also allocate considerable resources to the research and development of new technologies and the optimisation of product features as well as enhancement of user experience of products. We will continue to invest in and develop our AI infrastructure and application to our products and services to enhance user acquisition while maintaining our existing market share.

Ability to develop content and applications to maintain our market position

Our ability to develop relevant content and applications will affect our users' engagement and usage of our platforms. We have devoted significant resources to the research and development of content and applications in order to keep our existing platforms relevant and attractive to users. We have established a strong market position and built a brand name widely recognised by consumers and industry participants. For example, *Weixin* has become the leading communication and social network platform, connecting users, enterprises, content and services. We have also maintained our leadership in the games market in China and globally leveraging the success of developing and operating evergreen titles.

As we seek to expand our business lines and diversify our portfolio of services and products, our ability to launch new attractive contents and applications will continue to be the key to our revenue growth. Our ability to compete effectively and maintain our leading brand and market position will continue to affect our results of operations going forward.

BASIS OF PRESENTATION

During the years presented in the consolidated financial statements, we derived our revenue substantially under a series of contractual arrangements between certain of our WFOEs and our consolidated affiliated entities. These contractual arrangements are designed to provide us and the WFOEs with effective control over, and (to the extent permitted by PRC laws) the right to acquire the equity interests in and assets of our consolidated affiliated entities. Based on such contractual arrangements, we have concluded that it is appropriate to consolidate the financial statements of our consolidated affiliated entities, notwithstanding the lack of direct share ownership, because, in substance, the contractual arrangements transfer the economic risks and benefits of these consolidated affiliated entities to us.

DESCRIPTION OF SELECTED INCOME STATEMENT LINE ITEMS

Revenues

We generate our revenues primarily from four lines of business:

- *VAS;*
- *Marketing Services;*
- *FinTech and Business Services; and*
- *Others.*

Our revenues were RMB609,015 million, RMB660,257 million and RMB751,766 million and RMB364,526 million and RMB401,243 million (US$59,136 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The following table sets forth our revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	(US$ in millions)	% of total revenues
Revenues											
VAS	298,375	49%	319,168	49%	369,281	49%	183,501	50%	194,524	28,669	48%
Marketing Services	101,482	17%	121,374	18%	144,973	19%	67,615	19%	81,736	12,046	21%
FinTech and Business Services	203,763	33%	211,956	32%	229,435	31%	110,443	30%	120,171	17,711	30%
Others	5,395	1%	7,759	1%	8,077	1%	2,967	1%	4,812	710	1%
Total Revenues	**609,015**	**100%**	**660,257**	**100%**	**751,766**	**100%**	**364,526**	**100%**	**401,243**	**59,136**	**100%**

VAS

Revenues from VAS are derived principally from the provisions of games and social networks services. Our VAS is primarily provided on a subscription basis, per-item basis or revenue share basis.

We derive games revenues primarily from sales of in-game virtual items and social networks revenues primarily from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business. We have an extensive portfolio of market leading game titles across genres in both domestic and international markets.

We also derive revenues from the massive and engaged user base across our social networks and platforms. Through providing access to services offered in *Mini Games*, such as in-app purchases, we collect *Mini Games* platform service fees from the operation. In addition, we generate subscription revenues from offering access to premium digital content and other privileges on our digital content services, such as video, music and literature. Revenue generated from in-game virtual item sales is also attributable to our social networks.

Revenues from VAS were RMB298,375 million, RMB319,168 million and RMB369,281 million and RMB183,501 million and RMB194,524 million (US$28,669 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from VAS are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — VAS.*"

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts*, *Weixin Search*, *Tencent Video*, *QQ Music*, mobile advertising network and eSports events. Significant traffic on our various properties offer ample advertising opportunities. Through leveraging our advertising technology and transaction ecosystem, we provide targeted marketing services to generate attractive returns for advertisers.

Revenues from Marketing Services were RMB101,482 million, RMB121,374 million and RMB144,973 million and RMB67,615 million and RMB81,736 million (US$12,046 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from Marketing Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — Marketing Services*".

FinTech and Business Services

FinTech and Business Services revenues mainly comprise revenues derived from provision of FinTech and cloud services. FinTech service revenues mainly include commissions from payment transactions, wealth management services and other FinTech services. Cloud service revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources.

Revenues from FinTech and Business Services were RMB203,763 million, RMB211,956 million and RMB229,435 million and RMB110,443 million and RMB120,171 million (US$17,711 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from FinTech and Business Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — FinTech and Business Services*".

Others

Revenues from our other businesses are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. Revenues from others were RMB5,395 million, RMB7,759 million and RMB8,077 million and RMB2,967 million and RMB4,812 million (US$710 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of Revenues

Our cost of revenues was RMB315,906 million, RMB311,011 million and RMB329,173 million and RMB159,020 million and RMB171,545 million (US$25,283 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of revenues consists of the direct costs for operating and offering our services and products, which consist primarily of transaction costs, content costs, technical infrastructure operation costs, equipment depreciation and other direct costs. Employee benefits expenses that directly relate to the provision of our services and products are also included in cost of revenues. The following table sets forth our cost of revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	(US$ in millions)	% of segment revenues
Cost of Revenues											
VAS	136,456	46%	137,511	43%	146,985	40%	73,367	40%	71,471	10,533	37%
Marketing Services	50,138	49%	54,142	45%	61,584	42%	29,336	43%	35,777	5,272	44%
FinTech and Business Services	123,127	60%	112,255	53%	112,819	49%	53,894	49%	57,573	8,485	48%
Others	6,185	115%	7,103	92%	7,785	96%	2,423	82%	6,724	993	140%
Total cost of revenues	**315,906**		**311,011**		**329,173**		**159,020**		**171,545**	**25,283**	

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of costs incurred with our promotional and advertising activities, such as purchasing third-party advertising, holding promotion events and related employee benefits expenses. In recent years, our selling and marketing expenses have increased as we continue to launch and promote new services and seek to enhance our brand recognition.

General and Administrative Expenses

General and administrative expenses primarily consist of research and development expenses, related employee benefits expense, office rental/depreciation of right-of-use assets, travel and entertainment expenses, consulting fees, office maintenance and other general office expenses.

Other Gains/(Losses), Net

Other gains/(losses), net consist primarily of subsidies and tax rebates.

Net gains/(losses) from investments and others

Net gains/(losses) from investments and others primarily consist of net gains/(losses) on disposals and deemed disposals of investee companies, net fair value gains/(losses) on FVPL, other net fair value gains/(losses), impairment (provision)/reversal for investee companies, goodwill and other intangible assets arising from acquisitions, dividend income and donations.

Interest Income

Interest income mainly represents interest income from bank deposits, including bank balance and term deposits.

Finance Costs

Finance costs include interest and related expenses primarily arising from the borrowings, notes payable and lease liabilities, as well as foreign currency exchange gains or losses.

Income Tax Expense

Income tax expense is recognised based on our best knowledge of the income tax rates expected to be applicable for the financial year.

(i) Cayman Islands and British Virgin Islands CIT

We were not subject to any taxation in the Cayman Islands and the British Virgin Islands for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(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 years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(iii) PRC CIT

PRC CIT had been provided for at applicable tax rates under the relevant laws and regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profits of our entities established in the Chinese Mainland for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026. The general PRC CIT rate was 25% in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

Certain subsidiaries in the Chinese Mainland were approved as High and New Technology Enterprise, and they were subject to a preferential CIT rate of 15% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

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 Chinese Mainland upon fulfilment of certain requirements of the respective local governments.

(iv) CIT in other jurisdictions

Income tax on profits arising from other jurisdictions, including North America, Europe, Asia and South America, had been calculated on the estimated assessable profits at the respective rates prevailing in the relevant jurisdictions, which were not higher than 39% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(v) Withholding tax

According to applicable tax laws and regulations prevailing in the Chinese Mainland, dividends distributed by a company established in the Chinese Mainland 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 Chinese Mainland and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

Dividends distributed from certain jurisdictions which our entities operate in are also subject to withholding tax at respective applicable tax rates.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information. The determination of these accounting policies is fundamental to our financial condition and results of operations, and requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involved the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting the estimates may differ significantly from management's current judgements. We believe the following represents our critical accounting policies, judgements and estimates.

Revenue recognition

We generate revenues primarily from provision of VAS, Marketing Services, FinTech and Business Services, and other online related services in the PRC. Revenue is recognised when the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

VAS

Revenues from VAS primarily include revenues from the provision of games and social networks services. Games revenues are mainly derived from sales of in-game virtual items, and social networks revenues are mainly derived from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business.

Revenues from VAS are recognised when we satisfy our performance obligations by rendering relevant promised services.

Gross receipts from sales of in-game permanent virtual items are deferred and amortised over the respective estimated expected user lifetime of the applicable games estimated by us as there is an explicit or implicit obligation of us to maintain the virtual items operated on our platforms and allow users to gain access to them, whereas revenues from sales of in-game limited life virtual items and social networks virtual items, are recognised based on the consumption or over the stipulated periods of validity of the relevant virtual items ratably.

Revenues from subscriptions are recognised ratably over the subscription period.

Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

In respect of our VAS directly delivered to our customers and paid through various third-party platforms, these third-party platforms collect the relevant service fees (the "**Online Service Fees**") on behalf of us and they are entitled to platform provider fees at pre-determined percentages (as part of "**Channel and distribution costs**"). Such Channel and distribution costs are withheld and deducted from the gross Online Service Fees collected by these platforms from the users, with the net amounts remitted to us.

We recognise the Online Service Fees as revenue on a gross or net basis depending on whether we are acting as a principal or an agent in these transactions based on the assessment according to the criteria.

We also open our online platforms to third-party game/application developers under certain co-operation agreements, under which we pay to the third-party game/application developers a pre-determined percentage of the fees paid by and collected from the users of our online platforms for the virtual items sold. We recognise the related revenue on a gross or net basis depending on whether we are acting as a principal or an agent in the transaction.

We adopt different revenue recognition methods based on our specific responsibilities/obligations in different VAS offerings.

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms.

Revenue is recognised either ratably over the agreed period of display, or when the performance is fulfilled, such as impression, view or click. Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

FinTech and Business Services

FinTech and Business Services revenues mainly include revenues derived from the provision of FinTech services and cloud services.

FinTech service revenues include commissions from payment transactions, wealth management services and other FinTech services, where the commissions received by us are generally determined as a percentage of the value of each single transaction or periodic retention amount. Revenue from these commissions is recognised at a point in time when we satisfy our performance obligations by rendering the relevant services.

Cloud services revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources. For cloud service contracts based on subscription for a specified service period, revenue is recognised ratably over the subscribed period as the services are delivered to customers. For cloud service provided on a consumption basis, revenue is recognised based on the customer utilisation of the cloud resources. When a cloud-based service contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

Other Revenues

Our other revenues are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. We recognise other revenues as the respective services are rendered, or when the control of the products is transferred to customers.

Share-based compensation benefits

We operate a number of share-based compensation plans (including share option schemes and share award schemes), under which we receive services from employees and other qualifying participants as consideration for equity instruments (including share options and awarded shares) of us. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of us is recognised as an expense with a corresponding increase in equity over the vesting period, i.e., the period over which all of the specified vesting conditions are to be satisfied.

For grant of share options, the total amount to be expensed is determined by reference to the grant-date fair value of the options granted by using option-pricing model, "Enhanced FAS 123" binomial model (the "**Binomial Model**"), which includes the impact of market performance conditions (such as our share price) but excludes the impact of service condition and non-market performance conditions. For grant of awarded shares, the total amount to be expensed is determined by reference to the market price of the relevant equity instruments at the grant date. We also adopt valuation and actuarial techniques to assess the grant-date fair value of non-listed equity instruments granted under the share-based compensation plans as appropriate.

Non-market performance and service conditions are included in assumptions about the number of options and awarded shares that are expected to vest.

From our perspective, the grants of our equity instruments to employees of our subsidiaries are made in exchange for employee services to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "Investments in subsidiaries", or "Amounts due from subsidiaries" if rechargeable, in our statement of financial position.

At the end of each reporting period, we revise our estimates of the number of options and awarded shares that are expected to ultimately vest. We recognise the impact of the revision to prior estimates, if any, in the consolidated income statement of us, with a corresponding adjustment to equity.

When share options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share premium may be transferred to retained earnings.

If we repurchase vested equity instruments, the payments made to the employees and other qualifying participants are accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments repurchased, measured at the repurchase date. Any such excess is recognised as an expense.

If the terms of an equity-settled share-based award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification. Modifications of an equity-settled share-based award in a manner that is not beneficial to employees are not taken into account when determining the expenses to be recognised.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), we account for the cancellation or settlement as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Share-based payment arrangements where the terms provide us to settle the transactions in cash are cash-settled share-based payment transactions. For cash-settled share-based payments, a liability is recognised at the current fair value determined at the end of the reporting period to the extent of the portion of the services received until the date of settlement, with any changes in fair value recognised in profit or loss.

Income taxes

We are subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where the final tax outcome is different from the amounts that were previously recorded, such differences will impact current income tax and deferred income tax in the period in which such outcome is decided.

Recoverability of non-financial assets

Goodwill and other non-financial assets, mainly including property, plant and equipment, construction in progress, other intangible assets, investment properties, land use rights, right-of-use assets as well as investments in associates and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be fully recoverable. In addition, the Group performs impairment tests on goodwill and other intangible assets that have an indefinite life or are not yet available for use at least annually regardless of whether there are indicators of impairment. The recoverable amounts are determined based on value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Judgement is required to identify any impairment indicators existing for any of our goodwill and other non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment testing purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changes in the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect our financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

Fair value measurement of FVPL and FVOCI

The fair value assessment of FVPL and FVOCI that are measured at Level 3 fair value hierarchy requires significant estimates, which include risk-free rates, expected volatility, liquidity discounts adopted for lack of marketability, market information of recent transactions (such as recent fund-raising transactions undertaken by the investees) and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value measurement of these investments.

Scope of consolidation

Consolidation of an investee is permitted only if control exists. We control an investee when we have all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from our involvement with the investee; and (iii) the ability to use our power over the investee to affect the amount of our returns. Power results from rights that can be straightforward through voting rights or complicated from contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to us. These three factors are not considered in isolation by us in our assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on a holistic analysis of all of the relevant facts and circumstances.

We are required to reassess whether we control an investee if facts and circumstances indicate a change to one or more of the three factors of control.

RESULTS OF OPERATIONS

Six months ended 30 June 2026 compared to six months ended 30 June 2025

Revenues. Revenues increased by 10% year-on-year to RMB401,243 million (US$59,136 million) for the six months ended 30 June 2026.

The following table sets forth our revenues by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
			(Unaudited)		
	Amount (RMB in millions)	% of total revenues	Amount (RMB in millions)	Amount (US$ in millions)	% of total revenues
VAS	183,501	50%	194,524	28,669	48%
Marketing Services	67,615	19%	81,736	12,046	21%
FinTech and Business Services	110,443	30%	120,171	17,711	30%
Others	2,967	1%	4,812	710	1%
Total revenues	**364,526**	**100%**	**401,243**	**59,136**	**100%**

Revenues from VAS increased by 6% year-on-year to RMB194,524 million (US$28,669 million) for the six months ended 30 June 2026. Domestic Games revenues were RMB92.7 billion (US$13.7 billion), up 11% year-on-year, driven by growth from most of our major games, with notable contributions from *Delta Force*, *VALORANT* PC and MOBILE, *Roco Kingdom: World* and *Wuthering Waves*. International Games revenues were RMB37.4 billion (US$5.5 billion), up 6% year-on-year, primarily driven by higher revenues from *Clash Royale*, *Wuthering Waves* and *VALORANT* PC. Social Networks revenues decreased by 0.7% year-on-year to RMB64.4 billion (US$9.5 billion).

Revenues from Marketing Services were RMB81,736 million (US$12,046 million) for the six months ended 30 June 2026, up 21% year-on-year, supported by enhancements to our AI-driven ad recommendation model (which determines the ad shown to each user for each impression), upgrades to our automated campaign management solution *AIM+* (which helps advertisers purchase performant impressions), and integration of closed-loop marketing capabilities within the *Weixin* ecosystem (which facilitates *Weixin*-integrated services, such as *Mini Games* and *Mini Shops*, to advertise more effectively on Tencent-managed ad properties). Most major industry categories increased marketing spending on our platforms during the six months ended 30 June 2026.

Revenues from FinTech and Business Services increased by 9% year-on-year to RMB120,171 million (US$17,711 million) for the six months ended 30 June 2026. FinTech Services revenue growth was mainly due to higher revenues from commercial payment, wealth management and consumer loan services. Business Services revenue growth was primarily driven by increased revenues from our cloud services, underpinned by greater demand for AI-related services, ongoing international expansion, and a more favourable pricing environment.

Cost of revenues. Cost of revenues increased by 8% year-on-year to RMB171,545 million (US$25,283 million) for the six months ended 30 June 2026. The increase was primarily due to higher AI-related equipment depreciation and associated operating costs.

Gross profit. Gross profit increased by 12% year-on-year to RMB229,698 million (US$33,853 million) for the six months ended 30 June 2026, slightly outpacing revenue growth. Robust growth in high-margin revenue streams, including higher revenues from internally developed games and from Marketing Services, offset higher depreciation and operating costs associated with our expanded AI infrastructure. Gross margin was 57%, up from 56% in the same period last year. The following table sets forth our gross profit and gross margin by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
	(Unaudited)				
	Amount (RMB in millions)	Gross margin	Amount (RMB in millions)	Amount (US$ in millions)	Gross margin
VAS	110,134	60%	123,053	18,136	63%
Marketing Services	38,279	57%	45,959	6,774	56%
FinTech and Business Services	56,549	51%	62,598	9,226	52%
Others	544	18%	(1,912)	(283)	NM
Total gross profit	**205,506**	**56%**	**229,698**	**33,853**	**57%**

Gross profit for VAS grew by 12% year-on-year to RMB123,053 million (US$18,136 million), primarily driven by a greater revenue contribution from high-margin internally developed games. Gross margin expanded to 63% from 60% in the same period last year.

Gross profit for Marketing Services increased by 20% year-on-year to RMB45,959 million (US$6,774 million), broadly consistent with segment revenue growth, as higher revenues, supported by enhancements to our AI-driven marketing capabilities, largely offset higher costs, including depreciation and operating costs associated with expanding our AI infrastructure to improve ad and content recommendation. Gross margin was 56%, compared with 57% in the same period last year.

Gross profit for FinTech and Business Services rose by 11% year-on-year to RMB62,598 million (US$9,226 million), mainly driven by wealth management and consumer loan services, as well as cloud services. Gross margin increased to 52% from 51% in the same period last year.

Selling and marketing expenses. Selling and marketing expenses increased by 34% year-on-year to RMB23,212 million (US$3,421 million) for the six months ended 30 June 2026, due to higher marketing spending to support our games business and to drive adoption of our AI-native products. As a percentage of revenues, selling and marketing expenses were 6% for the six months ended 30 June 2026, increased from 5% for the six months ended 30 June 2025.

General and administrative expenses. General and administrative expenses increased by 11% year-on-year to RMB72,608 million (US$10,701 million) for the six months ended 30 June 2026, primarily reflecting higher R&D spending to support *Hy* model enhancements, *Weixin* AI initiatives, and development of AI capabilities across our products and services. As a percentage of revenues, general and administrative expenses remained stable at 18% for the six months ended 30 June 2025 and 2026.

Other gains/(losses), net. We recorded net other gains of RMB773 million (US$114 million) for the six months ended 30 June 2026.

Operating profit. Operating profit increased by 14% year-on-year to RMB134,651 million (US$19,845 million) for the six months ended 30 June 2026. Non-IFRS operating profit[1] increased by 9% year-on-year to RMB151,263 million (US$22,293 million). Non-IFRS operating profit excluding new AI products[2] increased by 18% year-on-year to RMB170.5 billion (US$25.1 billion).

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB13,112 million (US$1,932 million) for the six months ended 30 June 2026.

Interest income. Interest income increased by 5% year-on-year to RMB8,227 million (US$1,213 million) for the six months ended 30 June 2026, mainly driven by growth in cash reserves.

Finance costs. Finance costs were RMB5,958 million (US$878 million) for the six months ended 30 June 2026, compared with RMB7,801 million in the same period last year, reflecting favourable foreign exchange movements and lower interest expenses due to lower average interest rates.

Share of profit/(loss) of associates and joint ventures, net. Our share of losses of associates and joint ventures was RMB6,373 million (US$939 million) for the six months ended 30 June 2026, primarily reflecting our share of the fair value adjustment recognised by an unlisted investee from revaluation of its issued convertible redeemable preferred shares arising from increased valuation of the investee, which was excluded from our non-IFRS profit. On a non-IFRS basis, our share of profits of associates and joint ventures was RMB13,482 million (US$1,987 million), compared with share of profits of RMB13,988 million in the same period last year.

Profit before income tax. Profit before income tax increased by 10% year-on-year to RMB143,659 million (US$21,173 million) for the six months ended 30 June 2026.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB26,290 million (US$3,875 million) for the six months ended 30 June 2026, reflecting operating profit growth.

Profit for the period. As a result of the factors discussed above, profit for the period increased by 11% year-on-year to RMB117,369 million (US$17,298 million) for the six months ended 30 June 2026. Our profit margin remained stable at 29% for the six months ended 30 June 2025 and 2026.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 10% year-on-year to RMB114,115 million (US$16,818 million) for the six months ended 30 June 2026. Non-IFRS profit attributable to equity holders of the Company increased by 10% year-on-year to RMB136,320 million (US$20,091 million).

Year ended 31 December 2025 compared to year ended 31 December 2024

Revenues. Revenues increased by 14% year-on-year to RMB751,766 million for the year ended 31 December 2025.

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[1] Certain non-IFRS financial measures (in terms of operating profit, share of profit/(loss) of associates and joint ventures, net, profit attributable to equity holders of the Company) represents the IFRS financial measures after adjusting for share-based compensation, net (gains)/losses from investee companies, amortisation of intangible assets resulting from acquisitions, impairment provisions/(reversals), donations and expenses incurred for the sustainable social value and common prosperity programmes, non-recurring compliance-related costs and expenses incurred for certain litigation settlements and the related income tax effects.

[2] New AI products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*.

The following table sets forth our revenues by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	319,168	49%	369,281	49%
Marketing Services	121,374	18%	144,973	19%
FinTech and Business Services	211,956	32%	229,435	31%
Others	7,759	1%	8,077	1%
Total revenues	**660,257**	**100%**	**751,766**	**100%**

Revenues from VAS increased by 16% year-on-year to RMB369,281 million for the year ended 31 December 2025. Domestic Games revenues were RMB164.2 billion, up 18% year-on-year, underpinned by robust performance of recently released *Delta Force*, as well as higher revenues from evergreen games such as *Honour of Kings* and *Peacekeeper Elite*, and from *VALORANT* franchise (PC and mobile). International Games revenues were RMB77.4 billion, up 33% year-on-year (32% on a constant-currency basis), reflecting higher revenues from Supercell's games and *PUBG MOBILE*, as well as incremental revenue contribution from *Wuthering Waves*. Social Networks revenues rose by 5% year-on-year to RMB127.7 billion, due to growth in *Video Accounts* live streaming revenue, music subscription revenue and app-based game virtual item sales.

Revenues from Marketing Services increased by 19% year-on-year to RMB144,973 million for the year ended 31 December 2025, primarily driven by growth in pricing and ad impressions. Pricing benefitted from AI-powered ad targeting, advertisers using AI to create more ads, and an increasing proportion of closed-loop ads (where the user clicks through to native transactional experiences, such as *Mini Programs*, *Mini Shops*, or *Mini Games*). Impression growth benefitted primarily from greater user engagement with products including *Video Accounts* and *Weixin Search*, and modest increases in ad load. Advertising spending grew across most major industry categories during the year.

Revenues from FinTech and Business Services grew by 8% year-on-year to RMB229,435 million for the year ended 31 December 2025. FinTech Services revenues increased at a high single-digit rate year-on-year, due to higher revenues from wealth management services, consumer loan services, and commercial payment activities. Business Services revenues rose by a high-teens rate year-on-year, reflecting increased domestic and international demand for cloud services, including demand for AI-related services, as well as higher eCommerce technology service fees, underpinned by growth in *Mini Shops* GMV.

Cost of revenues. Cost of revenues increased by 6% year-on-year to RMB329,173 million for the year ended 31 December 2025. The increase was primarily due to higher content costs and channel and distribution costs, as well as bandwidth and server costs.

Gross profit. Gross profit rose by 21% year-on-year to RMB422,593 million for the year ended 31 December 2025, primarily driven by greater contributions from high-margin revenue streams, including internally developed games, *Video Accounts* and *Weixin Search* marketing services, and by enhanced cost efficiency in FinTech services and cloud services. Gross margin was 56%, up from 53% for the year ended 31 December 2024. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	181,657	57%	222,296	60%
Marketing Services	67,232	55%	83,389	58%
FinTech and Business Services	99,701	47%	116,616	51%
Others	656	8%	292	4%
Total gross profit	**349,246**	**53%**	**422,593**	**56%**

Gross profit for VAS increased by 22% year-on-year to RMB222,296 million, due to greater revenue contributions from internally developed games. Gross margin was 60%, up from 57% in the prior year.

Gross profit for Marketing Services rose by 24% year-on-year to RMB83,389 million, as AI-powered marketing services drove strong growth in high-margin revenue streams, particularly *Video Accounts* and *Weixin Search*. Gross margin improved to 58% from 55% in the previous year.

Gross profit for FinTech and Business Services increased by 17% year-on-year to RMB116,616 million, benefitting from growing scale of cloud services and improved revenue mix in FinTech services, alongside enhanced cost efficiency. Gross margin rose to 51% from 47% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 15% year-on-year to RMB41,727 million for the year ended 31 December 2025, reflecting increased promotional efforts to support the growth of our AI-native applications and games. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses rose by 21% year-on-year to RMB136,127 million for the year ended 31 December 2025. This growth was due to increased R&D expenses, primarily higher staff costs and increased depreciation expenses driven by our AI investments, alongside a one-off share-based compensation expense of RMB4.0 billion related to restructuring of an existing commercial arrangement at an overseas subsidiary. As a percentage of revenues, general and administrative expenses were 18% for the year ended 31 December 2025, increased from 17% for the year ended 31 December 2024.

Other gains/(losses), net. We recorded net other losses of RMB3,177 million for the year ended 31 December 2025.

Operating profit. Operating profit increased by 16% year-on-year to RMB241,562 million for the year ended 31 December 2025. Non-IFRS operating profit increased by 18% year-on-year to RMB280,656 million for the year ended 31 December 2025. We recorded non-IFRS operating profit excluding new AI products of RMB298.1 billion for the year ended 31 December 2025.

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB10,168 million for the year ended 31 December 2025.

Interest income. Interest income increased by 6% year-on-year to RMB16,909 million for the year ended 31 December 2025 due to growth in cash reserves.

Finance costs. Finance costs were RMB15,130 million for the year ended 31 December 2025, compared with RMB11,981 million in the prior year, mainly due to net foreign exchange losses recognised for the year ended 31 December 2025, versus net foreign exchange gains recorded for the year ended 31 December 2024.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB23,740 million for the year ended 31 December 2025, compared with share of profits of RMB25,176 million for the year ended 31 December 2024. Non-IFRS share of profits of associates and joint ventures rose to RMB33,457 million, compared with RMB31,635 million in the previous year.

Profit before income tax. Profit before income tax increased by 15% year-on-year to RMB277,249 million for the year ended 31 December 2025.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB47,448 million for the year ended 31 December 2025, mainly reflecting operating profit growth, partially offset by lower withholding tax provision recognised this year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by 17% year-on-year to RMB229,801 million for the year ended 31 December 2025. Our profit margin increased from 30% for the year ended 31 December 2024 to 31% for the year ended 31 December 2025.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 16% year-on-year to RMB224,842 million for the year ended 31 December 2025. Non-IFRS profit attributable to equity holders of the Company increased by 17% year-on-year to RMB259,626 million for the year ended 31 December 2025.

Year ended 31 December 2024 compared to year ended 31 December 2023

Revenues. Revenues increased by 8% year-on-year to RMB660,257 million for the year ended 31 December 2024.

The following table sets forth our revenues by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	298,375	49%	319,168	49%
Marketing Services	101,482	17%	121,374	18%
FinTech and Business Services	203,763	33%	211,956	32%
Others	5,395	1%	7,759	1%
Total revenues	**609,015**	**100%**	**660,257**	**100%**

Revenues from VAS increased by 7% year-on-year to RMB319,168 million for the year ended 31 December 2024. International Games revenues were RMB58.0 billion, reflecting 9% growth in both reported and constant currency terms, driven by strong performances from *PUBG MOBILE* and Supercell's games. Domestic Games revenues rose by 10% to RMB139.7 billion, driven by revenue growth from *VALORANT*, *Naruto Mobile*, *Fight of the Golden Spatula* and *League of Legends: Wild Rift*, alongside new contributions from *DnF Mobile* and *Delta Force*. Social Networks revenues were RMB121.5 billion, up 2% year-on-year, driven by higher revenues from music and long-form video subscription services, increased app-based game virtual item sales and *Mini Games* platform service fees, partially offset by a decline in music-related and games-related live streaming revenues.

Revenues from Marketing Services increased by 20% year-on-year to RMB121,374 million for the year ended 31 December 2024. This increase was primarily due to robust advertiser demand for *Video Accounts*, *Mini Programs* and *Weixin Search* inventories, and ongoing enhancement of our AI-powered advertising infrastructure. Advertising spending rose across most major categories, with notable growth from games, eCommerce, education and Internet services categories.

Revenues from FinTech and Business Services grew by 4% year-on-year to RMB211,956 million for the year ended 31 December 2024. The increase in FinTech Services revenues primarily reflected growth in wealth management services and commercial payment services. Higher Business Services revenues were driven by growth in *WeCom* revenue and eCommerce technology service fees.

Cost of revenues. Cost of revenues were RMB311,011 million for the year ended 31 December 2024, representing a 2% year-on-year decline, due to lower live streaming revenue sharing costs, long-form video content costs and cloud project deployment costs.

Gross profit. Gross profit rose by 19% year-on-year to RMB349,246 million for the year ended 31 December 2024, primarily driven by robust growth in high-margin revenue streams from Domestic Games, *Video Accounts*, *Weixin Search* and the *Mini Games* platform. Improved profitability in our cloud services and long-form video businesses also contributed to the overall increase in gross profit. Gross margin increased to 53%, compared to 48% in the prior year. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	161,919	54%	181,657	57%
Marketing Services	51,344	51%	67,232	55%
FinTech and Business Services	80,636	40%	99,701	47%
Others	(790)	NM	656	8%
Total gross profit	**293,109**	**48%**	**349,246**	**53%**

Gross profit for VAS increased by 12% year-on-year to RMB181,657 million, driven by growth in high-margin revenues from Domestic Games and *Mini Games* platform service fees, as well as long-form video subscription revenue growth and content cost optimisation. Gross margin improved to 57% from 54% in the previous year.

Gross profit for Marketing Services increased by 31% year-on-year to RMB67,232 million, primarily due to growth in high-margin revenues from *Video Accounts* and *Weixin Search* marketing services. Gross margin increased to 55% from 51% in the previous year.

Gross profit for Fintech and Business Services rose by 24% year-on-year to RMB99,701 million, driven by revenue growth from wealth management services, *WeCom*, and eCommerce technology service fees, as well as enhanced cost efficiency in our cloud services. Gross margin rose to 47% from 40% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 6% year-on-year to RMB36,388 million for the year ended 31 December 2024, reflecting higher promotional and advertising efforts to support new content releases. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses increased by 9% year-on-year to RMB112,761 million for the year ended 31 December 2024. This increase was primarily driven by higher R&D expenses, including those related to our AI initiatives, alongside higher staff costs. As a percentage of revenues, general and administrative expenses remained broadly stable at 17%, in line with the prior year.

Operating profit. Operating profit increased by 30% year-on-year to RMB208,099 million for the year ended 31 December 2024. Non-IFRS operating profit increased by 24% year-on-year to RMB237,811 million for the year ended 31 December 2024.

Interest income. Interest income increased by 16% year-on-year to RMB16,004 million for the year ended 31 December 2024 due to growth in cash reserves.

Finance costs. Finance costs decreased by 2% year-on-year to RMB11,981 million for the year ended 31 December 2024, primarily due to recognition of foreign exchange gains this year versus losses in the previous year, partially offset by higher interest expenses.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB25,176 million for the year ended 31 December 2024, up from share of profits of RMB5,800 million for the previous year. Non-IFRS share of profits of associates and joint ventures rose to RMB31,635 million, compared to RMB13,041 million for the previous year. The increase in non-IFRS share of profits of associates and joint ventures reflected stronger financial performances across several associates, driven by company-specific factors, including business growth, new content releases and operational efficiency improvements.

Profit before income tax. Profit before income tax increased by 50% year-on-year to RMB241,485 million for the year ended 31 December 2024.

Income tax expense. Income tax expense increased by 4% year-on-year to RMB45,018 million for the year ended 31 December 2024, primarily due to our operating profit growth, partially offset by the high base effect from deferred tax adjustments at an overseas subsidiary in the previous year. Excluding the deferred tax adjustments in the prior year, income tax expense would have increased by 15% year-on-year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by RMB78,419 million, or 66%, from RMB118,048 million for the year ended 31 December 2023 to RMB196,467 million for the year ended 31 December 2024. Our profit margin increased from 19% for the year ended 31 December 2023 to 30% for the year ended 31 December 2024.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 68% year-on-year to RMB194,073 million for the year ended 31 December 2024. Non-IFRS profit attributable to equity holders of the Company increased by 41% to RMB222,703 million for the year ended 31 December 2024.

QUARTERLY RESULTS OF OPERATIONS

The following table presents our unaudited quarterly results of operations for the most recent nine quarters. You should read the table in conjunction with the consolidated financial information contained elsewhere in this Offering Circular. Results of operations for any quarter are not necessarily indicative of results for any future quarters or full year.

	Three months ended								
	30 June 2024	30 September 2024	31 December 2024	31 March 2025	30 June 2025	30 September 2025	31 December 2025	31 March 2026	30 June 2026
	(Unaudited)								
	(RMB in millions)								
Revenues:									
VAS	78,822	82,695	79,022	92,133	91,368	95,860	89,920	96,110	98,414
Marketing services[(1)]	29,871	29,993	35,004	31,853	35,762	36,242	41,116	38,171	43,565
FinTech and business Services	50,440	53,089	56,125	54,907	55,536	58,174	60,818	59,885	60,286
Others	1,984	1,416	2,295	1,129	1,838	2,593	2,517	2,292	2,520
Total revenues	**161,117**	**167,193**	**172,446**	**180,022**	**184,504**	**192,869**	**194,371**	**196,458**	**204,785**
Cost of revenues	(75,222)	(78,365)	(81,793)	(79,529)	(79,491)	(84,071)	(86,082)	(85,193)	(86,352)
Gross profit	**85,895**	**88,828**	**90,653**	**100,493**	**105,013**	**108,798**	**108,289**	**111,265**	**118,433**
Selling and marketing expenses	(9,156)	(9,411)	(10,285)	(7,866)	(9,410)	(11,468)	(12,983)	(11,343)	(11,869)
General and administrative expenses	(27,491)	(29,058)	(31,403)	(33,664)	(31,921)	(34,259)	(36,283)	(33,800)	(38,808)
Other gains/(losses), net	1,484	2,974	2,513	(1,397)	(3,578)	483	1,315	1,253	(480)
Operating profit.	**50,732**	**53,333**	**51,478**	**57,566**	**60,104**	**63,554**	**60,338**	**67,375**	**67,276**
Net gains/(losses) from investments and others	(654)	3,066	1,119	1,407	2,638	2,820	3,303	1,928	11,184
Interest income	3,850	3,996	3,910	3,748	4,121	4,256	4,784	4,025	4,202
Finance costs	(3,112)	(3,531)	(2,512)	(3,860)	(3,941)	(3,756)	(3,573)	(2,979)	(2,979)
Share of profit/(loss) of associates and joint ventures, net	7,718	6,019	9,253	4,581	4,473	7,854	6,832	3,620	(9,993)
Profit before income tax	**58,534**	**62,883**	**63,248**	**63,442**	**67,395**	**74,728**	**71,684**	**73,969**	**69,690**
Income tax expense	(10,168)	(8,900)	(11,781)	(13,717)	(11,351)	(9,785)	(12,595)	(14,577)	(11,713)
Profit for the period	**48,366**	**53,983**	**51,467**	**49,725**	**56,044**	**64,943**	**59,089**	**59,392**	**57,977**

Note:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

We experienced growth in our quarterly revenues for the nine quarters in the period from 30 June 2024 to 30 June 2026.

LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, we currently fund our operations primarily with cash flows from operating activities. Our cash requirements relate primarily to:

- *our working capital requirements, such as transaction costs, content costs (excluding amortisation of intangible assets), employee benefits expenses, technical infrastructure operations costs (excluding depreciation), selling and marketing expenses, as well as research and development expenses; and*

- *costs associated with the expansion of our business.*

We had cash and cash equivalents of RMB172,320 million, RMB132,519 million and RMB141,041 million and RMB206,930 million (US$30,498 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Our term deposits and others included in current and non-current assets were RMB231,038 million, RMB282,894 million and RMB353,837 million and RMB304,224 million (US$44,837 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

We bill and collect revenues for our VAS principally through these prepaid channels: mobile payment solutions (mainly *Weixin Pay*) and online banking. A majority of our revenues from VAS are prepaid, allowing us to minimise our credit risk.

Our accounts receivable were RMB46,606 million, RMB48,203 million and RMB49,930 million and RMB55,606 million (US$8,195 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which mainly represented amounts due from marketing services customers and agents, FinTech and cloud customers, content production related customers, and third-party platform providers. Some marketing services customers and agents are usually granted with a credit period within 30 to 90 days immediately following the month end in which the relevant obligations under the relevant contracted orders are delivered. Third-party platform providers usually settle the amounts due by them within 60 days. Other customers, mainly including content production related customers and FinTech and cloud customers, are usually granted with a credit period within 90 days.

Our accounts payable were RMB100,948 million, RMB118,712 million and RMB121,127 million and RMB175,579 million (US$25,877 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. We normally settle the amount due by us according to the terms of our contracts.

Cash flows

The following table sets forth our cash flows information for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(USD in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Cash Flows from Operating Activities

For the six months ended 30 June 2026, we had a net cash inflow from operating activities in the amount of RMB154,061 million (US$22,706 million). Our net cash inflow from operating activities was after deduction of income tax paid of RMB32,863 million.

For the six months ended 30 June 2025, we had a net cash inflow from operating activities in the amount of RMB151,265 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB29,006 million.

In 2025, we had a net cash inflow from operating activities in the amount of RMB303,052 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB331,267 million and changes in working capital in the amount of RMB16,484 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB44,699 million. The changes in working capital primarily consisted of (i) a decrease in prepayments, deposits and other assets of RMB17,007 million, (ii) an increase in accounts payable of RMB13,741 million, and (iii) an increase in deferred revenue of RMB6,143 million, partially offset by (i) a decrease in other payables and accruals of RMB18,745 million, (ii) an increase in accounts receivable of RMB1,242 million, (iii) a decrease in other tax liabilities of RMB331 million, and (iv) an increase in inventories of RMB89 million.

In 2024, we had a net cash inflow from operating activities in the amount of RMB258,521 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB282,824 million and changes in working capital in the amount of RMB21,881 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB46,184 million. The changes in working capital primarily consisted of (i) an increase in deferred revenue of RMB16,533 million, (ii) an increase in accounts payable of RMB10,872 million, (iii) a decrease in prepayments, deposits and other assets of RMB2,632 million, and (iv) a decrease in inventories of RMB20 million, partially offset by (i) a decrease in other payables and accruals of RMB6,765 million, (ii) an increase in accounts receivable of RMB1,048 million, and (iii) a decrease in other tax liabilities of RMB363 million.

In 2023, we had a net cash inflow from operating activities in the amount of RMB221,962 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB237,458 million and changes in working capital in the amount of RMB19,233 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB34,729 million. The changes in working capital primarily consisted of (i) an increase in accounts payable of RMB8,044 million, (ii) a decrease in prepayments, deposits and other assets of RMB5,469 million, (iii) an increase in deferred revenue of RMB3,821 million, (iv) a decrease in inventories of RMB1,882 million, and (v) an increase in other payables and accruals of RMB1,349 million, partially offset by (i) an increase in accounts receivable of RMB1,010 million, and (ii) a decrease in other tax liabilities of RMB322 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended 30 June 2026 was RMB74,724 million (US$11,013 million), primarily reflecting purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB95,615 million, the payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB46,445 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB39,876 million and purchase of or prepayment for intangible assets in the amount of RMB11,547 million, partially offset by proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB41,938 million, proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB35,668 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB34,349 million.

Net cash used in investing activities for the six months ended 30 June 2025 was RMB72,407 million, primarily reflecting payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB71,170 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB45,558 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB43,023 million and purchase of or prepayment for intangible assets in the amount of RMB11,899 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB60,699 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB38,139 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB8,400 million.

Net cash used in investing activities for the year ended 31 December 2025 was RMB205,732 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB131,087 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB87,482 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB73,517 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB40,886 million, purchase of or prepayments for intangible assets in the amount of RMB25,399 million and payments for acquisition of investments in associates in the amount of RMB24,637 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB96,904 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB70,033 million and interest received in the amount of RMB14,534 million.

Net cash used in investing activities for the year ended 31 December 2024 was RMB122,187 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB66,603 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB62,927 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB52,277 million, purchase of or prepayment for intangible assets in the amount of RMB26,394 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB14,022 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB69,562 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB25,490 million and interest received in the amount of RMB14,913 million.

Net cash used in investing activities for the year ended 31 December 2023 was RMB125,161 million, primarily reflecting net placement flow of term deposits with initial terms of over three months in the amount of RMB80,706 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB45,614 million, purchase of or prepayments for intangible assets in the amount of RMB26,042 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB21,008 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB8,511 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss in the amount of RMB49,324 million and interest received in the amount of RMB10,349 million.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended 30 June 2026 was RMB9,469 million (US$1,396 million), primarily reflecting dividends paid to the Company's shareholders of RMB41,595 million, payments for repurchase of shares of RMB22,257 million, repayments of short-term borrowings of RMB13,999 million, repayments of notes payable of RMB10,399 million and interest paid of RMB6,408 million, partially offset by proceeds from short-term borrowings of RMB57,733 million and net proceeds from issuance of notes payable of RMB31,592 million.

Net cash used in financing activities for the six months ended 30 June 2025 was RMB30,111 million, primarily reflecting repayments of short-term borrowings of RMB66,262 million, repayments of long-term borrowings of RMB48,414 million, dividends paid to the Company's shareholders of RMB37,535 million, payments for repurchase of shares of RMB34,525 million, interest paid of RMB7,003 million and repayments of notes payable of RMB6,456 million, partially offset by proceeds from long-term borrowings of RMB100,230 million and proceeds from short-term borrowings of RMB76,168 million.

Net cash used in financing activities for the year ended 31 December 2025 was RMB87,155 million, primarily reflecting repayments of short-term borrowings of RMB121,385 million, payments for repurchase of shares of RMB73,312 million, repayments of long-term borrowings of RMB48,530 million, dividends paid to the Company's shareholders of RMB37,535 million, interest paid of RMB13,180 million and repayments of notes payable of RMB8,587 million, partially offset by proceeds from short-term borrowings of RMB113,557 million and proceeds from long-term borrowings of RMB108,683 million.

Net cash used in financing activities for the year ended 31 December 2024 was RMB176,494 million, primarily reflecting payments for repurchase of shares of RMB102,331 million, repayments of long-term borrowings of RMB74,642 million, repayments of short-term borrowings of RMB40,049 million, dividends paid to the Company's shareholders of RMB28,859 million, repayments of notes payable of RMB14,213 million and interest paid of RMB12,417 million, partially offset by proceeds from short-term borrowings of RMB62,563 million and proceeds from long-term borrowings of RMB52,021 million.

Net cash used in financing activities for the year ended 31 December 2023 was RMB82,573 million, primarily reflecting payments for repurchase of shares of RMB43,767 million, repayments of long-term borrowings of RMB34,116 million, dividends paid to the Company's shareholders of RMB20,983 million, interest paid of RMB11,478 million and repayments of notes payable of RMB10,141 million, partially offset by proceeds from long-term borrowings of RMB33,641 million and proceeds from short-term borrowings of RMB29,809 million.

Capital Expenditure

Our capital expenditures consist of the amount paid for investments in IT infrastructure (including computer equipment, components, and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

We believe that our existing cash and cash equivalents, cash flows from operations and term deposits will be sufficient to meet the anticipated cash needs for our operating activities and capital expenditures for at least the next 12 months.

INDEBTEDNESS

Our total borrowings amounted to RMB197,356 million, RMB199,406 million and RMB250,987 million and RMB298,942 million (US$44,059 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Our total notes payable amounted to RMB151,262 million, RMB139,209 million and RMB136,746 million and RMB154,021 million (US$22,700 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. On 15 July 2015, we completed the issue of the 2035 Notes. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. See "*Description of Other Material Indebtedness — 2035 Notes*". On 19 January 2018, we completed the issue of the 2028 Notes. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. See "*Description of Other Material Indebtedness — 2028 Notes*". On 19 January 2018, we completed the issue of the 2038 Notes. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. See "*Description of Other Material Indebtedness — 2038 Notes*". On 11 April 2019, we completed the issue of the 2029 Notes. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. See "*Description of Other Material Indebtedness — 2029 Notes*". On 11 April 2019, we completed the issue of the 2049 Notes. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. See "*Description of Other Material Indebtedness — 2049 Notes*". On 3 June 2020, we completed the issue of the 2030 Notes. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. See "*Description of Other Material Indebtedness — 2030 Notes*". On 3 June 2020, we completed the issue of the 2050 Notes. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. See "*Description of Other Material Indebtedness — 2050 Notes*". On 3 June 2020, we completed the issue of the 2060 Notes. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. See "*Description of Other Material Indebtedness — 2060 Notes*". On 3 September 2020, TME completed the issue of the TME 2030 Notes. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. See "*Description of Other Material Indebtedness — TME 2030 Notes*". On 22 April 2021, we completed the issue of the 2031 Notes. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. See "*Description of Other Material Indebtedness — 2031 Notes*". On 22 April 2021, we completed the issue of the 2041 Notes. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. See "*Description of Other Material Indebtedness — 2041 Notes*". On 22 April 2021, we completed the issue of the 2051 Notes. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. See "*Description of Other Material Indebtedness — 2051 Notes*". On 22 April 2021, we completed the issue of the 2061 Notes. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. See "*Description of Other Material Indebtedness — 2061 Notes*". On 23 September 2025, we completed the issue of the September 2030 Notes. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. See "*Description of Other Material*

Indebtedness — September 2030 Notes". On 23 September 2025, we completed the issue of the September 2035 Notes. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. See "*Description of Other Material Indebtedness — September 2035 Notes*". On 23 September 2025, we completed the issue of the September 2055 Notes. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. See "*Description of Other Material Indebtedness — September 2055 Notes*". On 16 June 2026, we completed the issue of the 2036 USD Notes. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. See "*Description of Other Material Indebtedness — 2036* USD Notes". On 16 June 2026, we completed the issue of the 2036 CNY Notes. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. See "*Description* of *Other Material Indebtedness — 2036 CNY Notes*". On 16 June 2026, we completed the issue of the 2046 USD Notes. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. See "*Description* of *Other Material Indebtedness — 2046 USD Notes*". On 16 June 2026, we completed the issue of the 2056 CNY Notes. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. See "*Description of Other Material Indebtedness — 2056 CNY Notes*".

The following table sets forth our debt as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	2026
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Current:					
USD bank borrowings					
- Unsecured	18,415	20,487	—	—	—
- Secured [1]	—	—	—	206	30
HKD bank borrowings, unsecured [1]	—	—	12,627	13,879	2,046
RMB bank borrowings					
- Unsecured [1]	7,046	28,039	28,094	70,421	10,379
- Secured [1]	100	—	100	10	1
Current portion of long-term USD bank borrowings, unsecured [2]	15,936	4,313	1,757	1,703	251
Current portion of long-term RMB bank borrowings, unsecured [2]	15	28	30	68	10
Current portion of long-term EUR bank borrowings					
- Unsecured	4	3	—	—	—
- Secured [2]	4	3	2	1	—
Current portion of long-term JPY bank borrowings					
- Unsecured [2]	16	12	8	4	1
- Secured	1	—	—	—	—
	41,537	52,885	42,618	86,292	12,718
Non-Current:					
Non-current portion of long-term USD bank borrowings, unsecured[2]	109,782	92,012	46,742	45,292	6,675
Non-current portion of long-term EUR bank borrowings					
- Unsecured [2]	3	—	17,130	16,156	2,381
- Secured	6	3	1	—	—
Non-current portion of long-term RMB bank borrowings, unsecured [2]	46,000	48,655	133,325	140,438	20,698
Non-current portion of long-term HKD bank borrowings, unsecured [2]	—	5,837	11,165	10,760	1,586
Non-current portion of long-term JPY bank borrowings					
- Unsecured [2]	26	14	6	4	1
- Secured	2	—	—	—	—
	155,819	146,521	208,369	212,650	31,341
Total borrowings	**197,356**	**199,406**	**250,987**	**298,942**	**44,059**
Current:					
Notes payable	14,161	8,623	10,542	—	—
Non-current:					
Notes payable [3]	137,101	130,586	126,204	154,021	22,700
Total notes payable	**151,262**	**139,209**	**136,746**	**154,021**	**22,700**
Total	**348,618**	**338,615**	**387,733**	**452,963**	**66,759**

Notes:

(1) The aggregate principal amounts of short-term RMB, HKD and USD bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB70,573	0.75% ~ 3.50%
RMB bank borrowings	RMB158	1-year LPR - 0.70% ~ - 0.30%
HKD bank borrowings	HKD15,980	HIBOR + 0.08% ~ 0.10%
USD bank borrowings	USD30	3.70%

(2) The aggregate principal amounts of long-term RMB, HKD, USD, EUR and JPY bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB69,085	2.52% ~ 3.10%
RMB bank borrowings	RMB65,621	1-year LPR - 0.65% ~ + 0.15%
RMB bank borrowings	RMB5,800	5-year LPR - 0.85%
HKD bank borrowings	HKD12,402	HIBOR + 0.25% ~ 0.60%
USD bank borrowings	USD6,900	SOFR + CAS + 0.80%
EUR bank borrowings	EUR2,080	EURIBOR + 0.70% ~ 0.75%
JPY bank borrowings	JPY103	0.60% ~ 1.36%
JPY bank borrowings	JPY90	TIBOR + 1.70%

The long-term bank borrowings are repayable as follows:

	As at 31 December			As at 30 June	
	2023	**2024**	**2025**	**2026**	**2026**
		(Audited)		**(Unaudited)**	
	(RMB in millions)	**(RMB in millions)**	**(RMB in millions)**	**(RMB in millions)**	**(US$ in millions)**
Within 1 year	15,976	4,359	1,797	1,776	262
Between 1 and 2 years	41,643	45,784	19,671	19,155	2,823
Between 2 and 5 years	114,174	95,759	183,771	182,794	26,941
Over 5 years	2	4,978	4,927	10,701	1,577
Total	**171,795**	**150,880**	**210,166**	**214,426**	**31,603**

(3) On 15 July 2015, we completed the issue of the 2035 Notes in an aggregate principal amount of US$100 million that will mature on 15 July 2035. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2028 Notes in an aggregate amount of US$2,500 million that will mature on 19 January 2028. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2038 Notes in an aggregate amount of US$1,000 million that will mature on 19 January 2038. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2029 Notes in an aggregate amount of US$3,000 million that will mature on 11 April 2029. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2049 Notes in an aggregate amount of US$500 million that will mature on 11 April 2049. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April

and 11 October of each year. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2030 Notes in an aggregate amount of US$2,250 million that will mature on 3 June 2030. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2050 Notes in an aggregate amount of US$2,000 million that will mature on 3 June 2050. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2060 Notes in an aggregate amount of US$750 million that will mature on 3 June 2060. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. On 3 September 2020, TME completed the issue of the TME 2030 Notes in an aggregate amount of US$500 million that will mature on 3 September 2030. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2031 Notes in an aggregate principal amount of US$500 million that will mature on 22 April 2031. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2041 Notes in an aggregate principal amount of US$900 million that will mature on 22 April 2041. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2051 Notes in an aggregate principal amount of US$1,750 million that will mature on 22 April 2051. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2061 Notes in an aggregate principal amount of US$1,000 million that will mature on 22 April 2061. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2030 Notes in an aggregate principal amount of CNY2,000 million that will mature on 23 September 2030. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2035 Notes in an aggregate principal amount of CNY6,000 million that will mature on 23 September 2035. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2055 Notes in an aggregate principal amount of CNY1,000 million that will mature on 23 September 2055. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 USD Notes in an aggregate principal amount of US$1,750 million that will mature on 16 June 2036. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 CNY Notes in an aggregate principal amount of CNY11,000 million that will mature on 16 June 2036. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2046 USD Notes in an aggregate principal amount of US$700 million that will mature on 16 June 2046. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2056 CNY Notes in an aggregate principal amount of CNY4,000 million that will mature on 16 June 2056. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount.

CONTRACTUAL OBLIGATIONS

Capital Commitments

The following table sets forth our capital commitments as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Contracted:					
Construction/purchase of buildings and purchase of land use rights	4,480	2,937	5,237	4,649	685
Capital investment in investees	9,685	9,298	12,164	13,754	2,027
Purchase of other capital assets	3,444	2,470	3,354	74,326	10,955
Total	**17,609**	**14,705**	**20,755**	**92,729**	**13,667**

Other Commitments

Our commitments under agreements mainly for technical infrastructure operations costs, online game licensing, media content and other technical services, which were contracted but not provided in the condensed consolidated financial statements, amounted to approximately RMB29,308 million, RMB31,070 million, RMB55,190 million and RMB280,147 million (US$41,289 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026. A portion of our commitments is expected to fall due within the next 12 months, with the majority payable beyond the next 12 months, based on the contractual terms of the underlying arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

Foreign Exchange Risk

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HKD, USD and EUR. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. The functional currency of us and the majority of our overseas subsidiaries is USD whereas the functional currency of the subsidiaries which operate in the Chinese Mainland is RMB.

We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures.

Price Risk

We are exposed to price risk mainly arising from investments held by us that are classified as at either FVPL or FVOCI. To manage our price risk arising from the investments, we diversify our investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing our liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for loans to investees and investees' shareholders, receivables related to financial services, term deposits with initial terms of over three months, restricted cash and cash and cash equivalents.

Our exposure to changes in interest rates is also attributable to its borrowings and notes payable, representing a substantial portion of our debts. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest-rate risk.

We regularly monitor our interest rate risk to identify if there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risk by using interest rate swaps, whenever considered necessary.

We entered into certain interest rate swap contracts to hedge our exposure arising from borrowings and senior notes carried at floating rates. Under these interest rate swap contracts, we agreed with the counterparties to exchange, at specified intervals, the difference between contractual fixed-rate interest and benchmark floating-rate interest amounts calculated by reference to the agreed notional amounts. These interest rate swap contracts had the economic effect of converting borrowings and senior notes from floating rates to fixed rates and were qualified for hedge accounting.

Swaps currently in place covered certain floating-rate borrowings principal outstanding as at 30 June 2026.

Credit Risk

We are exposed to credit risk in relation to our cash, deposits and restricted cash placed with banks and other financial institutions, accounts receivable, other receivables, derivative financial instruments, as well as debt investments measured at amortised cost, at FVOCI and at FVPL. The carrying amount of each class of these financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.

The majority of the balances of accounts receivable are due from marketing services customers and agents, FinTech and cloud customers, content production related customers and third-party platform providers. To manage the credit risk arising from accounts receivable, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of our counterparties. The credit periods granted to these customers are usually not more than 90 days and the credit quality of these customers is regularly assessed, which takes into account their financial position, past experience and other factors. We have a large number of customers and there is no significant concentration of credit risk.

Other receivables mainly comprise loan receivables related to financial services, interest receivables, loans to investees and investees' shareholders, lease deposits and other receivables. Management manages the loans by category, makes periodic assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

For financial assets whose impairment losses are measured using ECL model, we assess whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

— Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial instrument is included in stage 1.

— Stage 2: If the credit risk has increased significantly since its initial recognition but not yet deemed to be credit-impaired, the financial instrument is included in stage 2.

— Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in stage 3.

We consider the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, lifetime or 12-month ECL are provided respectively.

We consider the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout its life. To assess whether there is a significant increase in credit risk, we compare risk of a default occurring on the asset as at year end with the risk of default as at the date of initial recognition. In particular, the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

(i) Credit risk of cash and deposits

To manage this risk, we only make transactions with state-owned banks and other financial institutions in the PRC and reputable international banks and other financial institutions outside of the PRC, which are of high credit quality. The ECL is close to zero.

(ii) Credit risk of accounts receivable

We apply the simplified approach to provide for ECL prescribed by IFRS 9, which requires the recognition of the lifetime expected loss provision for all accounts receivable, with reference to their expected loss rates and probability of defaults. In view of the sound financial position and collection history of receivables due from these counterparties and insignificant risk of default, to measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over 12 months before 30 June 2026 and the corresponding historical credit losses experienced within this period or probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product ("**GDP**") to be the most relevant factor. Various economic scenarios are considered in generating the forward-looking adjustment.

A default on accounts receivable occurs when the counterparty fails to make contractual payments after a certain period which takes into account their financial position, past experience and other factors after they fall due. To measure the ECL, accounts receivable are grouped on the basis of shared credit risk characteristics, such as industry, with the objective of facilitating recognition of loss allowance on a timely basis. Accounts receivable are written off, in whole or in part, when we have exhausted all practical recovery efforts and have concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with us, and the failure to make contractual payments for a period of greater than three years past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same item.

(iii) Credit risk of loan receivables related to financial services

To manage credit risk arising from loan receivables related to financial services, standardised credit management procedures are performed. We measure credit risk using Probability of Default ("**PD**"), Exposure at Default ("**EAD**") and Loss Given Default ("**LGD**"). This is consistent with the general approach used for the purpose of measuring ECL under IFRS 9. ECL is the product of PD, EAD and LGD.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. No significant changes to estimation techniques or assumptions were made during the reporting period.

As at 30 June 2026, the majority of the gross carrying amount of loan receivables was classified in stage 1, and the amount of loan receivables transferred from stage 1 to stage 2 or stage 3 was immaterial. During the six months ended 30 June 2026, the impairment loss resulting from loan receivables related to financial services was immaterial.

Liquidity Risk

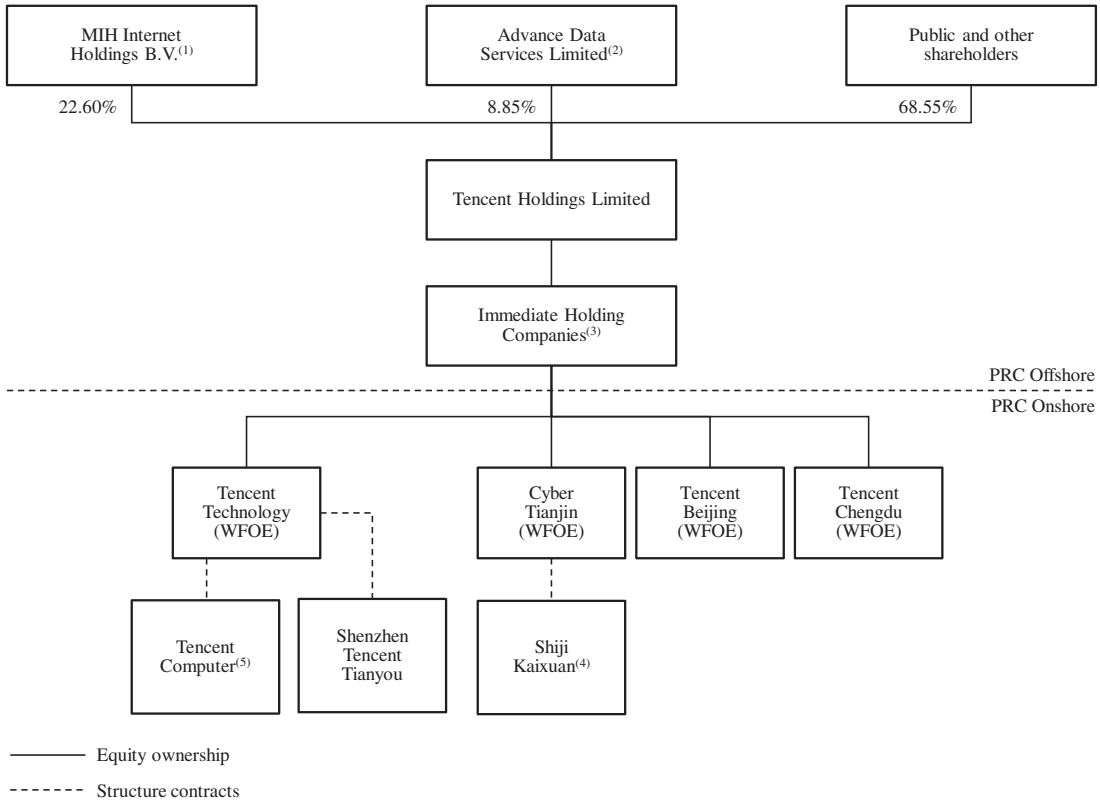
We aim to maintain sufficient cash and cash equivalents, and readily marketable securities which are classified as FVPL. Due to the dynamic nature of the underlying businesses, we maintain flexibility in funding by maintaining adequate balances of such.

The section entitled "*Our Corporate Structure*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

OUR CORPORATE STRUCTURE

We were incorporated in the British Virgin Islands on 23 November 1999 as an international business company with limited liability. We redomiciled to the Cayman Islands on 27 February 2004 and continued as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The following diagram illustrates our principal corporate and share ownership structure as at 30 June 2026.



Notes:

(1) MIH Internet Holdings B.V. is controlled by Naspers Limited through its non wholly-owned subsidiary, Prosus N.V.

(2) Advance Data Services Limited held 709,859,700 shares directly and 95,000,000 shares indirectly through its wholly-owned subsidiary, Ma Huateng Global Foundation Limited (formerly known as Ma Huateng Global Foundation). Advance Data Services Limited is wholly-owned by Mr Ma Huateng.

(3) Intermediate Holding Companies include various Group companies established for the purpose of holding interests in various WFOEs as well as other investments of the Group.

(4) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

(5) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

We primarily conduct our Chinese operations through our WFOEs, including *Tencent Technology*, *Cyber Tianjin*, *Tencent Beijing* and *Tencent Chengdu*. The Company holds its interests in the WFOEs through certain intermediate holding companies wholly-owned by the Company. Our WFOEs employ a substantial portion of our staff, develop the principal software (other than software acquired from third-party providers) for our operations and hold our principal intellectual property rights.

STRUCTURE CONTRACTS

PRC regulations currently restrict foreign ownership of companies that provide value-added telecommunications services in China. See also "*General Regulation on Internet and Telecommunications Industries*". As foreign-invested enterprises, our WFOEs do not have licences to provide Internet content or information services and other value-added telecommunications services. Accordingly, we conduct Internet businesses, our value-added telecommunications businesses and other related businesses mainly through *Tencent Computer, Shiji Kaixuan and Shenzhen Tencent Tianyou* by themselves, or through their subsidiaries, under a series of contractual agreements (collectively, the "**Structure Contracts**") entered into among certain of our WFOEs, consolidated affiliated entities and shareholders of our consolidated affiliated entities. *Tencent Computer* is licenced to provide Internet information services, value-added telecommunications services and other related services and operate those services. The shareholders of *Tencent Computer* are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

As a result of the Structure Contracts, the Group is able to effectively control, and recognise and receive substantially all the economic benefit of the business and operations of, our consolidated affiliated entities. In summary, the Structure Contracts provide the Company through the WFOEs with, among other things:

(a) the right to receive the cash received by the consolidated affiliated entities from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;

(b) the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the consolidated affiliated entities without making any payment; and

(c) the right to control the management and financial and operating policies of the consolidated affiliated entities.

The Structure Contracts establish a cooperation committee (the "**Co-operation Committee**") for each of the consolidated affiliated entities to oversee its business and operations. The Co-operation Committees advise, supervise and effectively control the businesses of the consolidated affiliated entities. Through the Co-operation Committees, the WFOEs advise, supervise and effectively control the business of the consolidated affiliated entities. Under the Structure Contracts, the Co-operation Committees will adopt an internal governance mechanism for payments, expenditure and expenditure-related contracts. Our approval matrix is required to be consistent throughout the Group and can be amended only by the Directors of the Company, and any such amendment applies to all members of the Group.

The Structure Contracts also effectively transfer from the consolidated affiliated entities to the WFOEs all of the cash that is surplus to the requirements of the consolidated affiliated entities, primarily in the form of fees paid for the WFOE's provision of certain technology and information services to the consolidated affiliated entities under the applicable Structure Contracts between the WFOEs and the consolidated affiliated entities. The Co-operation Committee determines and adjusts periodically the fees to be paid by the consolidated affiliated entities to the WFOEs to ensure that all such surplus cash of the consolidated affiliated entities is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the consolidated affiliated entities to be consolidated with the Company as if they were subsidiaries of the Company and that the economic benefit of their businesses flows to the Company and the WFOEs.

Our PRC legal counsel, Han Kun Law Offices, is of the opinion that the Structure Contracts setting forth our contractual arrangements among *Tencent Technology*, *Tencent Computer* and shareholders of *Tencent Computer,* who are Chinese individuals, have been duly authorised, executed and delivered by the applicable Chinese companies and Chinese individuals who are parties thereto, and that each of the Structure Contracts (i) constitutes a legal, valid and binding obligation of the Chinese companies and Chinese individuals who are parties thereto and is enforceable against such parties in accordance with its terms, subject as to enforceability, bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and (ii) is in compliance with, and does not violate any applicable existing requirements of, PRC Laws. In providing their opinion, our counsel has noted that there are ongoing uncertainties and risks in this area as further described under "*Risk Factors — Risks Related to our Corporate Structure*" and "*General Regulation on Internet and Telecommunications Industries*".

The section entitled "*Business*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

BUSINESS

OUR MISSION AND VISION

Our mission and vision is "Value for Users, Tech for Good", guided by our values of "Integrity, Proactivity, Collaboration and Creativity". Throughout our history, users are at the heart of everything we do. We are committed to investing in our content platforms and technology infrastructure, and expect AI to become a growth multiplier that enables us to better serve our users, customers and society at large.

OVERVIEW

We are a leading technology company offering a broad range of services, including communications and social networks, games, digital content, marketing services, FinTech and business services for our users, enterprises and merchants. We develop and deliver highly popular products and services to enhance the quality of life and improve connectivity for users and to maximise business opportunities for enterprises and merchants through digital transformation. Our comprehensive product offerings, advanced technologies and robust infrastructure form a hub that fulfills living needs of users, as well as growing business needs of enterprises and merchants, covering a massive spectrum of online and offline scenarios. In our core businesses, we are now a leader in leveraging AI to enhance strength and accelerate growth.

We operate the largest communications and social community in China in terms of user base through *Weixin* and *QQ*. *Weixin* and *WeChat* had a combined MAU of 1,439 million, and *QQ* had a mobile device MAU of 520 million as at 30 June 2026. Over the years, we supplement instant messaging with open platforms, and have established a diversified and thriving digital ecosystem. The open platforms extend connectivity with external content and services, where users can fulfil not only their social networking needs, but also their lifestyle pursuits.

We fulfil users' perpetual need to connect with other users, such as friends, family members and business associates, through communicating, sharing and interacting in our ecosystem. Users chat via instant messaging, post in *Moments*, discover via *Weixin Search*, read news and information from *Official Accounts*, entertain through *Video Accounts* and transact in *Mini Shops*. *Video Accounts* complement our other social networking services with short videos and live streaming, as users can watch videos and easily share them in *Moments* and chats. *Mini Shops* are our platform for indexed and standardised merchandise, where merchants can operate storefronts similar to those in eCommerce marketplaces, while leveraging *Weixin* social interactions, content services and payment capabilities.

Enterprises, merchants, advertisers and content providers benefit from the massive traffic and digital transformation brought by our digital ecosystem, which better fulfil their business needs and enhance conversion and efficiency. Services such as *Weixin Pay*, *Mini Programs*, *Video Accounts* and *Mini Shops* are becoming increasingly interconnected and serve as central hubs of mobile connectivity among users, enterprises and content providers, enhancing overall user engagement and usage frequency. *Mini Programs*, a light feature embedded in *Weixin*, enable a simple and innovative way to connect content and service providers online and offline with users, and to convert user interactions into transactions and repeat sales. The close connection of *Video Accounts* with other *Weixin* functions links public and private domains, allowing content providers and merchants to increase user reach and drive transactions. We are embedding AI across the *Weixin* ecosystem to enhance user experience, spanning social interactions, information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. In addition, we have begun a small-scale prototype test for *Xiaowei*, an embedded and context-aware agentic AI service within *Weixin*. *Xiaowei* is powered by a customised model, *WeLM*, built for user privacy, Weixin-specific use cases and cost efficiency.

As a cross-platform instant messaging platform, *QQ* offers a wide range of features including communications, interest-based communities, content and social network, catering to users across different generations. *QQ* empowers users to express themselves freely, discover and engage with interest groups and utilise productivity tools such as file management and photo albums. With *QQ*, users can enjoy diverse social experiences online.

We provide leading digital content services leveraging our rich portfolio of high-quality IPs. We create appealing content based on these IPs to attract paying users, extending our IP value across various formats, such as music, video, literature, anime and games. We offer premium music content through *TME*. We are the leader in the long-form video industry by paying users. We operate *China Literature*, a leading online literature and IP incubation platform in China. We ranked first in music and video by paid subscription, and first in literature by users' paid revenue in China as at 30 June 2026. Our fee-based VAS subscriptions[3] reached 259 million as at 30 June 2026.

We believe we were the largest game developer and publisher, globally by revenues, in 2025. We have a strong and expanding portfolio, led by our evergreen games with various vintages, and we continuously nurture popular new games with evergreen potential. Over the years, we have achieved success across a wide variety of genres, both in domestic and international markets, and across mobile, PC and console platforms. In China, we operated eight out of the top 10 domestic mobile games by average quarterly DAU in the second quarter of 2026, according to QuestMobile. In international markets, we operated 3 out of top 10 international mobile games by average quarterly DAU in the second quarter of 2026, according to Sensor Tower. We have strengthened our global leadership through self-developed titles and collaboration with IP partners and investee companies. In addition to our leadership in gameplay-focused games, including battle arena and action games, we have also achieved initial success in content-driven and narrative games. In 2025, International Games revenue surpassed US$10 billion. In addition, we are also leveraging generative AI to accelerate in-game content production speed and scale, as well as facilitating new user acquisition and existing user retention.

Our massive and engaged user base as well as advanced technology make us the preferred choice for advertisers. We leverage our advertising platform which is powered by foundation models with large language model capabilities, and offer generative AI-empowered tools for advertisers. These tools enable the creation of advertisements, streamline the ad approval and placement process, enhance recommendation algorithms and facilitate performance analysis, ultimately boosting ROI for advertisers. We offer marketing solutions across our digital ecosystem and content platforms, and provide unified access to our own and third-party marketing inventories through mobile advertising network. The significant traffic across our various properties offers ample opportunities for marketing services.

We have spent many years establishing a solid base for FinTech services through our widely used payment platform. We facilitate users' basic payment needs, such as transaction and utility payments, red packets, money transfers with friends and bill sharing. Building on top of our payment services, we offer additional value-added FinTech services, including wealth management services, consumer loan and insurance via deepened cooperations with licensed financial institutions, maintaining an unwavering focus on risk management. FinTech services revenue grew single digit % year-on-year in the second quarter of 2026, driven by increased revenue in commercial payment, wealth management, and consumer loan services.

Our robust technology and infrastructure lay a solid foundation for our cloud services. We offer high-performance computing services that power our enterprise customers across 70 Availability Zones. We have been accelerating AI integration into our cloud business across IaaS, PaaS and SaaS solutions. Through our IaaS solutions, enterprise customers can achieve high performance AI training

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[3] Average daily number of subscriptions during the quarter.

and inference capabilities at scale, while developers can access and deploy mainstream foundation models. Our PaaS platform provides powerful solutions, enabling enterprise customers to customise AI assistants using their own proprietary data and developers to generate mini programs and mobile applications through natural language prompts. We ranked second by PaaS revenue in the first quarter of 2026, according to IDC[1]. Our SaaS products, such as *WeCom*, *Tencent Meeting* and *Tencent Docs*, have achieved strong user and revenue growth and deepened penetration into key verticals. *WeCom*, the enterprise version of *Weixin*, has become an integral communications tool for remote workplaces and the top CRM software by revenue in China. *Tencent Meeting* ranked first among video conferencing software by user time and revenue in China. In the second quarter of 2026, our cloud revenue growth accelerated to low-twenties % year-on-year due to AI-related demand, international expansion, and increased usage and pricing for general cloud services. Our international cloud business is seeing increased demand in the rest of Asia and the Middle East.

Our self-developed *Hy* foundation model enables us to develop end-to-end foundation model capabilities in terms of infrastructure, algorithm, training, alignment and data management, and also to tailor solutions for the different needs of internal and external use cases. Starting in September 2025, we restructured our large language model team and rebuilt our foundational capabilities including enhancing AI infrastructure reliability, ingesting more and better-quality data, and implementing a persistent evaluation feedback loop. In April 2026, we released *Hy3* preview large language model, which was the first *Hy* model trained on re-built foundations and delivered substantial practical utility and cost efficiency, outperforming models in its size class. In July 2026, we released *Hy3* production version with enhanced quality and diversity of post-training data, unlocking integration with internal *Tencent* applications. In August 2026, we launched *Hy4* preview, a large model with substantial performance uplift and cost efficiency in activities, such as office work and website and *Mini Program* creation. *Hy4* preview ranked first among open-source models on the Agent Arena leaderboard in terms of real-world agentic task orchestration[2].

Our Model-as-a-Service ("**MaaS**") business provides a range of models including our own Hy series to meet customers' inference needs. Our MaaS revenue has begun to achieve rapid growth. MaaS already generates positive gross margins, reflecting industry-wide limited supply of GPUs, our large pre-existing client base, our deep infrastructure know-how and our continued cost-down initiatives.

On productivity AI, we are currently the first mover and clear China market leader, with our *WorkBuddy* and *CodeBuddy* productivity AI tools, which are starting to generate subscription revenue from enterprise and prosumer paying customers. Our productivity AI tools, *WorkBuddy* and *CodeBuddy*, ranked first and fourth respectively, among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys.

On consumer AI, we released prototype of agentic AI service, *Xiaowei*, to deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s social existing distribution, social graph, and Mini Programs and payment infrastructure.

We strive to harness our technology, connectivity and platform to create sustainable social value, and have made significant progress integrating sustainability into our strategy, development of products and services, and daily operations. For more details of our ESG initiatives, see "*Environmental, Social and Governance ("ESG") Initiatives*".

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1 IDC Quarterly Public Cloud Services Tracker, 1Q26

2 As of September 28, 2026; Based on signals like tool reliability, task completion, and steerability

OUR STRENGTHS

We believe that the following strengths contribute to our success and differentiate us from our competitors:

Vibrant Digital Ecosystem Based on Fundamental Communication and Social Needs

We have built an integrated and vibrant digital ecosystem with social communications at its core to fulfil the expanding needs of our users and enterprise partners. We operate the largest communications and social community in China in terms of user base, with 1,439 million combined MAU of *Weixin* and *WeChat*.

Our flagship product, *Weixin*, satisfies the most fundamental communications and social needs of users. Messaging fulfills the perpetual social networking needs among friends, family and colleagues, and *Weixin*'s MAU and total time spent increased in 2025. Building upon *Weixin*'s core functionality, our thriving *Weixin* ecosystem is expanding rapidly through an open platform, which seamlessly connects users with products, services and content via *Video Accounts*, *Mini Programs*, *Mini Shops*, *Official Accounts* and *Weixin Search*. We pioneered and proliferated these programs, which complement our native mobile applications and materially enhance our user experience, enterprise relationships, and the development of our marketing, payment and business services.

Our thriving ecosystem continuously enhances value for users, merchants and advertisers, and content providers:

— **Users**: Users can interact and share via messaging and group chats, discover their desired content and services in *Moments*, *Weixin Search* and *Official Accounts*, upload videos to *Video Accounts* and share with other users, as well as enjoy products and services via *Mini Programs*.

— **Merchants and advertisers**: The seamless connections of our merchants and advertisers with users increase their operational efficiency, conversion rates and revenue opportunities. *Video Accounts*, *Mini Programs* and *Mini Shops* empower merchants and advertisers to effectively target a broader audience, increase user engagement and usage frequency, therefore converting user interactions into transactions and repeat sales. These platforms not only lower entry barriers and launch costs for developers and merchants, but also connect them with the broader non-app users within our digital ecosystem. *Mini Programs*' light and easy-to-access nature suits industries that require online-offline integration, and also provides a unique platform for complex apps to offer select popular functions and for low-frequency services to increase exposure. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and have achieved further growth in 2025.

— **Content providers**: Content providers also benefit from the close interactions with users and massive traffic, which help them expand audience reach and nurture the creation of high-quality content. We provide more targeted traffic support for creators in key categories, such as knowledge-based content, lifestyle and music, and have enhanced recommendation algorithms to prioritise original content. We also enriched our content offering in *Mini Programs* with increasingly popular *Mini Games*, whose monthly active user accounts exceeded 500 million in February 2026, and *Mini Dramas*.

We have deeply integrated marketing, payment and business services within our digital ecosystem platform. Through *Weixin Pay*, we enable users and merchants to settle transactions across our ecosystem. Seamless integration with *Weixin*, *Tencent Meeting* and *Tencent Docs* enables *WeCom* to become a core platform with enhanced collaboration and productivity.

We continue to introduce AI features within *Weixin* to enhance communication efficiency and content discovery for our users and as a result, this strengthens our value propositions to the merchants, advertisers and content providers on our platforms. For example, we deploy long-sequence large

model that enhances intelligence of content recommendation for *Video Accounts*, which was the second most popular short video service by DAU in China. Total time spent on *Video Accounts* grew over 20% year-on-year in 2025 and the first half of 2026. For *Mini Programs*, we upgraded developer toolkit architecture so users can better leverage AI plug-ins. Over time, AI agents can use *Mini Programs* code as AI skills, pre-built and context aware tools, within *Weixin*. We enhanced *Mini Shops* customer service and merchandise recommendation with large language model, driving higher sales conversion. In addition, we released prototype of *Xiaowei*, agentic AI which deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s existing distribution, social graph, and Mini Programs and payment infrastructure.

Effective Marketing Services With Improving ROI Driven by Ad Tech, User Engagement and Transaction Ecosystem

We have been powering our advertising technology platform with foundation model and generative AI capabilities which allow for a deeper understanding of merchandise and user interests, enabling better ad targeting and click-through rates and ultimately providing more value to advertisers. Generative AI also enables advertisers to create more ads more efficiently, with greater relevance to users. Our automated ad campaign management solution *AIM+* improved advertisers' return on marketing spending. *AIM+* powered approximately 30% of the total marketing services spending from our advertisers in first quarter of 2026.

Robust advertiser demand for *Video Accounts* has been a key driver behind the strong growth of our marketing services. *Video Accounts* have become an attractive platform for advertisers due to their growing popularity among users. With features like short-form video, live-streaming and user-generated content, *Video Accounts* appeal to a wide range of advertisers, from large-scale consumer brands to small and medium-sized enterprises, who can utilise our marketing tools to enhance content exposure, promote live streams and drive sales conversion.

We have been enhancing the transaction ecosystem within *Weixin*, which has contributed to the growth of closed-loop advertising. We direct a large amount of traffic from various touchpoints such as *Weixin Search*, *Moments* and *Video Accounts*, to advertisers' respective *Official Account*, *Mini Programs* and *Mini Shops*. Users can explore products and services by going through product catalogs or watching live-streams, complete the purchases through *Weixin Pay* and manage after-sales services, all within the *Weixin* ecosystem. This closed-loop model reduces the friction between ad exposure and purchase conversion, making it more appealing to advertisers, as they can track the entire customer journey more effectively from ad impression to conversion and optimise their marketing strategies accordingly.

Leading Global Game Platform With an Expanding Evergreen Games Portfolio and Growing Overseas Presence

Throughout our over 20-year journey with games, we have accumulated industry know-how, user insights, production and distribution capabilities. These strengths enable us to develop and operate many evergreen games across various genres, such as battle arena and action, and on mobile and PC platforms. In 2024, we expanded our evergreen games portfolio to 14 titles, while nurturing new games with evergreen potential. In recent years, we have solidified our leadership in our evergreen gameplay-focused games, launched several major new titles, achieved success in content-driven and casual games and further expanded our leadership in international markets.

In China, we have achieved success with our evergreen games with various vintages and further strengthened our leadership via new games with evergreen potential. We define evergreen games as those that surpass average quarterly DAU of 5 million for mobile or 2 million for PC and generate over RMB4 billion annual gross receipts. Our flagship evergreen games *Honour of Kings* and

Peacekeeper Elite have been in operation since 2015 and 2019, respectively, and remain highly popular and continue to achieve solid growth today. *Honour of Kings*, *Delta Force*, *Peacekeeper Elite* and *Roco Kingdom: World* ranked among the top five games by average quarterly DAU in the second quarter of 2026, according to QuestMobile.

We have extended our market leadership to international games markets. Our international games business has become an increasingly large contributor to revenue, contributing to 32% of games revenues in 2025. We grew our international business through in-house studios and collaborations with external partners via strategic investments and partnerships, and have achieved widespread popularity. In the second quarter of 2026, *Brawl Stars* was a top five mobile game by average quarterly DAU in international markets, according to Sensor Tower.

We continue to launch new games with evergreen potential, such as *Delta Force*, our first in-house developed multi-platform first-person shooter, which has recently qualified for the definition of an evergreen game. *Delta Force* ranked among the top three games by DAU in China in the fourth quarter of 2025, according to QuestMobile, and achieved lifetime high average DAU in the second quarter of 2026, demonstrating strong enduring potential.

We also leveraged generative AI in games to accelerate content production speed and scale, optimize the matching experience by enabling virtual teammates and providing more human-like interactions, enhance marketing for player acquisition and engagement and deliver more realistic graphics via AI rendering techniques.

Digital Content Powerhouse With Significant Monetisation Potential Arising From Self-Owned IPs

We are the leading player in the entire digital content value chain, from IP, production to distribution. We possess a rich, high-quality, differentiated IP and content library that spans across multiple formats, including video, music, audio, literature and comics. With our industry-leading production and distribution capabilities, we can develop these into highly popular digital content works, and then distribute to our massive user base. Our online literature, comics, music and game platforms nurture high quality IPs, while our studios including *New Classics Media* create and convert into premium video content. Our self-owned IPs pave the way for monetisation potential.

By driving synergies across our digital content services, we have significantly enhanced the value of our IP portfolio. We ranked first in music and video by paid subscription and first in literature by users' paid revenue as at 30 June 2026 in China, with these subscription revenues recurring in nature. Our fee-based VAS subscriptions[4] reached 259 million as at 30 June 2026.

We also leverage AI to improve productivity, boost content discovery, enhance content recommendation algorithms and offer personalised experiences. These initiatives enable us to better unlock the potential of our content platforms.

Solid and Expanding FinTech Platform With Prudent Risk Management

We have spent many years building our ubiquitous payment services, which set a solid foundation for our other FinTech services, with strict adherence to regulatory requirements and prudent risk management. Product upgrades have propelled our success in payment services. Over the years, we have launched a series of upgrades and deeply integrated payment services with our ecosystem, fulfilling both the lifestyle needs of users and the business needs of enterprises and merchants. We introduced *Weixin Palm Pay* in 2023, and expanded beyond the Chinese Mainland with a launch in Macau in September 2024. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based transaction tools and enhancing cross-border payment experience. The

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[4] Average daily number of subscriptions during the quarter.

daily average number of commercial payment transactions on *Weixin Pay* has exceeded 1 billion since the fourth quarter of 2019. Commercial payment revenue continued year-on-year growth, despite macro uncertainties, due to increasing numbers of transactions. Our payment business has structurally benefitted from synergies with *Mini Programs*, which provide online and offline solutions for merchants to reduce transaction friction and drive repeat sales.

Leveraging our robust payment platform, we facilitate the distribution of wealth management services as well as consumer loan products and services in collaboration with licensed financial institutions. For wealth management services, we have achieved a strong growth in aggregated customer assets, driven by an increase in users and average assets per user. As we prudently expand our FinTech business beyond payment, risk management continues to be our core strength and focus.

High Quality Revenue Growth Model Powers Sustainable Value Creation

Over the years, we have established a diversified and resilient revenue model encompassing both consumer and enterprise-facing businesses. This approach allows us to maintain resilience amidst economic cycles and capture opportunities during growth periods. We started with consumer-facing businesses, such as social networks, games and digital content, and expanded into enterprise-facing services, such as marketing services, FinTech, cloud and other business services. Our growing international presence, driven by our games and cloud businesses, provides an additional healthy stream of revenue from outside China.

We have consistently generated healthy cash flows from our operations and maintained positive operating cash flows since 2001, even through various economic cycles. A significant majority of our revenues are derived from micro-transactions or subscription revenues generated by our massive user base, which are recurring in nature. Consequently, our business is generally less affected by economic slowdowns and macro or industry headwinds. Since our first bond issuance in 2011, we have achieved 26 times revenue growth and 24 times Adjusted EBITDA growth by 2025, compared with 2011.

We strategically focus on high-quality growth, translating solid revenue growth into faster gross profit and Adjusted EBITDA growth by achieving positive revenue mix shift. In the last twelve months ended 30 June 2026, year-over-year growth in revenue, gross profit and Adjusted EBITDA reached 12%, 16% and 15%, respectively.

We bill and collect a significant amount of our revenues on a prepaid basis, which minimises our working capital needs and results in a high cash flow conversion ratio. For the last twelve months ended 30 June 2026, our operating cash flow increased 8% year-over-year to RMB305,848 million.

Solid Balance Sheet With Prudent Capital Management

We adopt a prudent balance sheet management strategy, and have maintained a strong and stable liquidity position alongside a significant investment portfolio. As at 30 June 2026, our cash and cash equivalents and term deposits and others in total amounted to RMB511.2 billion. The fair value of our shareholdings[5] in listed investee companies (excluding subsidiaries) amounted to RMB487.2 billion as at 30 June 2026, while the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) amounted to RMB387.9 billion as at 30 June 2026. In recent years, we have also diversified our debt funding mix with a broader spectrum of borrowing maturity mix and a diverse set of lending and relationship banks. For the last twelve months ended 30 June 2026, total debt/Adjusted EBITDA was 1.3x, Adjusted EBITDA/interest and related expense was 27.2x, and total debt/total capitalisation was 27.0%.

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

Stable Management Team With Proven Execution Track Record

We have a stable and seasoned senior management team with extensive operating experience in the Internet and technology industries, coupled with strong capabilities in developing and executing innovative business strategies. In addition to our core founders, we have recruited senior talents from leading global firms. We also have competitive training and career development plans in place to continuously build our teams. The collective experience of our management team combines local and international expertise, industry knowledge and complementary skill sets, which have led us to become a leading technology company. We believe our committed and experienced management team will continue to drive our success by creating value for users, enterprises and society.

OUR STRATEGIES

We have strategically shifted our focus into a "High Quality Revenue Growth Model" to support our continued economic value creation. Under this model, we aim to translate solid revenue growth into faster gross and operating profit growth by achieving positive revenue mix shift and delivering greater operating leverage for our existing core businesses. We remain focused to drive high quality revenue streams such as the *Video Accounts* ads, the search ads, value-added FinTech services, the eCommerce technology services fees, and our own games, which continue to grow faster than our overall revenue and contribute substantially higher margins than our blended margin. This approach provides us the capacity to reinvest this leverage for the exciting AI opportunity.

Our investment in AI is both a growth multiplier for our existing businesses and a new growth driver. We believe that in our core businesses, we are now a leader in leveraging AI to strengthen and accelerate growth. Use of AI is already showing positive initial results for our businesses, demonstrated by user engagement and revenue trends.

We aim to continue to implement the following strategies:

Develop New AI Capabilities and Products to Capture Exciting New Opportunities

We have assembled the compute infrastructure, model intelligence and human talent which we believe are preconditions to upgrade our services for the AI era, and to cultivate a virtuous feedback cycle for AI. Our AI strategy includes delivering agentic AI to consumers within the *Weixin* application, delivering agent-to-agent capabilities to merchants through *Mini Programs* and *TenPay* infrastructure, and delivering productivity AI to enterprises and prosumers via our productivity AI tools, *WorkBuddy* and *CodeBuddy*. Through these initiatives, we intend to expand our user base and use cases, add AI engagement to our user interactions, and create new monetization streams. Real-world usage arising from AI engagement, such as users entering prompts into our productivity AI tools, provides proprietary data that enables us to rapidly iterate our AI model intelligence and AI application capabilities.

We will continue to invest in our own family of foundation models. Our AI applications, especially our productivity AI tools, generate substantial and valuable user feedback, enabling us to better train our models and enhance their real world utility. Experience providing AI infrastructure in tandem with operating our own models lets us co-design our compute and models together, and thus drive down inference costs. Possessing our own models, which represent a substantial share of our customers' and our own usage, removes our reliance on any single external model provider and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding

capability. We will also focus on integrating multimodal capabilities to our flagship large language models, especially for 3D and video generation, where we see substantial paying customer demand from specific high value industries. Furthermore, we will customize lightweight flash models to further bring down the inference cost, enhancing cost performance to users.

We plan to unlock huge opportunities in productivity market, including coding and existing office work scenarios, with our productivity AI tools such as *WorkBuddy* and CodeBuddy. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys, and is generating revenue from users paying for tokens through subscriptions or top-ups. We are currently prioritizing market education and extending our leadership position, and we target to improve economics over time as we increase paying penetration, and reduce token costs through improvements in agent efficiency, inference efficiency, and model optimization. We believe productivity AI tools will become a franchise business , as context lock-in effect will bring up switching costs and build user loyalty.

We have begun a small-scale prototype test for *Xiaowei*, the agentic AI embedded within *Weixin*, and intended to enhance the growth and monetisation of the *Weixin* ecosystem with AI. We expect *Xiaowei* to contribute progressively to our revenues over time, through a number of monetization paths including higher advertising revenues driven by more relevant ad targeting, new enterprise revenue arising from providing agent-to-agent facilitation services to merchants and service providers, and increased activity velocity across the *Weixin* ecosystem, which we anticipate will generate additional advertising inventory and a greater volume of payment fee generating transactions. We are currently executing several initiatives to further elevate the *Xiaowei* user experience and then roll out to broader *Weixin* consumer and merchant user base.

For *Yuanbao*, our AI-native chatbot, we will continue to prioritize enhancements to its capabilities and user experience, particularly in search, speech recognition and text-to-speech functionality. The ongoing development of our AI products plays an important role in the co-design flywheel that enhances our *Hy* family of models.

We are accelerating AI integration into our cloud services by introducing a suite of autonomous AI agent products and tools, along with upgraded agent-related infrastructure. We increasingly allocate compute to Model-as-a-Service business, providing a range of models including our flagship *Hy* series to existing and new *Tencent Cloud* customers to meet their inference needs. We remain focused on strengthening our IaaS solutions, and enable enterprise customers to achieve high performance AI training and inference capabilities at scale. For PaaS, we continue to provide powerful solutions supporting enterprise customers and developers. Furthermore, we will focus on enhancing our AI-powered tools to expand and upgrade our SaaS products, enabling more AI functions to enhance user productivity.

For marketing services, we have been enhancing our ad tech platform with LLM capabilities, scaled-up foundation model and upgraded architecture for our runtime advertising recommendation model. For entertainment content, we are utilising generative AI to enhance the creation of high production value games, as well as improving content discovery and user experience for short form video and music.

We will continue to train foundation models, step up development of new AI-native products and support surging inference demand for core businesses. We sharpened our focus on both fast product innovation and deep model research, matching our stepped up execution momentum and decision making velocity. We will continue to invest in our own models and accelerate the development of AI applications across our business groups. Additionally, we are investing in marketing to build user awareness and promote the adoption of our AI native products. We believe these investments will yield good economic returns over time.

Enrich our Ecosystem Through Better User Engagement and Strengthening Transaction Capabilities

We believe that the depth of user engagement within our vast online communities is one of our key competitive advantages. Our goal is to further increase user engagement by enhancing their experience and connecting them to our broadening online and offline products and services. We will continuously enhance functionalities and enrich high-quality content across our various digital content platforms, including games, music and video in collaboration with third-party developers, merchants and content providers, and further integrate them to our ecosystem to enhance the holistic and differentiated social experience for our users.

We will continue to boost user engagement through *Video Accounts* by refining recommendation algorithms and providing more original and local content. Additionally, we will focus on emerging popular content such as *Mini Games* and *Mini Dramas*, to further enrich our platform's offerings.

We will continue to drive transactions within our *Weixin* ecosystem. We aim to provide more support for *Mini Shops* merchants to enrich product listings on our platforms and add features leveraging users' social graph to stimulate new and repeat transactions. We will also offer more monetisation support for *Video Accounts* creators, such as facilitating merchandise sales through live streaming and matching creators with brands for marketing campaigns. As a result, we aim to ramp up monetisation in higher-margin businesses such as *Video Accounts* marketing services and eCommerce technology services.

Moreover, there is still tremendous room to expand *Weixin* use case and consumption scenarios to increase utility values for users, merchants, advertisers and content providers. We are well positioned to capture business opportunities arising from the structural shift from offline to online through business and industry digitalisation. With our rich experience in empowering the digital transformation of many enterprises, we will continue to build up our vibrant ecosystem and connect users to a wide variety of online and offline content and services.

Leverage Our Technology Expertise and Operational Know-How To Expand Game and Cloud Businesses Internationally

Global expansion has been an important growth engine for us, and is integral to our long-term growth strategy. By leveraging our industry expertise, domestic operational excellence and strategic investments, we have achieved initial success in international expansion. Going forward, we plan to selectively assess and expand our overseas presence in order to capture additional growth opportunities.

We seek to maintain existing partnerships and establish new ones with leading global game companies. We target to release more evergreen games in international markets, utilising our strong in-house game development capabilities, expertise in operating large-scale games and events, as well as our global publishing and operation experience.

Cloud business also plays a pivotal role in our international expansion strategy. By leveraging *Tencent Cloud*'s technological capabilities in cloud computing, big data and AI, we will continue to establish a vast infrastructure network globally and offer reliable services to a wide range of enterprise customers worldwide.

BUSINESS OPERATIONS

Communications and Social Networks

We develop and provide a wide range of easy-to-use instant messaging and social networks, which primarily consist of *Weixin* and *QQ*. Through *Weixin* and *QQ*, we operate the largest communication and social community in China in terms of user base. The basic features of our social network services are generally provided for free. We generate revenues from membership privileges and subscriptions of a diverse and comprehensive range of digital content services such as literature, video and music, as well as from virtual item sales. We intend to improve user activeness and interaction through enhancements in content, functionalities, diversity of third-party applications and online and offline member privileges.

Weixin

Our *Weixin* ecosystem consists of an open platform centered around *Weixin Chat*, extending connectivity with services including *Video Accounts, Mini Shops, Mini Programs*, *Official Accounts, Moments* and *Weixin Search*. As at 30 June 2026, the combined monthly active user accounts of *Weixin* and *WeChat* exceeded 1.4 billion. *Weixin* has increasingly become a hub of mobile connectivity in which we connect our users, enterprises, merchants, advertisers and content providers with access to a wide variety of online and offline content and services. We have integrated AI into *Weixin* and *WeChat* to optimize core features such as information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. To deliver an embedded and context-aware AI experience within *Weixin*, we have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*.

Video Accounts are a separate ID-based, short-form content creation product to enable video uploads and sharing to a public audience of informative and educational content, as well as live streaming, offered to users through enhanced social and algorithmic recommendations and traffic support. *Video Accounts* also enable merchants and content providers to broaden their audience reach and drive transactions, especially via links to *Mini Programs* and *Mini Shops*. We aggregate content providers' digital assets within *Weixin*, supported by *Official Accounts* and *Mini Programs* to reinforce branding and facilitate user engagement and transactions. We also link public and private domains to provide a unique channel for businesses to acquire and manage customers efficiently. By deploying a longer-sequence AI model that captures broader user signals, we have enhanced our video recommendation algorithm to drive higher user engagement and more effective content distribution. In addition, we have introduced the *@Yuanbao* feature in video accounts comment boxes, allowing users to effortlessly generate summaries of content and explore follow-up questions. Total time spent on *Video Accounts* grew over 20% year-on-year in the second quarter of 2026, benefitting from enriched content, upgraded interactive features and introduction of a new multi-variable content ranking system.

Mini Shops is a platform for indexed and standardised merchandise, where merchants can operate virtual shops, while leveraging *Weixin* social interactions, content services and payment capabilities. *Mini Shops* not only enables customisable design and development but also provides a secure and efficient transaction experience. We introduce features on *Mini Shops* to deepen integration with *Weixin*'s ecosystem, such as enabling merchants to port a SKU library from *Mini Programs* and unify loyalty programs across platforms, encouraging users to share products and shops with friends on *Weixin* and *Moments*, and extending the gifting feature from *Mini Shops* to *Mini Programs, Video Accounts* and *Official Accounts*. We also introduced new promotional features to help merchants enhance brand awareness and drive product discovery, and upgraded incentives to support customer retention and lifetime value. We enhanced merchandise recommendation with foundation model capabilities to deepen understanding of user interests based on content consumption within *Weixin* ecosystem, driving higher sales conversions in *Mini Shops*. We monetise via technology services fees collected on *Mini Shops* transactions.

Mini Programs connect online and offline services with users on *Weixin*. Service providers and developers utilise the feature of mini-programs on the *Weixin* platform that cater to their business needs and targeted user demographics. Service providers benefit from the increased traffic arising from integration in *Mini Programs* and conversion of user interactions into transactions and repeat sales. *Mini Programs* provides access to a wide range of use cases embedded to cater to various demands of users, including *Mini Games*. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and has achieved further growth in 2025. We upgraded *Mini Programs* developer toolkit architecture, so users can better leverage AI plug-ins, such as *CodeBuddy*, to create and debug mini programs more efficiently. We will, over time, enable *Mini Programs* code to evolve into tools or skills for AI agents to use within *Weixin*. *Xiaowei*, our agentic AI prototype in *Weixin*, leverages the unique *Mini Programs* ecosystem to help users discover products, make purchase decisions and place orders, laying the groundwork for agent-to-agent transaction capabilities.

Within *Mini Programs*, *Mini Games* are game features that are embedded in *Weixin* with a large variety of genres. Users may also engage in social interactions, make in-app purchases and share game achievements with friends. *Mini Games* are also an important part of our social networks and marketing services businesses. Powered by technical upgrades such as broader compatibility with advanced game engines, improved image rendering and reduced load times, *Mini Games* bolsters user engagement and contributes to the overall conversion of users interactions into monetisation across the platform. The total gross receipts from *Mini Games* increased 20% year-on-year in the second quarter of 2025.

Official Accounts allow individuals, media and businesses to share original content and engage with readers/customers, which strengthens brand awareness and enhance content management. We introduced AI-powered citation to content, enabling users to activate contextual AI commentary on related information when reading articles on *Official Accounts*. *Weixin Service Accounts* provide companies and organisations with powerful business services and user management capabilities to quickly reach and better serve users. *Weixin Subscription Accounts* provide media and individuals with a new way of posting stories and information, which innovates author-reader interaction and content management.

Moments allow users to share videos, photos and articles and interact with friends. We enabled sharing live streaming to broaden information-sharing channels and facilitate one-to-many user interactions. We also launched *Status* for *Weixin* users to share current emotions and thoughts and connect with like-minded friends.

Weixin Search offers a comprehensive search feature enabling users to seamlessly access personal content, content and services within the *Weixin* ecosystem and across the web. It helps users discover products and services and direct them to eventually complete the transactions in *Mini Programs* or *Mini Shops*. *Weixin Search* has become an increasingly popular search tool, with over 100 million DAU in 2023. *Weixin Search* overall query volume grew at a rapid rate due to AI enhancement to search results, and increased 25% year-on-year in the first quarter of 2026, benefitting from LLM-powered ranking and broadening AI search coverage to include image-based queries.

QQ

QQ is one of our communication and social services and allows users to send and receive instant messages and interact in the *QQ* community. It allows users to meet new friends and establish new social circles based on location and interests. In addition, through the *QQ client*, our users can have access to a variety of our services such as *QQ Mail*, *Qzone, WeGame, QQ Music* and *QQ Reading*.

Digital Content

We operate leading digital content services offering a broad range of high-quality IPs and content. We have curated popular IPs and created appealing content based on these IPs to attract paying users, extending our IP value across various forms, such as video, music, literature and anime. Across our digital content offerings, we utilise AI to enhance production workflow efficiency, generate visually compelling special effects, and distribute media through intelligent content recommendations.

Through *China Literature*, we incubate original IPs from a Chinese language online literature platform, which are subsequently adapted on a range of digital entertainment mediums, including comics, animation, film, TV series, web series, games, short dramas and AI-animated dramas. We offer a wide range of literature content on *China Literature*'s platforms. We create and promote IPs mainly through *QQ Reading* and *Qidian*, as well as our studios, including *New Classics Media*, a renowned film and TV drama series production house in China. We distribute and develop literature content through a variety of self-owned/operated and third-party channels so as to enhance IP value. We operate a freemium model where we typically offer the beginning chapters of a literary work for free and then monetise via a pay-as-you-read and subscriptions model. We are integrating AI into various formats such as audiobooks, radio dramas, animation and videos to further accelerate the development of our IP. We introduced AI-powered tools to support writing, plot development, and

inspiration for content creation, including the *Buddy* series of AI agents purpose-built for the creative content industry. Our AI translation models have accelerated global spread of Chinese literary works through our international reading platform, with over 30,000 AI-translated titles available on *WebNovel*, contributing to our overseas expansion.

We provide self-commissioned and licensed long-form video content from domestic and overseas content providers through *Tencent Video*, including drama series, movies, variety shows, animation and documentaries. Eight of *Tencent Video*'s self-commissioned animated series ranked top ten industry wide by video views in the first quarter of 2026. We operate a freemium model and content sales model, and offer subscription plans which provide users with access to premium content and a range of added features. We have established a huge subscriber base with drama series developed from *China Literature* IPs and produced internally.

Through TME, we offer music streaming services in China. We operate four major music mobile applications, i.e. *QQ Music*, *Kugou Music*, *WeSing* and *Kuwo Music*, through which we provide online music and social entertainment services to address the diverse music entertainment needs of a massive audience in China. The recent acquisition of Ximalaya, a leading online audio company, broadens TME's audio content formats and strengthens the content supply relationship between *China Literature* and Ximalaya, and provides users with new content formats such as audiobooks and podcasts. We licence music content from several domestic and overseas music labels, including Sony Music Group, Universal Music Group and Warner Music Group. We also support independent artists to produce quality music content and enable them to reach an extensive user base. We have created a wide variety of use cases for our users, including listening to streaming music, watching music videos, participating in fan-based activities and games, as well as singing along with the music. We operate a freemium model and content sales model, and also offer subscription plans which provide users with access to premium content and a range of added features. In addition, we enhance user activity and engagement through the sale of virtual items. We are incorporating AI technology across our product offerings to enhance music content creation, production, discovery and recommendation.

Games

We are a leading global game platform offering a wide variety of domestic and international games across multiple channels including mobile, PC and console, covering a variety of popular genres such as MOBA, tactical shooters and role playing games. We have developed and continue to develop multiple evergreen games, which surpassed average quarterly DAU of 5 million for mobile or 2 million for PC, and generated over RMB4 billion annual gross receipts, across different genres. Our flagship evergreen games *Honour of Kings*, *Peacekeeper Elite*, *Delta Force* and *Fight of the Golden Spatula* ranked among the top five games by average quarterly DAU in the first quarter of 2026, according to QuestMobile. We have also achieved proven success in content-driven games such as *Naruto Mobile,* and *Roco Kingdom: World*.

Our games revenues are derived primarily from sales of virtual items, such as avatars and accessories, that enhance gameplay experience, as well as season passes and copy sales. These in-game items primarily allow players to personalise the appearance of a game character. Our game monetisation strategy is also empowered by marketing activities across our e-sports engagement and game communication collaboration. We expand value creation through e-sports tournaments which attract large-scale audience to enhance popularity of our marketing offerings. We collaborate closely with game communities and influencers to drive marketing activities that expand content reach. By leveraging community and influencer partnerships, we extend the lifecycle of our games, stimulate in-game spending and deepen the bond between users and our products and services.

We have strong in-house development capabilities, demonstrated by our highly acclaimed in-house games in a variety of genres such as MOBA (*Honour of Kings, League of Legends, Brawl Stars*), tactical tournament (*PUBG MOBILE* and *Peacekeeper Elite*), tactical shooter (*VALORANT*), extraction shooter (*Delta Force*), real-time strategy (*Clash Royale*) and creature collecting

open-world RPG (*Roco Kingdom: World*). We are also the partner of choice for game publishers due to our leading distribution capabilities in China and globally. We work with other major game developers and operators from China and overseas, and customised and localised their games to suit the culture and needs of the Chinese market.

We also leveraged AI technologies in games to optimise matching experience, improve game balance and facilitate AI coaching for new players, empowering our evergreen games strategy. Our games business is increasingly deploying generative AI to accelerate 3D asset production and animation. We enrich core gameplay experience with AI features such as virtual teammates in PvP games and realistic non-player characters in PvE games. We also use generative AI to facilitate new user acquisition and existing user retention through measures such as targeted ads and personalised daily highlight reels.

Marketing Services

We offer a wide spectrum of marketing services through our social networks, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts* and *Weixin Search*, as well as our content platforms, such as video, music, news and our games inventories.

In addition to leveraging our own advertising inventories, we also operate a mobile advertising network to help third-party advertisers to reach targeted audience and promote their products and services. We have introduced a content marketing mutual selection platform, *Weixin Creator Marketplace*, where advertisers can collaborate with a large number of KOLs, influencers and content creators to promote their products and services. We also organise eSports tournaments and events which attract large viewers, creating significant opportunities for brand exposure and adding unique value to our marketing services.

Our continued investment in AI technology for marketing services enabled us to enhance our targeting capability and increase our advertising monetisation efficiency, thereby achieving a revenue growth rate which exceeded industry average. We have embedded large model capabilities in our advertising system to enable the analysis of long-sequence user behavior across multiple properties, while improving the advertising ranking mechanism to drive higher engagement and click-through rates. The integration of large language model capabilities further enhanced efficiency by accelerating advertising content approval, improving merchandise categorisation, and better identification of user commercial intent. These advancements also automated and scaled creative production for advertisers, leading to improved targeting accuracy and cost efficiency. In 2025, we scaled up our advertising foundation model and introduced our automated ad campaign solution, *AIM+*, under which advertisers can automate targeting, bidding and placement. In 2026, we further upgraded *AIM+* with end-to-end execution capabilities for advertisers, enabling automated product selection, ad creative generation and dynamic bidding. We also significantly scaled up our ad AI recommendation system to capture user interests with more granularity and improve conversions. *AIM+* powered approximately 30% of total marketing services spending from our advertisers in the first quarter of 2026.

Leveraging our ongoing adtech enhancements, closed-loop marketing solutions within *Weixin* ecosystem, mobile network distribution and innovative content marketing formats, we provide merchants and brands with effective marketing solutions to optimise their return on marketing spending, which in turn help us to generate sustainable revenue growth in marketing services.

FinTech Services

Our FinTech services primarily consist of payment and FinTech products which cover wealth management, consumer loan and other FinTech value-added services. We have spent many years building a solid base for FinTech services in the form of our widely used payment services, with straight adherence to regulatory requirement and careful risk management. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based tools and enhancing the

cross-border transaction experience. Leveraging this solid base, we also provide products and services by collaboration with licensed financial institutions. Furthermore, we utilise lightweight AI models to enhance credit scoring processes and facilitate fraud detection, contributing to us sustaining better than industry nonperforming loan rates.

Payment

We provide support and mobile payment solutions to connect merchants and consumers through *Weixin Pay*, a consumer-facing mobile payment tool with expanding use cases. *Weixin Pay* services are available in 78 markets and support transactions in 36 currencies as at 31 December 2025. Daily average number of commercial payment transactions on *Weixin Pay* exceeds 1 billion since the fourth quarter of 2019. Our *Weixin Pay* platform goes beyond a payment tool, but also serves as a comprehensive solution that supports everyday utilities functions, such as processing fare and utilities bill and other consumer services. As we provide our users with a frictionless experience for completing either online or offline transactions, our commercial payment transaction volume is growing rapidly and diversifying from large merchants to small to mid-sized offline merchants. We collect take rate from merchants on commercial transactions and also cash withdrawal fees and credit card repayment charges collected from users. Our robust payment system provides high-level payment security, service reliability and transaction speed. For commercial payment, the number of transactions grew year-on-year in the second quarter of 2026, while the decline in value per transaction continued to narrow.

Other FinTech Services

We offer a wide spectrum of financial services such as wealth management, consumer loan and other FinTech value-added services. Our *Weixin Pay* provides a channel for financial institutions to distribute FinTech products. For wealth management service, the products are primarily low-risk money market funds. This generates high margin fee income from a large, growing pool of aggregated customer assets. Our consumer lending facilitation services is a distribution channel primarily for licensed financial institutions to originate short-term consumption related loans to our payment service users. Our lightweight FinTech AI models have enhanced credit scoring process to further reduce non-performing loan rates. Our insurance service provider, *WeSure*, has cooperated with licensed financial institutions to offer a range of products covering life, health and auto insurance, among others.

Business Services

We provide enterprises and developers with a suite of cloud services, including IaaS (such as compute, networking and storage), PaaS (such as database, audio and video cloud solutions, security) and SaaS (such as *Tencent Meeting*, *WeCom* and *Tencent Docs*), as well as other enterprise-facing services. Building upon our advanced cloud and AI technologies, top-tier foundation model *Hy*, we have built a holistic ecosystem which offers a comprehensive suite of business products and services.

Cloud Services

Through *Tencent Cloud*, we provide global infrastructure coverage and leading cloud services to games and live broadcast sectors. Combining our advanced security, data analytics and artificial intelligence technologies, we have built an expanding portfolio of cloud products and customised industry solutions, accelerating our expansion in different industries. We charge usage-based billings or services fees on IaaS, PaaS and SaaS and technology solutions from enterprise customers. We have begun to more rapidly add compute capacity and are now making a portion available through Tencent Cloud to paying external customers on a Model-as-a-service basis. Revenue from *Tencent Cloud* increased at a rate of low-twenties percentage year-on-year in the second quarter of 2026, driven by AI-related demand, international expansion, increased usage and pricing for general cloud services.

We embed AI agents across our productivity software to autonomously complete multi-step tasks such as taking notes, summarising concurrent meetings for users, and generating intelligent summaries of customer service histories for merchants. Our enterprise software product *WeCom* was the most popular CRM software by revenue in China and *Tencent Meeting* was the most popular video conferencing software by user time and revenue in China.

The enterprise version of *Tencent Meeting* has gained access to key accounts in the energy, healthcare and education industries. We also offered new conference room solutions via *Tencent Meeting Rooms* and *Connector*, which are compatible with our users' existing equipment and facilitate high-quality, real-time communication. We have deepened the integration between *Weixin* and *WeCom* to facilitate customer management and sales conversion, and millions of enterprises use *WeCom* to support flexible work arrangements. We introduced multiple cooperation models to grow partnerships with OA application vendors and leverage synergies with *Tencent Cloud*. For *Tencent Docs*, we strengthened integration with other software to expand its use cases.

AI TECHNOLOGIES

We apply AI technology across key areas of our businesses to improve user experience and support the growth of enterprise partners. Our proprietary foundation model, *Hy*, launched in 2023, is equipped with strong Chinese creation capabilities, logical reasoning capabilities and reliable task execution capabilities. Since launch, we have continued to iterate and upgrade *Hy*, expanding its context understanding depth and deepening integration with our platforms to deliver higher performance and accuracy. We will continue to invest in our own family of foundation models. With user feedback derived from our applications, especially via productivity AI tools, we have the opportunity for *Hy* family to become one of the leading model families in China in terms of intelligence, delivering context-aware assistance, and drive down the inference cost. With our own model taking an increasing share of the work done in our applications over time, we can reduce reliance on any single third-party model and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding capability. We will also focus on enhancing our foundation models with multimodal capabilities to capture demand for vertical use cases, such as 3D and video generation. Furthermore, we will customize lightweight models to further bring down the inference cost, enhancing cost performance to users.

Our productivity AI agent solutions, *WorkBuddy* and *CodeBuddy,* are designed to enhance efficiency across coding and office work scenarios. *WorkBuddy* is a one-stop workspace that coordinates with multiple agents to handle complex tasks end-to-end. Users can control tasks remotely via *Weixin* and *WeCom* or directly via PC, access over 100,000 skills from Tencent Cloud's *SkillHub*, and execute transactions through embedded *Weixin Pay* functionality. *WorkBuddy* and *CodeBuddy* have been experiencing fast user growth with high retention rates and growing paid adoption through subscriptions and token consumption top-ups. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys Tencent applications that are already widely used within and by enterprises such as *Weixin*, *WeCom* and *Tencent Meeting*, provide a foundation for *WorkBuddy* to monetise enterprise relationships over time.

Our long-term technology strategy focuses on the development of agentic AI in productivity AI and consumer-facing AI, expanding our foundation model capabilities beyond simple conversational interfaces toward autonomous task execution. These agents are integrated directly into our core communication platforms, *Weixin* and *QQ*, to automate software engineering and complex administrative tasks right where our users interact. According to industry survey, *Weixin* and *WeCom* are the most used gateways for controlling agentic AI. *Weixin* and *WeCom* are gateways of 45% and 36% surveyed Claw users for controlling agentic AI, respectively. We have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*, leveraging Weixin's existing distribution, social graph, and Mini Programs and payment infrastructure. *Xiaowei* is powered by a customised

model, *WeLM*, built for user privacy, *Weixin*-specific use cases and cost efficiency. *Xiaowei* is designed to help users navigate content and services within the *Weixin* ecosystem and leverage *Mini Programs* to help users discover products, make purchase decisions and place orders. We are integrating AI capabilities into *Weixin* on a cost-controlled basis, with the objective of enhancing growth and monetization across the *Weixin* ecosystem.

Hy also serves as the foundation model for our AI chatbot, *Yuanbao*, which offers users capabilities such as intelligent search, content creation, image processing and document summarisation and provides access to proprietary high-quality content from the Tencent ecosystem. We are focused on improving *Yuanbao*'s capabilities and user experience, particularly in search, automatic speech recognition and text-to-speech. Over time, functionalities developed through *Yuanbao* can be applied across other products including *WorkBuddy*, *CodeBuddy* and *Weixin*, while its conversational use cases also generate feedback that contributes to the improvement of *Hy* models. Enterprise customers can utilise *Hy* in our cloud via APIs or MaaS, for functions such as coding, data analysis and customer service automation.

We continue to accelerate the integration of AI across enterprise-facing services by leveraging a full stack of IaaS, PaaS, and SaaS capabilities. On the IaaS level, our *Hyper Computing Cluster* delivers high-performance AI training and inference with low latency and elastic scalability. On the PaaS level, our *TI Platform* supports fine-tuning and inference, and the *Tencent Cloud Agent Development Platform* empowers enterprises to build tailored customer service and coding assistants with proprietary data. Additionally, *Tencent CloudBase* enhances developer productivity by enabling natural language-driven creation of mini programs and mobile apps. On the SaaS level, *Tencent Meeting* now provides AI-powered transcription, recording and automated summaries, and *Tencent Docs* boosts efficiency in documentation and content generation.

CORPORATE OPERATIONS

Intellectual Property

We regard our patents, copyrights, trademarks and other intellectual property as critical to our success. We rely primarily on a combination of patent, trademark, copyright, trade secret and other intellectual property-related laws and contractual restrictions to establish and protect our intellectual property rights. We require that substantially all of our employees enter into agreements requiring them to keep confidential all proprietary and other confidential information relating to our customers, methods, technology, business practices and trade secrets, and such obligations shall survive the expiration or earlier termination of their employment with us. Our employees are required to acknowledge and recognise that all inventions, trade secrets, works of authorship, developments and other processes, whether or not patentable or copyrightable, made by them during their employment are our property. We have independently developed key software used in our business and have registered a number of these software copyrights. As at 30 June 2026, we had over 55,000 issued patents that cover our self-developed key technologies and infrastructure.

Despite our precautions, it may be possible for third parties to obtain and use our intellectual property without our authorisation. Furthermore, the validity, enforceability and scope of protection of intellectual property rights in the Internet and telecommunications-related industries are uncertain and still evolving. Infringement and misappropriation of our intellectual property could materially harm our business. We have been, and may in the future be, subject to intellectual property lawsuits or other legal proceedings and also be involved as an applicant or opposing party in several administrative actions involving trademark disputes.

We have registered domain names, including "*qq*.com" and "tencent.com", with the Internet Corporation for Assigned Names and Numbers and the domain names "tencent.com.cn" and "tencent.cn" with CNNIC, a domain name registration organisation in China. In addition, we have registered over 11,000 domain names with various domain name registration services as at 30 June 2026.

Our "*QQ (stylised)*" mark, the "*penguin*" device, the "*Weixin*" and "*WeChat*" marks and many associated marks have been registered as trademarks in various classes in China, Hong Kong and other jurisdictions. We have also registered our "*QQ (stylised)*" mark and the "*penguin*" device in various classes in jurisdictions including the United States, Japan, Hong Kong, Singapore, India, Malaysia and the European Union. In addition, a series of "*QQ*" marks, the "penguin" device and the "*Weixin*" and "*WeChat*" marks have also been registered as copyrighted artworks in China.

We licence our trademarks from time to time to increase our brand recognition and further penetrate the consumer market in China. We have licenced the *QQ* brand to manufacturers of various products, including electronic and consumer goods products. Our trademarks have also appeared along with trademarks of other corporate entities for joint marketing, co-branding and merchandising initiatives.

Research and Development

We believe that our ability to develop technology and Internet, mobile and online entertainment applications has been a key factor in the success of our business. To maintain and enhance our leadership position, we will need to continue to invest in research and development in order to enhance our services and products. Research and development expenses constituted 11%, 11%, 11%, 11% and 12% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Our self-developed technologies include communication technologies, social and other interactive technologies. We also licence some services and technologies from third parties such as database technology and audio/video codec technology. We have established an in-house research institute and an integrated customer research and user experience design centre. We will continue to develop our core technologies in-house and when required, licence technology from third parties.

Our R&D strategy continues to be supported by the rebuilding of our large language model team, alongside a comprehensive redesign of our pre-training and reinforcement learning frameworks from the ground up to optimize our infrastructure. In 2026, these efforts culminated in the launch of the *Hy3* preview large language model, followed by the full *Hy3* production version, which has quickly become a leading reasoning model in China and top-ranked on OpenRouter token measure for its cost-efficiency and utility in real-world deployment. Moving forward, our R&D efforts are focused on scaling toward larger parameter models, utilizing higher-quality datasets and advanced reinforcement learning to continuously enhance context understanding and agentic capabilities across our ecosystem.

Sales and Marketing

We believe that our large *Weixin* and *QQ* user base in themselves are key drivers of our business growth, as many Internet users in China seek to join an established and vibrant online community. We market our value-added services primarily through our products and portals. In our online community, "word of mouth" is important as positive feedback from users can be quickly communicated by various channels, including *QQ* and *Weixin*. Selling and marketing expenses constituted 6%, 6%, 6%, 5% and 6% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Our sales and marketing efforts are supported by a network of sales and marketing teams throughout China. We conduct a variety of online and offline marketing and promotion activities, including joint marketing activities with telecommunications operators and device manufacturers, in-game promotional events, marketing and advertisements on our portals. Going forward, we will further enhance our position as a mainstream digital content service provider in China. For sales and marketing in the international market, we will also utilise both online and offline marketing and promotional activities to enhance our brand awareness.

Employees

The number of employees employed by us varies from time to time, depending on needs. Our employee count was approximately 116,000 as at 30 June 2026. Most of our employees are based in China.

The remuneration policy and package of our employees is 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. Our total remuneration costs were RMB107,675 million, RMB112,826 million, RMB130,699 million, RMB64,979 million and RMB64,518 million (US$9,509 million) for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, respectively.

All of our management and key executives, and substantially all of our other employees, have entered into employment agreements with us, which contain confidentiality and non-competition provisions.

Insurance Coverage

Insurance companies in China offer limited business insurance products and do not, to our knowledge, offer business liability insurance. While business interruption insurance is available to a limited extent in China, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to subscribe for such insurance. As a result, we do not have any business liability, disruption or litigation insurance coverage for our operations in China. Any business disruption or litigation, or any liability or damage to, or caused by, our facilities or our personnel may result in our incurring substantial costs and the diversion of resources. We carry mandatory automobile liability insurance and property insurance.

Competition

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of disruptive technology, we also face potential competition from AI native companies, including players in generative and agentic AI, foundation models and AI native applications. We aim to compete by continuing to invest in talent and technologies that bring quality products and services to improve our user experiences.

Legal Proceedings

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property claims, breach of contract claims, unfair competitive practice claims, labour and employment claims and other matters. Internet media companies are frequently involved in litigation based on allegations of infringement or other violations of intellectual property rights and other allegations based on the content available on their website or services they provide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES

Sustainability is vital to the development of our strategy and operations, and we strive to integrate social responsibility into our products and services. We execute our Environmental, Social and Governance strategy through our corporate risk management process, which manages existing ESG issues and monitors emerging risks, while integrating sustainable social value creation into our daily operations and product development.

Environmental

Driven by enhanced energy efficiency, accelerated transition to green electricity and supply chain decarbonisation, we stay firmly on course to meet our carbon targets. Year-over-year, we enhanced the Power Usage Effectiveness performance of owned data centres from 1.257 to 1.246. The share of green electricity consumption increased from 49.8% to 82.9% in owned data centres and from 3.8% to 21.4% in leased data centres. These initiatives enabled us to maintain our decarbonisation progress despite rising AI-related power demand, with carbon intensity in 2025 reduced by 24.4% against the 2021 base year.

With the application of AI in species identification, we enabled field researchers to improve the efficiency and accuracy of data collection while facilitating public participation in urban ecological observation. These efforts were recognised as one of the 2025 Exemplary Cases for Business Biodiversity Conservation by the Centre for Environmental Education and Communications of China's Ministry of Ecology and Environment.

Social

We are committed to advancing technological inclusivity. Beyond physical accessibility, we expanded our scope to cognitive health with our new, clinically validated training software. Within the *Nearby Jobs* Mini Program, we have introduced a dedicated section for people with disabilities, integrating approximately 3,000 job openings certified by China Disabled Persons' Federation Employment Service Platform.

We supported social innovation and philanthropic initiatives to advance the United Nations Sustainable Development Goals. The Xplorer Prize and the New Cornerstone Investigator Program have provided long-term and stable funding to over 430 outstanding scientists. In 2025, our annual Giving for Good initiative generated 530 million engagements in philanthropic activities.

Governance

We formalised our commitment to Responsible AI principles, which are anchored in our Tech for Good mission and govern the ethical development and deployment of AI across our businesses and operations. *Tencent Cloud* obtained additional security certifications in key markets and attained ISO 42001 AI management systems certification. We further strengthened privacy governance by establishing a group-level Personal Information Protection Committee.

In business ethics, our anti-fraud and compliance management systems received international and Chinese certifications. We joined the Sustainable Value Chain Leaders Alliance initiated by the United Nations Global Compact and launched an ESG training course on our supplier portal.

In 2025, our efforts in sustainability development were recognised with inclusion in major ESG indices, improvements in ESG ratings, such as an MSCI rating upgrade from BBB to A, and ESG awards.

The sub-section entitled "*General Regulation on Internet and Telecommunications Industries — Regulations Relating to Intellectual Property*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

The Copyright Law of the PRC (著作權法), adopted in 1991 and revised in 2001, 2010 and 2020, together with its implementing rules (著作權法實施條例), promulgated in 2002 and revised in 2011 and 2013, protects copyright and explicitly covers computer software copyrights. On 20 December 2001, the State Council promulgated the new Regulations on Computer Software Protection (計算機軟件保護條例), which became effective from 1 January 2002 and were revised in 2011 and 2013, which are intended to protect the rights and interests of computer software copyright holders and encourage the development of the software industry and information economy. The Provisional Measures on Voluntary Registration of Works (作品自願登記試行辦法), promulgated by National Copyright Administration of the PRC on 31 December 1994 and effective on 1 January 1995, further provide for a voluntary registration system to be administered by the National Copyright Administration and its local branches. In the PRC, software developed by PRC citizens, legal persons or other organisations is automatically protected by copyright immediately after its development without an application or approval. The Copyright Protection Centre of China may provide a certificate of registration to registrants, which may serve as preliminary evidence of the ownership of the copyright and other registered matters. On 20 February 2002, the National Copyright Administration of the PRC introduced the Measures on Computer Software Copyright Registration (計算機軟件著作權登記辦法), as amended in 2004, which outlines the application procedures for software copyright registration, licence contract registration and transfer contract registration.

On 18 May 2006, the State Council promulgated the Regulations on Protection of the Right of Dissemination through Information Networks (信息網絡傳播權保護條例) ("**Protection Regulations**"), which became effective on 1 July 2006 and were amended on 30 January 2013 and further became effective on 1 March 2013. The Protection Regulations require that any organisation or individual who disseminates a third party's work, performance, audio or visual recording products to the public through information networks shall obtain permission from and pay compensation to the legitimate copyright owner of such products, unless otherwise provided under relevant laws and regulations. The legitimate copyright owner may take technical measures to protect his or her right to disseminate through information networks and any organisation or individual shall not intentionally avoid, destroy or otherwise assist others in avoiding or destroying such protective measures unless permissible under law.

On 17 December 2012, the PRC Supreme People's Court promulgated the Provisions of the PRC Supreme People's Court on Several Issues Concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Communication to the Public on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which took effect on 1 January 2013, and were further amended on 29 December 2020 and became effective on 1 January 2021. This judicial interpretation aims to solve disputes in connection with the infringement of the right of communication through the Internet and protect lawful rights in this respect. This rule places the burden on Internet service providers to take necessary measures to remove not only links or contents that have been specifically mentioned in the notices of infringement and preliminary evidence of infringement from rights holders, but also links or contents that they "should have known" link to infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any contents made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights.

On 4 November 2016, SAPPRFT issued the Circular on Strengthening the Copyright Administration of Internet Literary Works (關於加強網絡文學作品版權管理的通知), which became effective on the same day. Pursuant to the circular, Internet service providers who provide literary works through information networks and render relevant network services shall: (i) strengthen the copyright supervision and administration, establish a sound infringing works handling mechanism, and fulfil the obligation to protect the copyright of Internet literary works according to the law; (ii) establish a copyright complaint mechanism, actively accept complaints from right holders and resolve the legitimate demands of rights holders in a timely manner according to the law; and (iii) delete infringing works and disconnect the relevant links within 24 hours after receipt of such notices and complaints from rights holders.

On 29 April 2005, GAPP and MIIT issued the Measures on Administrative Protection of Internet Copyright (互聯網著作權行政保護辦法) which became effective on 30 May 2005. Pursuant to the measures, if an Internet information service provider clearly knows of an Internet content provider's tortious act of infringing upon other's copyright through Internet, or fails to take measures to remove relevant contents after receipt of the copyright owner's notice although it does not know it clearly, and meanwhile such tortious act damages public benefits, the copyright administration department may order the service provider to stop the tortious act, and may impose the following administrative penalties: (i) confiscation of the illegal proceeds; and (ii) imposing a fine of not more than 3 times the illegal business amount; if the illegal business amount is difficult to be calculated, a fine of not more than RMB100,000 may be imposed.

On 17 April 2015, SAPPRFT issued the Circular on Regulating the Order of Internet Reproduction of Copyrighted Works (關於規範網絡轉載版權秩序的通知), which became effective on the same day. Pursuant to the circular: (i) Internet media shall comply with the relevant provisions of copyright laws and regulations, and must acquire permission from and pay remuneration to the copyright owners, and shall indicate the name of the author, as well as the name and the source of the work, except as otherwise provided by laws and regulations; (ii) Internet media shall not make any substantial revision to the contents of the works when reproducing other people's works; (iii) SAPPRFT shall encourage press and Internet media to establish a cooperation mechanism for Internet reproduction; and (iv) the copyright administrative departments at various levels shall strengthen the supervision of copyrights of Internet media.

On 19 August 2026, the PRC Supreme People's Court issued the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Copyright Civil Dispute Cases (《最高人民法院關於審理著作權民事糾紛案件適用法律若干問題的解釋》), which took effect on 1 September 2026. The amendments: (i) further clarify the standard for determining "making available to the public" by removing the requirement that publication be made "by the copyright owner or with the copyright owner's permission", thereby confirming that works disclosed due to infringement also constitute publication; (ii) refine the rules for fair use by expanding the scope of "public places" from "outdoor public places" to "public places" (consistent with the 2020 Copyright Law amendment) while adding a proviso that the person who copies, draws, photographs or video-records artworks in public places may re-use their results in a reasonable manner and scope, but may not set up, display or publicly disseminate the works in the same manner without the copyright owner's permission; and (iii) clarify the scope of statutory licence for periodical reprinting by specifying that "newspapers and periodicals" refer to paper newspapers and periodicals approved for publication by the competent authorities and their digitised versions with identical content and layout, and that mutual reprinting between newspapers/periodicals and Internet information service providers, or among Internet information service providers, does not fall within the scope of statutory licence and requires the copyright owner's permission and payment of remuneration.

Patent

The SCNPC adopted the Patent Law (專利法) in 1984, and amended it in 1992, 2000, 2008 and 2020. To further enforce the Patent Law, the State Council promulgated the Implementing Rules of the

Patent Law (專利法實施細則) in 2001, as amended in 2002, 2010 and 2023. The purpose of the Patent Law together with its implementing rules is to protect the lawful interests of patent holders, encourage invention, foster applications of invention, enhance innovative capabilities and promote the development of science and technology. Patentable inventions can be divided into three categories: invention, utility models and designs. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, substances obtained by means of nuclear transformation or a design which identifies the patterns or colors or a combination of both patterns and colors of graphic print products.

The Patent Office, under the China National Intellectual Property Administration (CNIPA), is responsible for receiving, examining and approving patent applications. The amended Patent Law provides for a term of twenty years for invention patents, fifteen years for design patents (extended from ten years by the 2020 amendment), and ten years for utility models. A third-party user must obtain consent or a proper licence from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights.

Trademark

The Trademark Law of the PRC (商標法), adopted in 1982 and revised in 1993, 2001, 2013 and 2019, together with its implementing rules (商標法實施條例), promulgated in 2002 and amended in 2014, protects registered trademarks. The China National Intellectual Property Administration (CNIPA) is responsible for trademark registrations. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Upon the registration of a trademark, the applicant will have the right to exclusive use of the trademark for ten years. Registered trademark licence agreements must be recorded with CNIPA. The newly revised Trademark Law, adopted on 26 June 2026 and will take effect on 1 January 2027, strengthens regulations against malicious trademark registration, trademark squatting and hoarding, and increases penalties for trademark agencies that assist in bad faith trademark filings.

Domain Name

Internet domain name registration and related matters are primarily regulated by Implementation Rules of National Top Level Domain Name Registration (國家頂級域名註冊實施細則) issued by CNNIC on 18 June 2019 which replaced the Implementing Rules on Registration of Domain Names (域名註冊實施細則), which became effective on 5 June 2009, as amended on 28 May 2012, and the Measures on National Top Level Domain Name Disputes Resolution (國家頂級域名爭議解決辦法) issued by CNNIC on 18 June 2019, which became effective on the same day. These regulations provide that domain name registrations will be handled through domain name service agencies and that applicants become domain name holders upon successful domain name registration. In July 2001, the PRC Supreme People's Court issued the Judicial Interpretation on Certain Issues Concerning the Application of Laws in the Trial of Cases Involving Civil Disputes over Computer Network Domain Names (最高人民法院關於審理涉及計算機網絡域名民事糾紛案件適用法律若干問題的解釋) as further amended on 29 December 2020 and effective on 1 January 2021 to clarify certain issues involved in civil disputes in registration and use of computer network domain names. On 24 August 2017, MIIT promulgated Measures on Administration of Domain Names (互聯網域名管理辦法), which took effect on 1 November 2017. Pursuant to Measures on Administration of Domain Names, MIIT shall supervise the domain names services nationwide and publicise PRC's domain name system. Furthermore, Measures on Administration of Domain Names adopts a "first-to-file" rule to allocate domain names to applicants.

The section entitled "*Description of Other Material Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

The following summary of the principal terms of the instruments governing our material indebtedness does not purport to be a complete description of all of the terms of these instruments and may not contain all of the information that may be important to prospective investors. Investors should read the consolidated financial statements included elsewhere in this Offering Circular for additional information about our indebtedness.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the TME 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes.

U.S. Dollar Bank Borrowings, JPY Bank Borrowings, EUR Bank Borrowings, HKD Bank Borrowings and RMB Bank Borrowings

The aggregate principal amounts of short-term USD, HKD and RMB bank borrowings as at 30 June 2026 were US$30 million, HKD15,980 million and RMB70,731 million, respectively. Applicable interest rates are at 3.70% for USD bank borrowings, HIBOR + 0.08% ~ 0.10% for HKD bank borrowings, and 0.75% ~ 3.50% and 1-year LPR - 0.70% ~ - 0.30% for RMB bank borrowings per annum.

The aggregate principal amounts of long-term USD, JPY, EUR, HKD and RMB bank borrowings as at 30 June 2026 were US$6,900 million, JPY193 million, EUR2,080 million, HKD12,402 million and RMB140,506 million, respectively. Applicable interest rates are at SOFR + CAS + 0.80% for USD bank borrowings, 0.60% ~ 1.36% and TIBOR + 1.70% for JPY bank borrowings, EURIBOR + 0.70%~ 0.75% for EUR bank borrowings, HIBOR + 0.25% ~ 0.60% for HKD bank borrowings, 2.52% ~ 3.10%, 1-year LPR - 0.65% ~ + 0.15%, and 5-year LPR - 0.85% for RMB bank borrowings per annum.

These USD, JPY, EUR and HKD bank borrowings were entered into by certain offshore subsidiaries as borrowers, under which they have agreed to certain customary covenants relating to, among other things, securities over their assets, disposals of their assets and mergers and acquisitions. These bank borrowings contain certain customary events of default, including breaches of terms of the facilities agreement, any events or circumstances that result in a materially adverse change in the business or financial condition of the borrower, borrower's dissolution and insolvency, misleading statements or material omissions, cessation of all or a material part of the borrower's business, change in ownership of the borrower and cross defaults under other loans. The banks are entitled to demand immediate repayment of all or part of the outstanding loans and any accrued interest upon the occurrence of an event of default.

These USD, EUR and HKD bank borrowings are generally guaranteed by the Company.

2028 Notes

On 19 January 2018, we issued the 3.595% Senior Notes due 2028 in an aggregate principal amount of US$2,500 million for general corporate purposes under the Programme. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. Interest on the 2028 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. The 2028 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2028 Notes are set forth in the relevant pricing supplement.

2029 Notes

On 11 April 2019, we issued the 3.975% Senior Notes due 2029 in an aggregate principal amount of US$3,000 million for general corporate purposes under the Programme. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2029 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. The 2029 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2029 Notes are set forth in the relevant pricing supplement.

2030 Notes

On 3 June 2020, we issued the 2.390% Senior Notes due 2030 in an aggregate principal amount of US$2,250 million for refinancing and general corporate purposes under the Programme. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. Interest on the 2030 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. The 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2030 Notes are set forth in the relevant pricing supplement.

TME 2030 Notes

On 3 September 2020, TME issued the 2.000% Notes due 2030 in an aggregate principal amount of US$500 million for general corporate purposes. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. Interest on the TME 2030 Notes will be payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. The TME 2030 Notes are constituted by, are subject to and have the benefit of an indenture dated 3 September 2020.

September 2030 Notes

On 23 September 2025, we issued the 2.10% Senior Notes due 2030 in an aggregate principal amount of CNY2,000 million for general corporate purposes under the Programme. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2030 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. The September 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2030 Notes are set forth in the relevant pricing supplement.

2031 Notes

On 22 April 2021, we issued the 2.880% Senior Notes due 2031 in an aggregate principal amount of US$500 million for refinancing and general corporate purposes under the Programme. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. Interest on the 2031 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. The 2031 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2031 Notes are set forth in the relevant pricing supplement.

2035 Notes

On 15 July 2015, we issued the 4.700% Senior Notes due 2035 in an aggregate principal amount of US$100 million for general corporate purposes under the Programme. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. Interest on the 2035 Notes will be payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. The 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2035 Notes are set forth in the relevant pricing supplement.

September 2035 Notes

On 23 September 2025, we issued the 2.50% Senior Notes due 2035 in an aggregate principal amount of CNY6,000 million for general corporate purposes under the Programme. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2035 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. The September 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2035 Notes are set forth in the relevant pricing supplement.

2036 USD Notes

On 16 June 2026, we issued the 5.00% Senior Notes due 2036 in an aggregate principal amount of US$1,750 million for general corporate purposes under the Programme. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. Interest on the 2036 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. The 2036 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 USD Notes are set forth in the relevant pricing supplement.

2036 CNY Notes

On 16 June 2026, we issued the 2.50% Senior Notes due 2036 in an aggregate principal amount of CNY11,000 million for general corporate purposes under the Programme. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2036 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. The 2036 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 CNY Notes are set forth in the relevant pricing supplement.

2038 Notes

On 19 January 2018, we issued the 3.925% Senior Notes due 2038 in an aggregate principal amount of US$1,000 million for general corporate purposes under the Programme. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. Interest on the 2038 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. The 2038 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2038 Notes are set forth in the relevant pricing supplement.

2041 Notes

On 22 April 2021, we issued the 3.680% Senior Notes due 2041 in an aggregate principal amount of US$900 million for refinancing and general corporate purposes under the Programme. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. Interest on the 2041 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. The 2041 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2041 Notes are set forth in the relevant pricing supplement.

2046 USD Notes

On 16 June 2026, we issued the 5.60% Senior Notes due 2046 in an aggregate principal amount of US$700 million for general corporate purposes under the Programme. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. Interest on the 2046 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. The 2046 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2046 USD Notes are set forth in the relevant pricing supplement.

2049 Notes

On 11 April 2019, we issued the 4.525% Senior Notes due 2049 in an aggregate principal amount of US$500 million for general corporate purposes under the Programme. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2049 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. The 2049 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2049 Notes are set forth in the relevant pricing supplement.

2050 Notes

On 3 June 2020, we issued the 3.240% Senior Notes due 2050 in an aggregate principal amount of US$2,000 million for refinancing and general corporate purposes under the Programme. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. Interest on the 2050 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. The 2050 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2050 Notes are set forth in the relevant pricing supplement.

2051 Notes

On 22 April 2021, we issued the 3.840% Senior Notes due 2051 in an aggregate principal amount of US$1,750 million for refinancing and general corporate purposes under the Programme. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. Interest on the 2051 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. The 2051 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2051 Notes are set forth in the relevant pricing supplement.

September 2055 Notes

On 23 September 2025, we issued the 3.10% Senior Notes due 2055 in an aggregate principal amount of CNY1,000 million for general corporate purposes under the Programme. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2055 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. The September 2055 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2055 Notes are set forth in the relevant pricing supplement.

2056 CNY Notes

On 16 June 2026, we issued the 3.10% Senior Notes due 2056 in an aggregate principal amount of CNY4,000 million for general corporate purposes under the Programme. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2056 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. The 2056 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2056 CNY Notes are set forth in the relevant pricing supplement.

2060 Notes

On 3 June 2020, we issued the 3.290% Senior Notes due 2060 in an aggregate principal amount of US$750 million for refinancing and general corporate purposes under the Programme. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. Interest on the 2060 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. The 2060 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2060 Notes are set forth in the relevant pricing supplement.

2061 Notes

On 22 April 2021, we issued the 3.940% Senior Notes due 2061 in an aggregate principal amount of US$1,000 million for refinancing and general corporate purposes under the Programme. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. Interest on the 2061 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. The 2061 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2061 Notes are set forth in the relevant pricing supplement.

The section entitled "*General Information*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

GENERAL INFORMATION

1. Listing

Application has been made to the SEHK for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of the Offering Circular. The issue price of Notes listed on the SEHK will be expressed as a percentage of their nominal amount. Notes to be listed on the SEHK are required to have a denomination of at least HK$500,000 (or equivalent in other currencies).

2. Authorisation

The establishment and the update of the Programme and the issue of the Notes thereunder were authorised by resolutions of the board of directors of the Issuer passed on 28 March 2014, 21 April 2015, 21 March 2018, 28 March 2021 and the committee resolutions dated 11 September 2025, 25 May 2026 and 23 September 2026 duly passed by all members of a committee of the board of directors of the Issuer (established by the board of directors of the Issuer pursuant to the written resolutions passed by the board of directors of the Issuer dated 28 March 2021). The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. Auditor

The Issuer's audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025, which are included elsewhere in this Offering Circular, have been audited by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**IAASB**") as stated in its reports appearing herein.

The Issuer's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026, which are incorporated by reference into this Offering Circular, have been reviewed by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB.

4. No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the business of the Group since 30 June 2026.

5. Documents on Display

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Issuer at Tencent Binhai Towers, No. 33 Haitian 2nd Road, Nanshan District, Shenzhen, 518054, the PRC and the specified office of the Principal Paying Agent at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for so long as the Notes are capable of being issued under the Programme:

(i) the memorandum and articles of association of the Issuer;

(ii) the audited consolidated financial statements of the Group for the years ended 31 December 2024 and 2025;

(iii) the unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026;

(iv) copies of the latest annual report and audited annual consolidated financial statements, and any unaudited interim condensed consolidated financial statements published subsequently to such audited annual financial statements, of the Group;

(v) each Pricing Supplement (save that a Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area and the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or the POATRs will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and identity);

(vi) a copy of this Offering Circular together with any supplement to this Offering Circular;

(vii) the amended and restated Trust Deed dated 15 September 2025 (which contain the forms of the Notes in global and definitive form);

(viii) the amended and restated Issue and Paying Agency Agreement dated 15 September 2025;

(ix) the amended and restated Dealer Agreement dated 8 June 2026; and

(x) the Programme Manual.

6. Clearing of the Notes

The Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). We may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. In addition, we may make an application for any Restricted Notes or DTC Unrestricted Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Notes will be confirmed in the relevant Notes. The relevant ISIN, the Common Code, the Committee on the Uniform Security Identification Procedure ("**CUSIP**") number and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

7. Cayman Islands Data Protection

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "**DPA**") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice Introduction

The purpose of this notice is to provide Noteholders with information on the Issuer's use of their personal data in accordance with the DPA.

In the following discussion, "Issuer" refers to the Issuer and its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Noteholder's associated interactions with the Issuer (including any subscription (whether past, present of future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing the Issuer with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA ("**Investor Data**"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with the Issuer, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Noteholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

(i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;

(ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering, beneficial ownership transparency or FATCA or the Common Reporting Standard requirements); and/or

(iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), the Issuer will contact the applicable Noteholders.

Why the Issuer May Transfer a Noteholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority, the competent authority for purposes of the Beneficial Ownership Transparency Act (As Revised) of the Cayman Islands or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Pricing Supplement dated 13 October 2026

Tencent Holdings Limited (the "Issuer")

Issue of CNY6,000,000,000 3.00% Senior Notes due 2056 (the "Notes")
under the Global Medium Term Note Programme of Tencent Holdings Limited
with Maximum Limit of US$30 Billion (the "Programme")

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

This document, together with the Offering Circular, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**SEHK**") for the purpose of giving information with regard to the Issuer and the Issuer and its subsidiaries taken as a whole (the **"Group**"). The Issuer accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

SEHK has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on SEHK is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and SEHK take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on SEHK on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 8 June 2026 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement (including the Schedule to this Pricing Supplement) and the Offering Circular. For the avoidance of doubt, the Issuer's unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting has been incorporated by reference into the Offering Circular.

1.	Issuer:		Tencent Holdings Limited
2.	(i)	Series Number:	36
	(ii)	Tranche Number:	1
3.	Specified Currency or Currencies:		CNY
4.	Aggregate Nominal Amount:		
	(i)	Series:	CNY6,000,000,000
	(ii)	Tranche:	CNY6,000,000,000
5.	(i)	Issue Price:	100.0 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds	Approximately CNY5,964,000,000 (after deducting the management and underwriting commissions but not the offering expenses)

6.	(i)	Specified Denominations:	CNY1,000,000 and integral multiples of CNY10,000 in excess thereof
	(ii)	Calculation Amount:	CNY10,000
7.	(i)	Issue Date:	21 October 2026
	(ii)	Interest Commencement Date:	Issue Date
8.	Maturity Date:		21 October 2056
9.	Interest Basis:		3.00 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:		Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:		Not Applicable
12.	Put/Call Options:		Issuer Call (further particulars specified below)
13.	Listing:		SEHK (expected effective listing date: 22 October 2026)
14.	Method of distribution:		Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions:		Applicable
	(i)	Rate of Interest:	3.00 per cent. per annum payable semi-annually in arrear
	(ii)	Interest Payment Dates:	21 April and 21 October in each year, commencing 21 April 2027, subject to adjustment in accordance with the Modified Following Business Day Convention
	(iii)	Fixed Coupon Amount:	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards
	(iv)	Broken Amount(s):	Not Applicable
	(v)	Day Count Fraction:	Actual/365 (Fixed)

	(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions:		Not Applicable
17.	Zero Coupon Note Provisions:		Not Applicable
18.	Index-Linked Interest Note/other variable-linked interest Note Provisions:		Not Applicable
19.	Dual Currency Note Provisions:		Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option:		Applicable
	(i)	Optional Redemption Date(s):	At any time in whole or in part upon giving proper notice
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	The Optional Redemption Amount shall be equal to: • in the case of an Optional Redemption Date (Call) prior to 21 April 2056 (the date that is six months prior to the Maturity Date for the Notes), the greater of (x) 100 per cent. of the principal amount of the Notes to be redeemed; and (y) the "make-whole amount", which means the amount determined by us on the fifth Business Day before the an Optional Redemption Date (Call) equal to the sum of (i) the present value of the principal amount of the applicable Notes to be redeemed, assuming a scheduled repayment thereof on the stated maturity date, plus (ii) the present value of the remaining scheduled payments of interest on such Notes to and including the stated maturity date (exclusive of interest accrued to the an Optional Redemption Date (Call)), in each case discounted to the an Optional Redemption Date (Call) on an annual basis (Actual/Actual (ICMA)) at the Comparable Government Bond Rate plus 15 basis points, and in each of cases (x) and (y), plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date

(Call), provided that the principal amount of any series of the applicable Notes that remain outstanding after redemption in part shall be CNY1,000,000 or an integral multiple of CNY10,000 in excess thereof; or

- in the case of an Optional Redemption Date (Call) on or after 21 April 2056 (the date that is six months prior to the Maturity Date for the Notes), 100 per cent. of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any, to, but not including, the Optional Redemption Date (Call).

For these purpose,

"**Comparable Government Bond**" means, in relation to any Comparable Government Bond Rate calculation, at the discretion of the Independent Investment Bank, a PRC Government Bond whose maturity is closest to the remaining term of the applicable Notes to be redeemed, or if such Independent Investment Bank in its discretion considers that such similar bond is not in issue, such other PRC Government Bond as such Independent Investment Bank may, with the advice of three brokers of, and/or market makers in, any PRC Government Bond selected by such Independent Investment Bank, determine to be appropriate for determining the Comparable Government Bond Rate.

"**Comparable Government Bond Rate**" means the price, expressed as a percentage (rounded to three decimal places, 0.0005 being rounded upwards), at which the gross redemption yield on the applicable Notes to be redeemed, if they were to be purchased at such price on the fifth Business Day prior to the date fixed for redemption or the date of accelerated payment, would be equal to the gross redemption yield on such Business Day of the Comparable Government Bond on the basis of the middle market price of the Comparable Government Bond prevailing at 11:00 a.m. (Hong Kong time) on such Business Day as determined by the Independent Investment Bank.

			"**Independent Investment Bank**" means an investment bank of recognized standing that is a primary dealer in PRC Government Bonds, appointed by us. "**PRC Government Bond(s)**" means any bond issued by the Central People's Government of The People's Republic of China.
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	CNY1,000,000 per Noteholder
		(b) Maximum Redemption Amount:	Not Applicable
	(iv)	Notice period:	Not less than 10 nor more than 60 days' notice
21.	Put Option:		Not Applicable
22.	Final Redemption Amount of each Note:		CNY10,000 per Calculation Amount
23.	Early Redemption Amount		
	(i)	Early Redemption Amount (*Tax*) per Calculation Amount payable on redemption for taxation reasons and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Principal Amount
	(ii)	Early Redemption Amount (*Triggering Event*) per Calculation Amount payable on redemption for triggering event and/or the method of calculating the same (if required or if different from that set out in the Conditions):	101 per cent. of Principal Amount
	(iii)	The Redemption Amount per Calculation Amount payable on redemption of Zero Coupon Notes prior to the	Not Applicable

	Maturity Date and/or the method of calculating the same (if different from that set out in the Conditions):	

24. Early Termination Amount

Early Termination Amount(s) per Calculation Amount payable on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions) :	Principal Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	Registered Notes: Regulation S Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate - CMU
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	The provisions in Condition 21 (*Further Issues*) apply

32.	Any applicable currency disruption /fallback provisions:		Not Applicable
33.	Other terms or special conditions:		Use of proceeds: General corporate purposes

DISTRIBUTION

34.	(i)	If syndicated, names of Managers:	*Joint Global Coordinators:* Industrial and Commercial Bank of China (Asia) Limited ABCI Capital Limited Bank of China (Hong Kong) Limited Bank of Communications Co., Ltd. Hong Kong Branch China Construction Bank (Asia) Corporation Limited CLSA Limited The Hongkong and Shanghai Banking Corporation Limited J.P. Morgan Securities (Asia Pacific) Limited (together, the "**Joint Global Coordinators**") *Other Managers:* CMB Wing Lung Bank Limited Industrial Bank Co., Ltd. Hong Kong Branch Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (together with the Joint Global Coordinators, the "**Managers**")
	(ii)	Stabilising Manager(s) (if any):	Any of the Joint Global Coordinators appointed and acting in its capacity as Stabilising Manager (or persons acting on behalf of any of them)
35.	If non-syndicated, name and address of Dealer:		Not Applicable
36.	Total commission and concession:		0.60 per cent. of the Aggregate Nominal Amount
37.	U.S. Selling Restrictions:		Reg. S Category 2 Not Rule 144A eligible

38.	Prohibition of Sales to EEA Retail Investors	Applicable
39.	Prohibition of Sales to UK Retail Investors:	Applicable
40.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

41.	ISIN Code:	HK0001363065
42.	Common Code:	352161527
43.	CUSIP:	Not Applicable
44.	CMU Instrument Number:	DBANFN26066
45.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU Service and the relevant identification number(s):	Not Applicable
46.	Delivery:	Delivery against payment
47.	Additional Paying Agent(s) (if any):	Not Applicable

GENERAL

48.	The aggregate principal amount of Notes issued has been translated into United States dollars at the rate of 6.7038, producing a sum of (for Notes not denominated in United States dollars):	Approximately US$895,014,767.74
49.	Ratings:	The Notes have a preliminary rating of A1 and A+ from Moody's and S&P, respectively, which will be confirmed by Moody's and S&P, respectively, shortly after the Issue Date. Credit ratings are not recommendations to buy, sell or hold the Notes. Ratings are subject to revision or withdrawal at any time by the rating agencies.

HONG KONG SFC CODE OF CONDUCT

50.	Rebates:	Not Applicable

51.	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	project.joshua@icbcasia.com abcic.dcm@abci.com.hk projectjoshua@bochk.com dcm@bankcomm.com.hk ccba_dcm@asia.ccb.com ProjectJoshua@clsa.com hk_syndicate_omnibus@hsbc.com.hk investor.info.hk.oc.bond.deals@jpmorgan.com
52.	Marketing and Investor Targeting Strategy:	As described in the Offering Circular

STABILISING

In connection with this issue, any of the Joint Global Coordinators appointed and acting in its capacity as stabilising manager (each a "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Managers (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for listing on the SEHK of the Notes described herein pursuant to the US$30,000,000,000 Global Medium Term Note Programme of the Issuer.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Tencent Holdings Limited

/s/Ma Huateng

By: _____
Duly authorised

SCHEDULE TO THE PRICING SUPPLEMENT

The section entitled "*Summary Financial Information of the Issuer*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

SUMMARY FINANCIAL INFORMATION OF THE ISSUER

The selected consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 have been derived from our audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025 included elsewhere in this Offering Circular, each of which has been prepared in accordance with IFRS Accounting Standards, and from our unaudited interim condensed financial information as at and for the six months ended 30 June 2026 prepared in accordance with IAS 34 Interim Financial Reporting, which has been incorporated by reference into this Offering Circular.

The summary financial data below should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the audited consolidated financial statements included elsewhere in this Offering Circular and the unaudited interim condensed consolidated financial information incorporated by reference into this Offering Circular. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 may not provide the same quality of information associated with information that has been subject to an audit. Potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. None of the Arrangers, Dealers nor any of their directors, officers, employees, representatives, agents, advisers or affiliates makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of our financial condition and results of operations, and potential investors must exercise caution when using such data to evaluate our financial condition and results of operations. Our unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 should not be taken as an indication of our expected financial condition or results of operations for the full financial year ending 31 December 2026 and they are not comparable to the financial information for the years ended 31 December 2023, 2024 and 2025.

Amounts in the Company's consolidated financial statements are stated in Renminbi. The translation of Renminbi amounts into U.S. dollars is for convenience only and has been made at the rate of RMB6.7851 to US$1.00 as at 30 June 2026. No representation is made that Renminbi amounts have been, could have been, or could be converted into U.S. dollars at the rate indicated or at any other rate.

SELECTED CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Revenues:						
VAS	298,375	319,168	369,281	183,501	194,524	28,669
Marketing Services[(1)]	101,482	121,374	144,973	67,615	81,736	12,046
FinTech and Business Services	203,763	211,956	229,435	110,443	120,171	17,711
Others	5,395	7,759	8,077	2,967	4,812	710
Total revenues	**609,015**	**660,257**	**751,766**	**364,526**	**401,243**	**59,136**
Cost of revenues	(315,906)	(311,011)	(329,173)	(159,020)	(171,545)	(25,283)
Gross profit	**293,109**	**349,246**	**422,593**	**205,506**	**229,698**	**33,853**
Selling and marketing expenses	(34,211)	(36,388)	(41,727)	(17,276)	(23,212)	(3,421)
General and administrative expenses	(103,525)	(112,761)	(136,127)	(65,585)	(72,608)	(10,701)
Other gains/(losses), net[(2)]	4,701	8,002	(3,177)	(4,975)	773	114
Operating profit[(2)]	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Net gains/(losses) from investments and others[(2)]	(6,090)	4,187	10,168	4,045	13,112	1,932
Interest incomes[(2)]	13,808	16,004	16,909	7,869	8,227	1,213
Finance costs	(12,268)	(11,981)	(15,130)	(7,801)	(5,958)	(878)
Share of profit/(loss) of associates and joint ventures, net	5,800	25,176	23,740	9,054	(6,373)	(939)
Profit before income tax	**161,324**	**241,485**	**277,249**	**130,837**	**143,659**	**21,173**
Income tax expense	(43,276)	(45,018)	(47,448)	(25,068)	(26,290)	(3,875)
Profit for the year/period	**118,048**	**196,467**	**229,801**	**105,769**	**117,369**	**17,298**

Notes:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

(2) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

SELECTED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023, 2024 AND 2025 AND 30 JUNE 2026

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Cash and cash equivalents	172,320	132,519	141,041	206,930	30,498
Term deposits	185,983	192,977	236,801	214,275	31,580
Total current assets	**518,446**	**496,180**	**595,460**	**663,424**	**97,776**
Term deposits	29,301	77,601	70,302	52,724	7,771
Total non-current assets	**1,058,800**	**1,284,815**	**1,443,526**	**1,495,970**	**220,479**
Total assets	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**
Borrowings	41,537	52,885	42,618	86,292	12,718
Notes payable	14,161	8,623	10,542	—	—
Total current liabilities	**352,157**	**396,909**	**412,751**	**515,481**	**75,972**
Borrowings	155,819	146,521	208,369	212,650	31,341
Notes payable	137,101	130,586	126,204	154,021	22,700
Total non-current liabilities	**351,408**	**330,190**	**385,170**	**421,400**	**62,107**
Total liabilities	**703,565**	**727,099**	**797,921**	**936,881**	**138,079**
Total equity	**873,681**	**1,053,896**	**1,241,065**	**1,222,513**	**180,176**
Total liabilities and equity	**1,577,246**	**1,780,995**	**2,038,986**	**2,159,394**	**318,255**

SELECTED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2023, 2024 AND 2025 AND THE SIX MONTHS ENDED 30 JUNE 2025 AND 2026

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities[(1)]	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities[(2)]	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Notes:

(1) Includes, among others, payments for capital expenditures as well as media content. Payments for capital expenditure represents the amount paid for investments in IT infrastructure (including computer equipment, components and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the six months ended 30 June 2025 and 2026, respectively.

(2) Includes, among others, dividends paid to our shareholders and non-controlling interest owners, which amounted to RMB21,788 million, RMB31,244 million and RMB39,907 million for the years ended 31 December 2023, 2024 and 2025, respectively, and RMB39,400 million and RMB43,257 million (US$6,375 million) for the six months ended 30 June 2025 and 2026, respectively.

OTHER FINANCIAL DATA

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(RMB in millions, except for %)	(US$ in millions, except for %)
EBITDA[(1)]	214,381	256,310	310,767	153,284	169,943	25,046
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Adjusted EBITDA margin[(2)]	39%	42%	45%	46%	45%	45%
Net cash[(3)]	54,740	76,798	107,145	74,592	58,191	8,576

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(RMB in millions, except for ratios)	(US$ in millions, except for ratios)
Adjusted EBITDA[(1)]	235,454	277,012	336,427	166,681	180,989	26,674
Interest and related expenses	11,885	12,447	13,456	6,927	6,346	935
Ratios:						
Adjusted EBITDA[(1)] to interest and related expenses[(5)]	20x	22x	25x	23x	27x	27x
Total debts[(4)] to Adjusted EBITDA[(1)(5)]	1.48x	1.22x	1.15x	1.29x	1.29x	1.29x

Notes:

(1) 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. EBITDA and Adjusted EBITDA are not standard measures under IFRS Accounting Standards. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA and Adjusted EBITDA should not be considered in isolation or as any other measure of performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. In evaluating EBITDA and Adjusted EBITDA, we believe that investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. We have included EBITDA and Adjusted EBITDA because we believe they are a useful supplement to cash flows data as a measure of our performance and our ability to generate cash flows from operations to cover debt service and taxes. EBITDA and Adjusted EBITDA presented herein may not be comparable to similarly titled measures presented by other companies. Investors should not compare our EBITDA or Adjusted EBITDA to the EBITDA or Adjusted EBITDA presented by other companies because not all companies use the same definition.

(2) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.

(3) Net cash represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, including highly liquid investment products held for treasury purposes, minus borrowings and notes payable.

(4) Total debts consist of borrowings and notes payable.

(5) Adjusted EBITDA to interest and related expenses ratio and total debts to Adjusted EBITDA ratio for the six months ended 30 June 2025 and 2026 are calculated using Adjusted EBITDA for the last twelve months and interest and related expenses for the last twelve months.

The following table reconciles our operating profit under IFRS Accounting Standards to our EBITDA and Adjusted EBITDA for the years/periods indicated.

	Year ended 31 December			Six months ended 30 June		
	2023[1]	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Operating profit	**160,074**	**208,099**	**241,562**	**117,670**	**134,651**	**19,845**
Adjustments:						
Other (gains)/losses, net (excluding depreciation and amortization)	(4,701)	(8,002)	3,177	4,975	(870)	(128)
Depreciation of property plant and equipment and investment properties	19,908	21,141	26,580	11,371	17,887	2,636
Depreciation of right-of-use assets	6,397	6,191	6,219	3,070	3,175	468
Amortisation of intangible assets and land use rights	32,703	28,881	33,229	16,198	15,100	2,225
EBITDA	**214,381**	**256,310**	**310,767**	**153,284**	**169,943**	**25,046**
Equity-settled share-based compensation expenses	21,073	20,702	25,660	13,397	11,046	1,628
Adjusted EBITDA	**235,454**	**277,012**	**336,427**	**166,681**	**180,989**	**26,674**

Note:

(1) Since the fourth quarter of 2023, we changed the presentation of the consolidated income statement during the three months ended 31 December 2023. Certain items have been reclassified from above to below the operating profit line.

OPERATING DATA

The following data sets forth certain operating statistics relating to our Internet platforms and VAS as at the dates presented:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	(in millions)	(in millions)	(in millions)	(in millions)
Combined MAU of *Weixin* and *WeChat* [1]	1,343	1,385	1,418	1,439
Mobile device MAU of *QQ* [2]	554	524	508	520
Fee-based VAS subscriptions[3]	244	262	267	259

Notes:

(1) Combined MAU of *Weixin* and *WeChat* figures refers to the total number of user accounts that logged in and sent a message, or conducted an activity in *Moments*, games, etc. during the last month prior to the relevant date.

(2) Mobile device MAU of *QQ* figures denote the total number of MAU that logged in via applications on smart devices (iOS, Android) and sent a message, or conducted an activity in *Qzone*, *Tencent Channels*, etc. during the last month prior to the relevant date.

(3) Adjusted to report the average daily number of subscriptions since the first quarter of 2024. Historical comparative figures have been restated for the year ended 31 December 2023.

The sub-section entitled "*Risk Factors — Risks Relating to Our Business and Industry*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to Our Business and Industry

We operate in a very competitive market. If we fail to compete effectively, we may lose users to competitors and our business, future results of operations and prospects could be materially and adversely affected.

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of technology, we also face potential competition from companies which provide foundation models, AI native applications and other AI features.

If we are unable to compete effectively in our business, it could negatively affect our ability to maintain user engagement, and monetise our services, any of which could materially and adversely affect our business, future results of operations and prospects.

If we fail to keep up with the technological developments and users' changing requirements, we may not be able to monetise our business, and future results of operations and prospects could be materially and adversely affected.

Our business and prospects will depend on our ability to respond to rapidly changing technologies, adapt our services to evolving industry standards and improve the performance and reliability of our services. Our failure to adapt to such changes could harm our business. In addition, changes in user behavior resulting from technological developments may also adversely affect us. Furthermore, the widespread adoption of new Internet, networking or telecommunications technologies or other technological changes could require substantial expenditures to modify or integrate our products, services or technologies. If we fail to anticipate and adapt to material technological changes, our market share could suffer, which in turn could materially and adversely affect our business, future results of operations and prospects.

We operate in a rapidly evolving environment. If we fail to continue to launch attractive new services or products, our business could be harmed.

We operate in a dynamic and evolving industry with the rapid emergence of new technologies and new services and products. To remain competitive, we must introduce new services and products to diversify our portfolio, adapt to new technologies, appeal to changing consumer trends and preferences and generate additional revenue. We may continue to exit some legacy business areas in order to focus on the key drivers of our growth. Further, some of our new services and products may attract users from our existing offerings. Some of our existing services and products may also become incompatible with emerging technologies and new devices. If we are unable to continue to launch new services and products that can offset the loss of popularity of our maturing services and products, our market share could erode, which in turn could materially and adversely affect our financial condition and results of operations.

If we fail to maintain and enhance our brand recognition, or if we incur excessive expenses in this effort, our business, future results of operations and prospects could be materially and adversely affected.

It is critical for us to maintain and develop our brands so as to effectively maintain and increase our business partnerships and grow our revenue. Well-recognised brands are critical to increasing the number and engagement of our users and, in turn, enhancing our attractiveness to advertisers. Since we operate in a highly competitive market, maintaining and enhancing our brands directly affects our ability to maintain our market position. Our main competitors have established brands and are continuing to take steps to increase their brand recognition. We must also continue to maintain and enhance the recognition and value of our brands. In order to attract and retain users, we may need to substantially increase our expenditures for creating and maintaining brand loyalty. As a result, our selling and marketing expenses may increase significantly, which may impact our profitability.

Our success in promoting and enhancing our brands, as well as our ability to remain competitive, will also depend on our success in offering high-quality content, features and functionality. If we are unable to maintain and enhance our brand recognition, our business, future results of operations and prospects could be materially and adversely affected.

We may not be successful in implementing our growth strategies or sustaining our historical growth rate.

We are pursuing a number of growth strategies, including developing new AI capabilities and products to capture exciting new opportunities, enriching our ecosystem through better user engagement and strengthening transaction capabilities, and leveraging our technology expertise and operational know-how to expand game and cloud businesses internationally. We are also pursuing opportunities for growth through acquisitions and investments. Although we have achieved significant growth in the past, we cannot be assured that this level of significant growth will be sustainable or achieved at all in the future. For example, future saturation in the market for online services could hamper our ability to continue to monetise our services. As we expand into new markets, we may face challenges from local incumbents and have difficulty gaining consumer mindshare. Also, as we expand into new services, such as AI foundation models and AI agent services, we may become subject to new technical challenges and regulatory requirements that could restrict our ability to effectively grow these new business lines.

As we enter into new business segments, we may not be able to maintain our historical margins. Further, we cannot assure you whether all or any of these strategies will be successful. If we are unable to implement our growth strategies, our competitiveness may be materially and adversely affected, which would have a material and adverse effect on our results of operations and prospects.

We face uncertainties regarding the growth of the game industry and continuous market acceptance of our games and in-game items.

We have derived a significant portion of our revenue from the game industry, which is rapidly evolving. Revenue from games under VAS business constituted 30%, 30%, 32%, 33% and 32% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of the game industry is subject to a high degree of uncertainty. Our future results of operations associated with this industry will depend on numerous factors, including:

- whether the global game industry continues to grow and the rate of any such growth;

- laws, rules, regulations, policies and approvals affecting the game industry, including regulatory action (or inaction) limiting or prohibiting our ability to licence, market or release new games;

- general economic conditions, particularly economic conditions that impact the level of discretionary consumer spending;

- the availability and popularity of other forms of entertainment;

- changes in consumer demographics, public tastes and preferences;

- our ability to develop, licence or acquire new games and related products to meet market demand and user preferences;

- the popularity and price of new games and in-game items that we and our competitors launch and distribute; and

- our ability to timely upgrade and improve our existing games to extend their lifespans and to maintain their competitive positions in the game market.

Due to these challenges and uncertainties, we cannot assure you that our game business will continue to grow at the rates it achieved in the past. Our failure to successfully develop this business could have a material and adverse effect on our results of operations and prospects.

The online game industry is highly regulated in China, which may affect our business operations and prospects.

The regulatory environment of online games in China has been changing over the years. The regulatory bodies of the online game industry in the PRC suspended the registration of online games and issuance of publication numbers for publication of online games for most of 2018, and imposed a second suspension of approximately eight months from August 2021 to April 2022. Furthermore, in December 2018, the Online Games Ethics Committee of the PRC was established, which carries out moral assessment of online games and related services that may cause or have caused moral disputes and social opinions and provide reference for the decision-making of the regulatory bodies of the online game industry.

Although the registration of online games and issuance of publication numbers has resumed in recent years, there is no assurance that a similar cessation in online video games approval will not occur again in the future, and we may face similar or other regulatory hurdles in obtaining approvals for our new online games in the future. Consequently, there is no assurance that we will continue to obtain approval for our new online games in a timely fashion or at all, and any failure, delay or other limitations in obtaining regulatory approvals for our new online games could materially and adversely affect our business, revenue and profits and results of operations.

If we are unable to consistently develop additional successful games, our business, future results of operations and prospects could be materially and adversely affected.

In order to maintain our long-term profitability and operational success, we must continue to develop, acquire, co-develop or licence new games that are attractive to users before our existing games reach the end of their commercial lifespans. This requires us to maintain and grow our in-house game development capability to anticipate changing consumer tastes and preferences, adopt new technologies, attract, retain and motivate talented game developers and effectively execute game development plans. There is no assurance that we can successfully maintain or develop our in-house game development capability in such manner. In addition, games we develop for one market may not always be successful in other markets.

There is no assurance that the games which we have developed will be attractive to users and will always comply with relevant content restrictions such as government regulations. If we are not able to mitigate the potential adverse impact as a result of competition or disputes among our overseas licensors and consistently develop games with continuing appeal to users, our business, future results of operations and prospects could be materially and adversely affected.

The online video and music industries are highly regulated in China. Our failure to comply with any government policies, laws or regulations may materially and adversely impact our business, financial condition and results of operation.

The PRC government regulates the online video and music industry extensively. A number of regulatory authorities, such as MOCT, MIIT, NRTA and NCA, regulate different aspects of the online video and music industry. These governmental authorities promulgate and enforce laws and regulations that cover many aspects of the online video and music industry, including entry into such industries, scope of permitted business activities, licences and permits for various business activities and foreign investments into such industry. Operators are required to obtain various government approvals, licences and permits in connection with their provision of Internet information services, Internet culture services, online audio-visual products and other related value-added telecommunications services. If we fail to obtain and maintain approvals, licences or permits required for our business, we could be subject to liabilities, penalties and operational disruption and our business could be materially and adversely affected. In addition, if applicable laws and regulations are tightened by any regulatory authorities, or if there are new laws or regulations introduced to impose additional government approvals, licences, permits and requirements, our business may be disrupted and our results of operations may suffer.

Meanwhile, under PRC laws, to secure the rights to provide video or music content on the Internet or for our users to download or stream video or music from our platform, or to provide other related online video or music services, we must obtain licences from the appropriate copyright owners. However, we cannot assure you that we have obtained licences for copyrights with respect to all video or music content offered on our platform, and we cannot assure you that we will not be subject to any potential copyright infringement claims by third parties in relation to such services.

The marketing services market is subject to many uncertainties, which could cause our marketing services revenue to be materially and adversely affected.

The revenue for marketing services represented approximately 17%, 18%, 19%, 19% and 21% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The growth of our marketing services revenue relies on increased revenue from the sale of marketing solutions and advertising inventories from our various platforms, which could be affected by the following factors:

- growth of the marketing services market;
- acceptance of marketing services as an effective marketing channel;
- our development of tailored marketing solutions to meet marketing clients' needs;
- changes in government rules and regulations impacting the marketing industry;
- alternative methods and strategies available to marketing clients to promote their brands and products; and
- development and acceptance of an independent and reliable standard for measuring the effectiveness of marketing services.

We also may be unable to respond adequately to changing trends in marketing services or advertiser demands or preferences or keep up with technological innovations and improvements in the measurement of user traffic and marketing services. If we are unable to capture and retain a sufficient share of the marketing services market, our ability to maintain or increase our current level of marketing services revenue could be materially and adversely affected.

Our cloud services business is subject to a number of laws and regulations. If we fail to adhere to applicable laws and regulations, our business of cloud services would be materially and adversely affected.

Our cloud services business is subject to extensive and evolving laws and regulations in China. Cloud service operators must obtain a value-added telecommunication service operating licence for Internet data centre business and are required to conduct business activities in accordance with the applicable national standards in respect of cloud services. Cloud service providers must comply with the regulations of the Cyber Security Law, including by taking technical and organisational measures to safeguard the operations of networks, formulate emergency response plans for cybersecurity incidents, prevent illegal and criminal activities and maintain the integrity, confidentiality and availability of network data. For the crucial information infrastructure operators, the personal information and important data collected during business activities must be stored within the territory of China. Where such data needs to be transferred overseas, a security assessment must be completed and passed prior to such transfer. Any failure or perceived failure to comply with all applicable laws and regulations may result in legal proceedings or regulatory actions against us, and could have a material adverse effect on our business and results of operations.

Our payments business is subject to a number of laws and regulations, including those governing banking, cross-border and domestic money transmission, foreign exchange and payment services.

Our payments business is subject to various laws and regulations in China, and any future expansion of our payments business would be subject to various laws and regulations in other jurisdictions where we operate. These laws include those governing banking, cross-border and domestic money transmission, foreign exchange and payment services, such as payment processing and settlement services. The legal and regulatory requirements that apply to our payments business vary in the markets where we operate and have increased over time as the geographical scope and complexity of our business and products have expanded. While our payments business has a compliance programme focused on compliance with applicable laws and regulations, there can be no assurance that we will not be subject to fines or other enforcement actions in one or more jurisdictions or be required to make changes to our business practices or compliance programmes to comply in the future. For example, regulatory authority has prescribed rules relating to third-party payment, whereby non-bank payment institutions are required to place customer funds in a centralised reserve with the PBOC. In addition, pursuant to the Circular on Transfer of Online Payment Business Conducted by Non-Bank Payment Institutions from Directly Connected Model to the NetsUnion Platform (關於將非銀行支付機構網絡支付業務由直連模式遷移至網聯平台處理的通知) ("**Circular 209**") issued by the Payment and Settlement Department of PBOC on 4 August 2017 and effective as at 30 June 2018, all online payments involving bank accounts conducted by non-bank payment institutions must be processed by the unified platform operated by the NetsUnion Clearing Corporation. The State Council of China issued the Regulations on the Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例) in December 2023, which became effective on 1 May 2024. The PBOC issued the Implementing Rules for the Regulations on Supervision and Administration of Non-Bank Payment Institutions (非銀行支付機構監督管理條例實施細則) on 9 July 2024. The new regulations fundamentally restructured the regulatory framework for non-bank payment institutions, including reclassifying payment business into two new categories (which may require existing licencees to convert their licences), imposing enhanced shareholder supervision requirements, strengthening systems and data security obligations (including onshore IT system and data localisation requirements), and requiring overseas non-bank institutions providing cross-border payment services to domestic users to establish a non-bank payment institution within China. The PBOC has been

actively strengthening enforcement, and the number of payment licences revoked has increased in recent years. Any new laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional licensing requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines, enforcement actions, changes in compliance requirements or limits on our ability to grow our business could have a material adverse effect on our business, future results of operations and prospects.

Our payments business is subject to anti-money laundering, counter-terrorist financing and sanctions laws and regulations.

Our payments business is, and any future expansion of our payments business would be, subject to various anti-money laundering, counter-terrorist financing and sanctions laws and regulations that prohibit, among other things, its involvement in transferring the proceeds of criminal activities. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing anti-money laundering, counter-terrorist financing and sanctions legal and regulatory requirements. However, any errors, failures or delays in complying with anti-money laundering, counter-terrorist financing and sanctions laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new anti-money laundering, counter-terrorist financing and sanctions laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business, could have a material and adverse effect on our business, future results of operations and prospects.

Our payments business is subject to consumer protection laws and regulations.

Our payments business is subject to consumer protection laws and regulations in China, and any future expansion of our payments business would be subject to various consumer protection laws and regulations in other jurisdictions where we operate. We are focused on compliance with these laws and regulations and have programmes designed to comply with new and existing consumer protection requirements. However, any errors, failures or delays in complying with such consumer protection laws and regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Any new consumer protection laws and regulations (or changes to, or expansion of, the interpretation or application of existing laws and regulations) applicable to our payments business could subject us to additional laws and regulations, additional licensure requirements and increased regulatory scrutiny, which could force us to change our business practices or limit our ability to grow our business. Costs associated with fines or enforcement actions, changes in our compliance requirements or limitations on our ability to grow our business could have a material and adverse effect on our business, future results of operations and prospects.

We are subject to risks associated with our micro-loan business.

We provide online consumer loan services. Micro-finance is a highly regulated business in China subject to the supervision of and regulation by the PBOC and the relevant local government authorities, and our failure to comply with any current or future laws, rules and regulations could subject us to liability, enforcement action by regulators and could harm our reputation. Our credit assessment model may not accurately predict the creditworthiness of our borrowers, and our actual losses could materially exceed our allowances for doubtful accounts. If losses on our portfolio of loans are greater than we expect, whether due to inaccuracies with our credit assessment model or changes in economic conditions or otherwise, our net income could be materially and adversely reduced. In addition, because we continue to be exposed to risk of loss with respect to a portion of losses on the loan portfolio, any failure of borrowers to repay their underlying loans could adversely affect our business, financial condition and results of operations.

We are subject to risks and uncertainties associated with the evolving AI regulations, potential infringement claims and increasing costs for regulatory compliance.

We are making significant initial progress on our new AI products, as well as continuing to utilise AI to grow our existing core businesses. However, as with most emerging technologies, AI comes with its own set of risks and challenges that could affect its adoption and our business. AI algorithms may be flawed, and the data used could be incomplete or biased. Generative AI technologies are prone to processing errors, creating inaccurate or biased outputs, and may be manipulated via adversarial prompting to bypass security protocols. Integrating AI algorithms into our existing business segments such as automated advertising bidding or content moderation could lead to automated errors, discriminatory pricing vulnerabilities, or systemic service disruptions if an algorithm misbehaves at scale. Inappropriate or controversial data practices, by us or by others, could limit the acceptance of our AI products or AI-enhanced products and content. Deploying large language models may subject us to third-party copyright and misappropriation lawsuits regarding AI training sets or outputs. Certain AI applications could trigger ethical issues. Should our AI-related offerings become controversial due to their effects on privacy, security or other social matters, we risk reputational harm or legal repercussions. In addition, uncertainties regarding the development and application of AI technology present a potential risk. There remains the possibility that AI technology may not progress as anticipated or deliver expected benefits, which could limit the acceptance and popularity of our AI-related offerings.

Furthermore, the regulatory and legal framework on AI is evolving rapidly and might not fully address every aspect of its research, development and use. Government authorities have sped up creating laws for generative AI-related technologies, such as algorithms and deep synthesis. For example, on 10 July 2023, the CAC, together with six other regulatory authorities, issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法), which imposes compliance requirements on providers of generative AI services. The Measures require generative AI service providers to take effective measures to enhance the accuracy and reliability of the AI-generated content. Specifically, the service providers must: (i) assume the responsibilities as content producers and fulfil obligations related to network information security; (ii) assume the responsibilities as processors of personal information and ensure the protection of such data; and (iii) process training data, including conducting pre-training optimisation in compliance with applicable laws and regulations. In addition, the providers of generative AI services that possess public opinion influence or the capability for social mobilisation are required to undergo a security assessment and complete the filing formalities of algorithms in accordance with the Provisions on the Administration of Algorithm Recommendation for Internet Information Services (互聯網信息服務算法推薦管理規定). In March 2025, the CAC and other regulatory authorities jointly issued the Measures for Labeling AI-Generated Content (人工智能生成合成內容標識辦法), effective from 1 September 2025, which mandates service providers to add explicit labels (such as text or watermarks) and implicit labels (such as metadata) to AI-generated content. In October 2025, the Cyber Security Law was amended to include provisions specifically addressing AI, emphasising ethical governance and risk monitoring requirements for AI development. The CAC and other regulatory authorities issued the Interim Measures for the Administration of Anthropomorphized Artificial Intelligence Services (人工智慧擬人化互動服務管理暫行辦法), effective from 15 July 2026, which regulate AI services that simulate human personalities and emotions, including emotional companion chatbots and virtual personalities. If we are unable to comply with the relevant requirements, or if we have any dispute with any third party relating to intellectual property, data security or other aspects, our business operation may be adversely affected.

Our past and future acquisitions and investments could have a material and adverse effect on our ability to manage our business.

As part of our strategy to further expand our business, we may continue to acquire or make investments in additional products, assets, technologies or businesses that are complementary to our existing business if and when appropriate opportunities arise. Future acquisitions and investments as well as the subsequent integration of new products, assets, technologies and businesses into our existing business would require attention from our management and result in diversion of resources from our existing business. The areas where we face risks include:

- diversion of management time and focus from operating our business to address challenges in relation to acquisition integration and business collaboration;
- implementation or remediation of controls, procedures and policies at the acquired company;
- integration of the acquired company's accounting, human resource and other administrative systems and coordination of product, engineering and sales and marketing functions;
- transition of operations, users and customers onto our existing services;
- cultural challenges associated with integrating employees from the acquired company into our organisation, and retention of employees from the businesses we acquire;
- liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities;
- litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties;
- the ability of SAMR to require the subsequent unwinding of completed M&A transactions or impose significant fines in respect of such transactions;
- in the case of overseas acquisitions, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political and regulatory risks associated with specific countries; and
- failure to successfully further develop the acquired technology.

Also, acquired products, assets, technologies or businesses and investments may not yield the results that we anticipate. In addition, acquisitions and investments could result in the use of substantial amounts of cash, significant amortisation expenses related to identifiable intangible assets and exposure to potential impairment or write-offs of such investments, the relevant goodwill and/or identified intangible assets or potential unknown liabilities of any such acquired business. Moreover, the costs of identifying and consummating acquisitions and investments may be significant. We may also have to obtain approval from the relevant government authorities for the acquisitions and investments and comply with any applicable laws and regulations, which could result in increased costs and delays. Further, the value of our investments is subject to market and non-market fluctuations which are attributable to factors beyond our control.

Our failure to properly and timely address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realise the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities and harm our business generally.

Future acquisitions or investments could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortisation expenses, write-offs of goodwill, or even provisions for prolonged impairment in value, any of which could have a material and adverse effect on our business, future results of operations and prospects.

We may face additional risks as we expand our business to new international markets.

From time to time we evaluate opportunities to expand our business, services and product offerings to markets outside China. Expanding our business, services and product offerings into new overseas markets may expose us to risks that are additional to or different from those that we currently face, including:

- difficulties in identifying and maintaining good relationships with business counterparties or partners;
- uncertainties in developing products and services catering to overseas markets and in renewing the licence agreements with licencees upon their expiration;
- our ability to maintain our brand name and the reputation of our products and services in situations where our products and services are operated by licencees or partners in the overseas markets pursuant to their own standards;
- difficulties in staffing and managing foreign operations;
- difficulties and costs associated with protecting and enforcing our intellectual property rights overseas;
- difficulties and costs relating to compliance with the different commercial and legal requirements of the overseas markets, such as licensing and certification requirements, import regulatory procedures, taxes and other restrictions and expenses;
- requirements under different local regulatory systems, some of which may conflict with each other, including potential service interruptions of our online services due to national security laws or policies in the international markets in which we operate;
- exposure to claims and litigations in markets where the laws and overall environment are unfamiliar to us;
- competition from established local competitors;
- laws and business practices that favour local competitors or prohibit or limit foreign ownership of certain businesses;
- difficulties in integrating with local payment providers, including banks, credit and debit card networks and electronic fund transfer systems;
- potentially adverse tax consequences, including local taxation of our fees or transactions on our websites/applications;
- fluctuations in currency exchange rates;
- our ability to repatriate funds from abroad; and
- interruptions in cross-border Internet connections or other system or network failures.

Our inability to expand our business internationally or any risks associated with conducting business in new overseas markets may have a material and adverse effect on our business, future results of operations and prospects.

Certain U.S. laws and Executive Orders with respect to technology and communications products and services may have negative impacts on our business, and we cannot assure you that the U.S. government will not issue similar authorities in the future.

In the past several years, the U.S. government has enacted or issued a number of laws, Executive Orders and regulations to restrict or prohibit the use of information and communications technology products and services supplied by Chinese companies, including in some cases authorities (which were subsequently rescinded without being fully implemented) that have directly authorised restrictions on transactions in the United States involving certain of our products. To date, none of our products, services and transactions have become prohibited as a result of the implementation of such authorities, but there can be no assurance that future actions taken under these authorities will not have an adverse effect on the operation of our business, particularly if such actions specifically target our products or services in the United States. There is also no assurance that the United States will not issue additional similar laws, Executive Orders or regulations that may adversely affect our business and financial conditions.

On 7 January 2025, the U.S. Department of Defense published the Notice of Availability of Designation of Chinese Military Companies. Pursuant to such notice, the Deputy Secretary of Defense has included us in the list of Chinese Military Companies (the "**CMC List**"). As we are neither a Chinese military company nor a military-civil fusion contributor to China's defense industrial base, we believe that our inclusion in the CMC List is a mistake. Unlike other lists maintained by the U.S. Government for sanctions or export control measures, inclusion in the CMC List relates only to U.S. government procurement, which does not affect the business of us and our subsidiaries. We are currently taking steps to resolve this matter, with an aim to secure a removal from the CMC List. Previously, we were successfully removed from the Notorious Markets for Counterfeiting and Piracy List by the Office of the U.S. Trade Representative as a result of our efforts and progress in protecting IP rights on its platforms, as well as its constructive and effective engagement with relevant U.S. authorities. However, there can be no assurance that our efforts to seek removal from the CMC List will be successful. There is also no assurance that the United States will not issue additional Executive Orders or other laws or regulations that may add additional consequences to our inclusion on the CMC List that may cause it to adversely affect our business and financial condition.

Inclusion on the CMC List is distinct from inclusion on the List of Chinese Military Industrial Complex Companies ("**CMICs**") maintained by the U.S. Treasury Department's Office of Foreign Assets Control pursuant to Executive Order 13959, as amended by Executive Order 14032. U.S. persons are prohibited from purchasing or selling publicly traded securities of listed CMIC entities or publicly traded securities that are derivative of or provide investment exposure to such securities. Although we are not currently impacted by the prohibitions of the CMIC sanctions program, a number of Chinese telecommunications companies have been designated as CMICs pursuant to Executive Order 14032. Pursuant to Executive Order 14032, the U.S. government has significant discretion to make or revise such designations, and if it were to do so, this could have a material adverse impact on a broader range of companies, which could potentially include us.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade restrictions may materially and adversely affect our business, financial condition and results of operations.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and restrictions and export controls administered by the government authorities in the countries in which we operate, and other geopolitical challenges, including, but not limited to, economic and labour conditions, increased duties, taxes and other costs and political instability. The recent political tensions between the United States and China have escalated.

The United States has taken efforts to limit U.S. investment in China. On 28 October 2024, the U.S. Treasury Department issued a final rule (the Outbound Investment Rule) implementing Executive Order 14105 and creating a regime restricting investment by U.S. persons in targeted sectors in "countries of concern" (currently limited to China). On 21 February 2025, the White House released the "America First Investment Policy" memorandum, which outlined several initiatives to restrict investments involving China. On 18 December 2025, the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**") was enacted as part of the 2026 National Defense Authorization Act. The COINS Act requires the Treasury Department to make certain changes to the Outbound Investment Rule, with implementing regulations required within 450 days of enactment.

The U.S government has also adopted various export controls targeting China-based companies. In October 2022, the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") released a series of export control measures on China, including new regulations restricting the export to China of advanced computing chips, advanced semiconductors, supercomputer technology, equipment for the manufacturing of advanced semiconductors, and components and technology for the manufacturing in China of certain semiconductor manufacturing equipment. In October 2023, BIS released additional rules that became effective in November 2023, expanding and strengthening export control measures to further restrict China's access to advanced computing chips and semiconductor manufacturing equipment. These measures also restrict the ability of U.S. persons to provide "support" for semiconductor manufacturing and related activities in China and may seriously affect the ability of Chinese companies to purchase or obtain certain semiconductor manufacturing equipment or advanced chips. In January 2025, BIS released an interim final rule that established licensing requirements for the export of advanced computing integrated circuits that facilitate advanced AI research and development, as well as certain AI model technology; however, BIS announced in May 2025 that it would no longer enforce and intended to rescind and replace this rule, and BIS has since adopted more permissive licensing policies for exports of certain advanced computer chips to China, though significant restrictions remain in place. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the United States in the future, may impose restrictions on our ability to acquire technologies, systems, devices or components that may be critical to our technology infrastructure, service offerings and business operations. For example, export control restrictions on high-end hardware, graphics processing units, and cloud-computing infrastructure could negatively affect our AI model capabilities, slow down R&D cycles, or inflate the capital expenditures required to acquire alternative infrastructure.

Since February 2025, the U.S. government has imposed a number of different tariffs on Chinese imports under several different legal authorities, some of which apply broadly to all Chinese imports and others of which are product- or industry-specific. In response, China imposed retaliatory tariffs on U.S. imports and other countermeasures. Currently, consistent with the Joint Statement on China-US Economic and Trade Meeting in Geneva issued on 12 May 2025 and subsequent discussions, certain of the tariffs and countermeasures have been suspended at least through 10 November 2026. The progress of trade talks between China and the United States is subject to uncertainties, and there can be no assurance as to whether the United States will maintain or reduce tariffs, or impose additional tariffs on Chinese products in the near future. Additionally, certain of the U.S. tariffs have been found to be unlawful by the U.S. Supreme Court and others are subject to ongoing legal challenges; collectively, these legal proceedings create further uncertainty as to whether the tariffs will remain in place or may be removed or modified. Changes to national trade or investment policies, treaties and tariffs or fluctuations in exchange rates could adversely affect the financial and economic conditions in the jurisdictions in which we operate, which may in turn affect our financial condition and results of operations.

China has also issued regulations to give itself the ability to unilaterally nullify the effects of certain foreign restrictions that are deemed to be unjustified to Chinese individuals and entities. The Rules on Counteracting Unjustified Extra-territorial Application of Foreign Legislation and Other Measures, promulgated by the MOFCOM on 9 January 2021, provide that, among other things, Chinese individuals or entities are required to report to the MOFCOM within 30 days if they are prohibited or restricted from engaging in normal business activities with third-party countries or their nationals or entities due to non-Chinese laws or measures; and the MOFCOM, following the decision of the relevant Chinese authorities, may issue prohibition orders contravening such non-Chinese laws or measures. Furthermore, on 10 June 2021, the Standing Committee of the National People's Congress ("**SCNPC**") promulgated the Anti-foreign Sanctions Law. The Anti-foreign Sanctions Law prohibits any organisation or individual from implementing or providing assistance in implementation of discriminatory restrictive measures taken by any foreign state against the citizens or organisations of China. In addition, all organisations and individuals in China are required to implement the retaliatory measures taken by relevant departments of the State Council of the PRC. In March 2025, the State Council issued the Regulations on the Implementation of the Anti-foreign Sanctions Law, which further refines the enforcement mechanisms and expands the scope of available countermeasures. Since 2024, Chinese authorities have significantly increased anti-sanctions enforcement activities, including designating a growing number of foreign entities to the Unreliable Entity List and the Countermeasures List. In addition, in recent years, China has introduced a series of regulatory measures targeting the import and use of U.S.-origin AI-related chips, particularly in response to escalating U.S. export controls on advanced semiconductors. For example, in May 2023, the CAC announced that products from U.S. memory chipmaker Micron Technology had failed a cybersecurity review due to possessing serious network security risks. The products would be banned from use in China's critical information infrastructure. In April 2024, Chinese authorities ordered major state-owned telecommunications companies to phase out foreign-made chips, including those from Intel and AMD, from core network infrastructure by 2027.

Rising political tensions between the United States and China could reduce levels of trade, investments, technological exchanges and other economic activities between the two major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets.

We rely on a number of third parties to provide us with content, various services and technologies. Any disruption in the provision of this third-party content or these services or technologies could materially and adversely affect our business, future results of operations and prospects.

One of our principal strengths is our ability to create a distinct online community through our services and content. We rely on a number of third parties to create traffic and provide content in order to make our products and services more attractive to consumers and advertisers, through which we may sustain and grow our online community. Third parties that provide content for our websites and services include both commercial content providers with which we have contractual relationships and our registered community members who post articles and other content on our products. If these third parties fail to develop and maintain high-quality content, our websites or other open platform offerings could lose users and advertisers. Most of our contractual arrangements with third-party content providers are not exclusive and are short-term, or may be terminated at any time for any reason by either party. There can be no assurance that our existing relationships with third-party content providers, if maintained, will result in sustainable business partnerships, successful service offerings, an acceptable level of traffic on our websites or revenue, or will not be terminated. Also, a majority of this third-party content is also available from other sources or may be provided to other Internet, SNS or other social media companies. If other Internet, SNS or other social media companies present the same or similar content in a superior manner, this could reduce our visitor traffic, which could have a material and adverse effect on our business, future results of operations and prospects.

In addition, our business also depends upon services provided by, and relationships with, third-party service and technology providers such as advertising agencies that represent advertisers, game developers, online payment vendors and other content providers. We generally do not have long-term cooperation agreements or exclusive arrangements with these third parties and they may elect to direct business opportunities to our competitors. With respect to game developers, we have revenue sharing arrangements that require periodic renewals. If we fail to retain and enhance our business relationships with these third parties, or renew our business arrangements with these third parties on the same or more favorable terms to us, our business, future results of operations and prospects may be materially and adversely affected.

We face uncertainties regarding the legal liability for providing third-party services, products, content and applications on our platforms.

A number of third-party services, products, content and applications have been, and will continue to be, provided on or through our platforms through commercial cooperation agreements we entered into with third parties. It is also possible that third parties may engage in illegal, obscene or incendiary conversations or activities that may be deemed unlawful under PRC laws and regulations on our platform. In addition, our users may generate and display content on our platforms which may involve illegal, obscene or incendiary conversations or activities. If any content on our platform is deemed illegal, obscene or incendiary, or if appropriate licences and third-party consents of such services, products, content and applications as required have not been obtained, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, other unlawful activities or other theories and claims based on the nature and content of such objectionable information. Although such commercial agreements provide general contractual provisions to limit or exclude our legal liabilities, we cannot assure you that we may not incur any liability caused by providing these third-party services, products, content or applications on our platforms if they are found to be in breach of the relevant rules and regulations in China or any intellectual property rights, especially in light of the fact that the current PRC laws remain uncertain regarding our liability in connection with any third-party content and applications. The Regulations on Network Information Protection (as defined below) require Internet operators to supervise and manage these third-party services with respect to collection and use of user information so as to ensure information security and privacy. The Civil Code of the PRC (中華人民共和國民法典) (the "**Civil Code**"), promulgated in 2020 and replacing certain laws including the Tort Law of the PRC (中華人民共和國侵權責任法), has further elaborated the circumstances where Internet operators may be found liable for the infringement conducted by third parties using network services provided by the Internet operators. Furthermore, the Network Data Security Management Regulation (網絡數據安全管理條例), effective from 1 January 2025, further reinforces the obligations of online platform operators to supervise and manage data processing activities carried out by users and third parties on their platforms. However, the allocation of liabilities between Internet operators and such third-party service providers is subject to legal uncertainty. Any regulatory actions or liability incurred by these third parties may disrupt our business and cause damage to our reputation.

We have been and may continue to be exposed to liability for copyright or trademark infringement and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through or published or posted on our platform. Defense of any such actions could be costly and involve significant time and attention of our management and other resources. In addition, if we are found to have not adequately monitored the content on our platform, PRC authorities may impose legal and administrative sanctions on us, including, in serious cases, suspending or revoking the licences necessary to operate our platform, which could have a material and adverse effect on our business, future results of operations and prospects.

Unauthorised use of our intellectual property by third parties and the expenses incurred in protecting our intellectual property rights may adversely affect our business, future results of operations and prospects.

We regard our intellectual property rights, including our patents, trademarks and content copyrights, as critical to our success. We seek to protect our intellectual property rights by relying on a combination of patent, copyright and trademark protection and contract laws. Despite our precautions, it may be possible for third parties to use such intellectual property without authorisation. The validity, enforceability and scope of protection of intellectual property in Internet-related industries are uncertain and still evolving in China and protection and enforcement of our intellectual property rights may not be as effective as in other countries with established legal regimes. Moreover, policing and enforcing against unauthorised use of proprietary technologies are difficult and expensive. Any unauthorised use of our intellectual property could have a material and adverse impact on our business and results of operations. From time to time, we have, and may have to resort to, litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of resources.

We are subject to intellectual property rights laws in a number of jurisdictions and have been involved in lawsuits or other legal proceedings in such jurisdictions from time to time.

As a leading integrated Internet services company operating a broad range of Internet services, such as games, digital content and marketing services, we may face liability for defamation, negligence, copyright, misappropriation, patent or trademark infringement or other intellectual property rights violations of third parties. We have been involved and may continue to be involved in intellectual infringement disputes, lawsuits and other legal proceedings. Intellectual property claims and litigations are expensive and time-consuming to investigate and defend, and may divert resources and management attention from the operation of our business. If determined adversely against us, our business may be materially interrupted. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our websites to reduce the risk of future liability, could also have a material and adverse effect on our business, future results of operations and prospects.

We may receive notices of claims of infringement of third parties' proprietary rights or claims for indemnification resulting from infringement claims arising from our use of technology, content offered on our Internet portals, internally developed games or merchandise and services sold on our eCommerce platforms. We could also be subject to claims based upon content that is accessible on our websites or through our services, such as content and materials posted by users on message boards, online communities, voting systems, email or Internet groups. On 17 December 2012, the Supreme People's Court of the PRC promulgated a judicial interpretation, namely, the Provisions of the Supreme People's Court of the PRC on Several Issues concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Dissemination on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which was amended by the Supreme People's Court of the PRC on 29 December 2020. This judicial interpretation regulates dissemination of infringing materials through the Internet. This judicial interpretation, like certain court rulings and certain other judicial interpretations, provides that the courts will place the burden on Internet service providers to remove not only links or content that have been specifically mentioned in the notices of infringement from right holders, but also links or content Internet service providers "should have known" to contain infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any content made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights. The provisions under this interpretation are also consistent with requirements under other PRC laws and regulations, including the Civil Code. This interpretation, as well as other PRC laws, regulations and judicial interpretations, could subject us and other Internet service providers to significant administrative burdens and litigation risks.

With respect to games and applications developed by third parties, we have procedures designed to reduce the likelihood of infringement. However, such procedures might not be effective in preventing third-party games and applications from infringing other parties' rights.

As our patents may expire and may not be extended, our patent applications may not be granted and our patent rights may be contested, circumvented, invalidated or limited in scope, our patent rights may not protect us effectively. In particular, we may not be able to prevent others from developing or exploiting competing technologies. As a result, there could be material and adverse effects on our business, future results of operations and prospects.

In China, the valid periods for utility model patent rights, design patent rights and invention patent rights are 10 years, 15 years and 20 years, respectively. None of such patent rights are extendable. Currently, we have been granted patents and have patent applications pending in China, but we cannot assure you that we will be granted patents pursuant to our pending applications. Even if our patent applications succeed and we are issued patents in accordance with them, it is still uncertain whether these patents will be contested, circumvented or invalidated in the future. When our existing patents expire, we will lose any proprietary protection or competitive advantages they originally provided to us and we may face increased competition. The rights granted under any issued patents may not provide us with proprietary protection or competitive advantages. Further, the claims under any patents that issue from our patent applications may not be broad enough to prevent others from developing technologies that are similar or that achieve results similar to ours. It is also possible that the intellectual property rights of others will bar us from licensing and from exploiting any patents that issue from our pending applications. Issued patents and pending patent applications owned by others exist in the fields in which we have developed and are developing our technology. These patents and patent applications might have priority over our patent applications and could subject our patent applications to invalidation. Finally, in addition to those who may claim priority, any of our existing or pending patents may also be challenged by others on the basis that they are otherwise invalid or unenforceable.

We depend on our key personnel, and our business and growth prospects may be severely disrupted if we lose their services.

Our success depends on the continuous effort and services of our current executive team and other key personnel, and we rely on their expertise in business operations, including the development of new VAS and products and maintenance of our relationships with other strategic partners. If one or more of our key personnel are unable or unwilling to continue in their present positions, we may not be able to easily replace them and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business. Our present and future success will continue to depend on our ability to attract and retain highly skilled technical, managerial, editorial, marketing and customer service personnel. There is no assurance that we may be able to successfully attract, assimilate or retain the personnel we need to succeed. As competition for talent in the technology industry intensifies, it may be more difficult for us to hire, motivate and retain highly skilled personnel. If we are unable to attract additional highly skilled personnel or retain or motivate our existing personnel, we may not be able to grow effectively.

Legal proceedings or allegations of impropriety against us or our key personnel could have a material and adverse impact on our reputation, results of operations and financial condition.

From time to time, we have been, and may be in the future, involved in lawsuits or subject to allegations brought by our competitors, individuals or other entities against us or our key personnel, including claims of unfair, unethical or otherwise inappropriate business practices. See "*Business — Legal Proceedings*". Any such lawsuit or allegation, with or without merit, or any perceived unfair, unethical or inappropriate business practice by us could generate negative publicity about us, harm our reputation and divert resources and management attention from the operation of our business. We cannot assure you that we will not be involved in lawsuits or subject to allegations of a similar nature

in the future. In addition, we could incur substantial costs, divert the attention of our management in dealing with these claims, and suffer reputational damage, even if we are successful in our defense or counterclaims, which could have a material and adverse effect on our business, future results of operations and prospects.

Online communications among our users may lead to adverse moral, emotional or physical consequences, which may damage our reputation, lead to litigation or government investigation and have a material and adverse effect on our business, future results of operations and prospects.

Our users engage in highly personalised exchanges over our platforms. Users who have met online through our services may become involved in emotionally charged situations and could suffer adverse moral, emotional or physical consequences. Such occurrences could be highly publicised and have a significant negative impact on our reputation. Users who have suffered such adverse consequences may bring litigation against us to claim compensation in such events. Government authorities may also require us to discontinue or restrict those services that have led, or may lead, to such events. As a result, our business, future results of operations and prospects could be materially and adversely affected.

Undetected programming errors or defects in our products or unauthorised use of our products could harm our reputation and increase user dissatisfaction, which could materially and adversely affect our business, future results of operations and prospects.

Our products may contain undetected programming errors or other defects. In addition, parties unrelated to us may use our products in unauthorised or unintended ways, such as online cheating programmes that enable users to acquire superior features for our games that they would not have otherwise. Certain cheating software programmes created independently by parties unrelated to us could allow users to eliminate superior features for our games that have been acquired by other users or otherwise affect the fairness of the game environment for our games. The occurrence of undetected errors or defects in our products, and our failure to discover and disable unauthorised or unintended uses, could disrupt our operations, damage our reputation and detract from our products' user experience. As a result, such errors, defects and cheating programmes could materially and adversely affect our business, future results of operations and prospects.

Unexpected network interruptions caused by system failures, security breaches, malware or computer or mobile device system viruses may disrupt our business operations, harm our reputation, and may require us to expend significant capital and other resources to protect our websites.

We may experience unexpected system interruptions and delays (including those caused by natural disasters such as earthquakes and floods) or security breaches, which may expose us or our users to a risk of loss or misuse of user information, prevent us from efficiently providing services or efficiently fulfilling orders or cause significant harm to our user relations and reputation and our ability to attract and maintain users and advertisers. We may be required to expend significant capital and other resources to protect our websites against the threat of computer viruses and hackers and to alleviate any problems caused by them. There is no assurance that these measures will be adequate and prevent potential future attacks. In addition, any security breach caused by hacking, which involves efforts to gain unauthorised access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, and the inadvertent transmission of computer viruses, could have a material and adverse effect on our business, future results of operations and prospects.

We maintain a distributed server network architecture hosting servers across China. We have limited backup systems and have experienced system failures and electrical outages from time to time in the past, which have disrupted our operations. Although we have a certain number of disaster recovery plans in place in the event of damage from fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, terrorist acts and similar events and will continue to

develop additional plans, our existing backup systems and disaster recovery plans may not be effective for such events. If any of the foregoing occurs, we may experience system failures and electrical outages, which could have a material and adverse effect on our business, future results of operations and prospects.

Our users may use our products or services for critical transactions and communications, especially business communications. As a result, any system failures could result in damages to such users' businesses. These users may seek significant compensation from us for their losses. We could incur substantial costs and divert the attention of our management in defending ourselves against these claims even if we are successful in such defense.

Failure of information security could subject us to penalties, damage our reputation and brand, and harm our business, future results of operations and prospects.

The Internet and mobile industries are facing significant challenges regarding information security and privacy, including the storage, transmission and sharing of confidential information. We transmit and store over our systems confidential and private information of our users, customers, distributors and partners, such as personal information, including names, user IDs and passwords, and payment or transaction related information. We are required by PRC laws to ensure the confidentiality, integrity, availability and authenticity of the information of our users, customers, distributors and partners, which is also essential to maintain their confidence in our online products and services. In addition, we are subject to a number of international information security regulations.

We have adopted strict information security policies and deployed advanced measures to implement the policies, including, among others, encryption technologies. However, advances in technology, increased level of sophistication and diversity of our products and services, increased level of expertise of hackers, new discoveries in the field of cryptography or others could still result in a compromise or breach of the measures that we use. We have experienced and may continue to experience security breaches and hacking attacks. The Internet service providers are required to take measures to ensure confidentiality of information of users by relevant PRC laws and regulations. The Cyber Security Law and the Civil Code also require the Internet operators to take necessary technical measures or other measures to protect personal data. Particularly, for the operators of crucial information infrastructure, personal data and crucial data should be stored in the territory of China, under circumstances that such data need to be provided to overseas parties due to business requirements, a security assessment shall be conducted before the transmission of the data. However, the effect of these new laws and regulations on curbing hacking and other illegal online activities still remains to be seen.

In recent years, the PRC government has tightened the regulation of cybersecurity and data protection. According to the institutional reform plan of the State Council approved by the National People's Congress on 10 March 2023, the National Data Bureau has been established under the administration of the NDRC on 25 October 2023. The National Data Bureau is responsible for, among other things, advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources and promoting the digitalisation of China's economy and society. A series of cybersecurity and data protection related laws and regulations have been adopted in recent years, including the PRC Data Security Law (中華人民共和國數據安全法) which took effect on 1 September 2021, the PRC Personal Information Protection Law (中華人民共和國個人信息保護法) which took effect on 1 November 2021, the Cybersecurity Review Measures (網絡安全審查辦法) which became effective on 15 February 2022, the Security Assessment Measures for Outbound Data Transfers (數據出境安全評估辦法) which took effect on 1 September 2022, the Provisions on Promoting and Regulating the Cross-Border Flow of Data (促進和規範數據跨境流動規定) which was issued on 22 March 2024, and the Regulations on Network Data Security Administration (網絡數據安全管理條例) which took effect on 1 January 2025. The Cyber Security Law (中華人民共和國網絡安全法), formulated in 2016 as a fundamental legal framework in the field of cybersecurity, was amended on 28 October 2025 and such amendment took effect on 1 January

2026. On 11 September 2025, the CAC announced the Administrative Measures for the Reporting of National Cybersecurity Incidents (國家網絡安全事件報告管理辦法) (the "**Cybersecurity Incidents Reporting Measures**"), which became effective on 1 November 2025 and provides that network operators that build or operate networks or provide services through networks within the territory of the PRC shall report incidents that endanger cybersecurity. These new laws and regulations have established China's current regulatory system for cybersecurity and data protection related matters, including data classification, personal information protection, cybersecurity review and outbound data transfer. Since these laws and regulations are relatively new, uncertainties still exist in relation to their interpretation and implementation. Any future change in laws and regulations relating to cybersecurity and data protection could affect our compliance and operating costs in providing our products and services and results of operation.

Significant capital, managerial and human resources are required to comply with legal requirements, enhance information security and to address any issues caused by security failures. If we are unable to protect our systems or the information stored in our systems from unauthorised access, use, disclosure, disruption, modification or destruction, such problems or security breaches could cause loss or give rise to our liabilities to the owners of confidential information, such as our users, customers, distributors and partners, subject us to penalties imposed by administrative authorities and disrupt our operations. This will become more difficult as we continue to grow the number and scale of our cloud-based offerings and store and process increasingly large amounts of information in an environment increasingly hostile to information security. Any negative publicity on the safety or privacy protection mechanism and policy of our websites or mobile or platform services could also have a material and adverse effect on reputation and brand and harm our business, future results of operations and prospects.

We could be liable for fraudulent or unlawful activities of sellers and users.

Our online payments services are susceptible to potentially illegal or improper use, including fraudulent sales of goods or services, illicit sales of controlled substances, restricted or unlawful items, piracy of software, movies, music and other copyrighted or trademarked goods, money laundering, terrorist financing, bank fraud, child pornography, drug trafficking, online securities fraud, identity theft and encouraging, promoting, facilitating or instructing others to engage in illegal activities. Although we have implemented policies to restrict these activities on our platforms, we may not be able to prevent all such misuse by our users. Excessive misuse of our services by users could result in fines, the suspension of our services or reputational harm. We may be subject to claims from customers that merchants have not performed or that their goods or services do not match the merchant's description, whether those arise from merchant fraud or from an unintentional failure to perform by the merchant. While we are indemnified by our partners, we may not be able to recover in full if our partners are unwilling or unable to pay. We may also be subject to claims from users for unauthorised purchases. Negative publicity and customer sentiment generated as a result of fraudulent or deceptive conduct through our online payments services and transactions could damage our reputation, reduce our ability to attract new users or retain existing users and adversely impact our brands. Any costs incurred as a result of potential liability relating to the alleged or actual sale of unlawful goods or the unlawful sale of goods could harm our business. In addition, governmental agencies could require us to modify our business practices and discontinue or restrict our services.

We are subject to complex and evolving laws and regulations regarding privacy, data protection and cybersecurity.

We are subject to privacy, data protection and cybersecurity regulations from a number of jurisdictions. From time to time, concerns have been expressed about whether our products, services or processes compromise the privacy of users and others. Concerns about our practices with regard to the collection, use, disclosure or security of personal information or other privacy related matters, even if unfounded, could damage our reputation and adversely affect our operating results.

Regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection. In addition, the interpretation and application of consumer and data protection laws in the Chinese Mainland, United States, Europe and elsewhere are often uncertain and in flux. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines, this could result in an order requiring that we change our data practices, which could have an adverse effect on our business and results of operations. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and could have a material and adverse effect on our business, future results of operations and prospects.

We may become the target of anti-monopoly and unfair competition claims, which may result in our being subject to fines as well as constraints on our business.

The PRC anti-monopoly regulators have in recent years strengthened enforcement under the anti-monopoly and competition laws and regulations. In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the departments under the NDRC, the SAIC and the MOFCOM. In November 2021, the National Anti-Monopoly Bureau was inaugurated by the State Council, which aims to further implement the fair competition policies and strengthen anti-monopoly supervision in the PRC, especially to strengthen oversight and law enforcement in areas involving the platform economy, innovation, science and technology, information security and people's livelihoods.

The PRC Anti-Monopoly Law (中華人民共和國反壟斷法) (the "**Anti-Monopoly Law**"), which was issued on 30 August 2007 and took effect on 1 August 2008, and most recently amended on 24 June 2022 by the SCNPC provides the regulatory framework for the PRC anti-monopoly. Under the Anti-Monopoly Law, the prohibited monopolistic acts include monopolistic agreements, abuse of a dominant market position and concentration of businesses that may have the effect to eliminate or restrict competition. The Anti-Monopoly Law stipulates that even where a concentration of undertakings does not meet the notification thresholds as required by the State Council, the anti-monopoly enforcement agency may order the operators to file the concentration of undertakings if there is evidence that the concentration of undertakings has or may have the effect of eliminating or restricting competition. In addition, if operators fail to notify the concentration of undertakings which has or may have the effect of eliminating or restricting competition, the anti-monopoly enforcement agency may impose orders on such operators including suspension of implementation of concentration, disposal or transfer of shares, assets and/or business within a prescribed time frame, or take other necessary measures to restore to the state before the concentration, and impose a fine of up to 10% of the sales revenue in the previous year. To the extent that any operator fails to make requisite filings of any concentration in a timely manner which does not have the effect of eliminating or restricting competition, a fine of up to RMB5,000,000 may still be imposed on such operators.

In addition, the Anti-Monopoly Law provides a private right of action for stakeholders to bring anti-monopoly claims against companies. In recent years, an increasing number of stakeholders have been exercising their right to seek relief under the Anti-Monopoly Law. As public awareness of rights under the Anti-Monopoly Law increases, more stakeholders may seek remedies under the law to improve their competitive position, regardless of the merits of their claims.

The PRC anti-monopoly regulators may also issue implementation rules or guidelines from time to time to reinforce their regulation, including among others, the Anti-Monopoly Compliance Guideline for Operators (經營者反壟斷合規指南), which was issued by the Anti-Monopoly Committee of State Council on 11 September 2020 and amended on 25 April 2024.

On 7 February 2021, the Anti-Monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines on the Platform Economy (國務院反壟斷委員會關於平台經濟領域的反壟斷指南) (the "**Platform Economy Anti-Monopoly Guidelines**"). The Platform Economy Anti-Monopoly Guidelines for Internet Platforms prohibits certain monopolistic acts of Internet platforms in order to protect market competition and safeguard interests of users and undertakings

participating in Internet platform economy, including but not limited to prohibiting platforms with dominant positions from abusing their market dominance (such as using big data and analytics to discriminate customers in terms of pricing and other transactional conditions, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interfaces, favorable positioning in search results of goods displays, using bundle services to sell services or products, compulsory collection of unnecessary user data). In addition, the Platform Economy Anti-Monopoly Guidelines for Internet Platforms also reinforces antitrust merger review for transactions related to Internet platforms in order to safeguard market competition. Furthermore, on 28 January 2026, the SAMR issued the Anti-Monopoly Compliance Guidelines for Internet Platforms (互聯網平台反壟斷合規指引) (the "**Internet Platforms Anti-Monopoly Guidelines**"), which became effective on the same date. The Internet Platforms Anti-Monopoly Guidelines require platform operators to strengthen anti-monopoly compliance management. The Internet Platforms Anti-Monopoly Guidelines restated that internet platform operators are prohibited from using data, algorithms, technology, capital advantages, platform rules or other means to engage in monopolistic conduct prohibited under the Anti-Monopoly Law, entering into monopolistic agreements, abusing a dominant market position and organising or providing substantial assistance to other operators in reaching monopolistic agreements. In addition, platforms with significant market share or market power are encouraged to assess periodically whether they may be deemed to hold a dominant market position. Whilst we will continue to enhance our antitrust compliance system in accordance with the applicable laws and guidelines, we cannot estimate the impact it may have on our business operations.

On 10 March 2023, the SAMR promulgated four regulations ancillary to the Anti-Monopoly Law, namely the Review Measures of Concentration of Undertakings (經營者集中審查規定), the Provisions on the Prohibition of Monopoly Agreements (禁止壟斷協議規定), the Provisions on the Prohibitions of Acts of Abuse of Dominant Market Positions (禁止濫用市場支配地位行為規定), and the Provisions on Curbing the Abuse of Administrative Power to Exclude or Restrict Competition (制止濫用行政權力排除、限制競爭行為規定), all of which took effect on 15 April 2023. These regulations have, among other things, elaborated the specific requirements under the Anti-Monopoly Law, optimised the regulatory and enforcement procedures and imposed more stringent legal responsibilities on the relevant parties. In addition, the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings (關於經營者集中申報標準的規定) issued by the State Council in 2008, with its latest amendment on 22 January 2024, further adjusts the filing threshold for concentration of undertaking as, during the previous fiscal year, (i) the total global turnover of all operators participating in the transaction exceeded RMB12 billion in the preceding fiscal year and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year, or (ii) the total turnover within China of all the operators participating in the concentration exceeded RMB4 billion in the preceding fiscal year, and at least two of these operators each had a turnover of more than RMB800 million within China in the preceding fiscal year.

To our knowledge, a certain number of PRC Internet companies have adopted Variable Interest Entity Structure ("**VIE structure**"), but there have been few precedents where Internet companies with a VIE structure were investigated for being involved in the concentrations of undertakings until recently. It has been long debated whether transactions involving Internet companies with a VIE structure are subject to prior filing of notification requirements. Due to such regulatory history in the industry and as a matter of common industry practice in the past, we did not notify concentrations of undertakings with the relevant authorities. In April 2020, the SAMR published a case of concentration of undertaking where a VIE structure was involved (such case was concluded and approved unconditionally in July 2020). In November 2020, the Draft Platform Economy Anti-Monopoly Guidelines (關於平台經濟領域的反壟斷指南(徵求意見稿)) also, for the first time, expressly stipulates that concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered. Furthermore, in December 2020, SAMR has, for the first time, formally penalised three Internet companies with a VIE structure for failure to notify the implementation of concentrations. Hence, since 2020, SAMR has been reviewing historical non-filing cases of concentrations of undertakings of Internet companies with a VIE structure, and any

gun-jumping cases may be investigated and penalised. The Platform Economy Anti-Monopoly Guidelines which was officially promulgated on 7 February 2021 also confirmed that the concentrations involving a VIE structure shall fall within the ambit of SAMR's merger control review if the filing thresholds are triggered.

We may receive intensive scrutiny from government agencies under the Anti-Monopoly Law and may be subject to the law, regulations and guidelines in connection with our business practices, investments and acquisitions. Any anti-monopoly lawsuit or administrative proceeding initiated against us may result in our being subject to profit disgorgement, heavy fines and various constraints on our business, or result in negative publicity which could harm our reputation. We have received penalties from the SAMR in the past few years related to gun-jumping cases in connection with our previous acquisitions; for example, in March 2021 and in December 2020, each of us and one of our subsidiaries, *China Literature,* received from the SAMR an official notice of imposition of a fine of RMB500,000, respectively, due to the foregoing reason. There remains a possibility that we or any of our subsidiaries may be subject to more penalties in the future and our ability to implement strategic acquisitions may be affected. These constraints could include forced termination of any anti-competitive agreements or arrangements that are determined to be in violation of anti-monopoly laws, divestitures and rectifications of certain business practices, which may limit our ability to innovate and thereby increase our operating costs. For example, in July 2021, SAMR issued a decision that required each of us and one of our subsidiaries, Tencent Music Entertainment Group, to terminate exclusive music copyright licensing arrangements and submit an annual compliance report to SAMR. Moreover, the merger control regulation enforced by SAMR may limit our investment ability. For example, in July 2021, SAMR announced its decision to block the proposed merger between a non wholly-owned subsidiary of the Company, HUYA Inc., and one of our investee companies, DouYu International Holdings Limited. These types of constraints could result in more uncertainties and regulatory challenges to our business practice.

Failure to comply with the terms of our indebtedness could result in acceleration of indebtedness, which could have an adverse effect on our cash flow and liquidity.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable under the Programme comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes. See "*Description of Other Material Indebtedness*". Under the terms of our current indebtedness and any debt financing arrangement that we may enter into in the future, we are, and may be in the future, subject to financial and other covenants that could, among other things, restrict our business and operations. If we breach any of these covenants, including by failing to maintain certain financial ratios, our lenders or noteholders will be entitled to accelerate our debt obligations. Any default under our indebtedness could potentially require us to repay these loans or redeem the notes prior to maturity as well as limit our ability to obtain additional financing, which in turn may have a material adverse effect on our cash flow and liquidity.

We are subject to interest rate risk in connection with our indebtedness.

We are exposed to interest rate risk related to our indebtedness. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest rate risk. Although we regularly monitor our interest rate risk to identify if

there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risks by using interest rate swaps, when necessary, we cannot guarantee the fluctuation of interest rates will not materially impact our financing costs, which in turn may have a material adverse effect on our cash flow and liquidity.

We may need additional capital but may not be able to obtain it.

We may require additional cash resources due to future growth and developments of our business, including any investments or acquisitions we may decide to pursue, any repurchase of shares or any repurchase or redemption of bonds we may decide to conduct from time to time, or for other business changes. If cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, the liquidity of international capital and lending markets, PRC governmental regulations over foreign investment and the technology industry in China. In addition, incurring indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing will be available in a timely manner or in amounts or on terms acceptable to us, if at all.

If we are unable to raise additional funds on terms favourable to us, or at all, this could have a material and adverse effect on our business, financial condition and results of operations. For example, we may not be able to carry out parts of our growth strategy or invest in technologies necessary to maintain our growth and competitiveness.

We have limited business insurance coverage.

Insurance companies in the Chinese Mainland offer limited business insurance products. As a result, although we have insurance for property damage, we do not have any product liability, business liability or disruption insurance coverage for our operations in the Chinese Mainland, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business and reputation. Any business disruption, litigation or natural disaster could expose us to substantial costs and diversion of resources.

We face risks relating to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our business, financial condition and results of operations.

The occurrence of a natural disaster or an outbreak of an epidemic illness or other adverse public health developments in China or elsewhere in the world could materially disrupt our industry and our business and operations, and have a material adverse effect on our business, financial condition and results of operations. Health epidemics or fear of spread of contagious diseases, such as the outbreak of Ebola virus disease ("**EVD**"), coronavirus disease 2019 ("**COVID-19**"), Middle East respiratory syndrome ("**MERS**"), severe acute respiratory syndrome ("**SARS**"), H1N1 flu, H7N9 flu, and avian flu could cause a temporary closure of facilities we operate, affect the health of our employees and their work efficiency, and impact our users, merchants and business partners.

The laws and regulations governing the Internet and telecommunications and other related industries in China are developing and subject to future changes. If we fail to adhere to applicable regulations, or if we fail to obtain or maintain all applicable permits and approvals, our business, future results of operations and prospects could be materially and adversely affected.

The Internet and telecommunications and other related industries in China are highly regulated by the PRC government. See "*General Regulation on Internet and Telecommunications Industries*". Various regulatory authorities of the PRC government, including, but not limited to, State Council, the Cyberspace Administration of China ("**CAC**"), MIIT, SAMR, Ministry of Culture and Tourism ("**MOCT**"), National Radio and Television Administration ("**NRTA**"), Publicity Department of the

Central Committee of the Communist Party of China ("**Publicity Department of the CCCPC**"), the MOFCOM and the Ministry of Public Security ("**MPS**"), are empowered to promulgate and implement regulations governing various aspects of the Internet and telecommunications and other related industries and we are thus required to obtain applicable licences, permits and approvals from a number of these regulatory authorities in order to conduct our business. Although we have obtained the licences essential to operating our business, these licences are subject to periodical government review. For example, the periodic renewal applications of a few of our licences are currently being reviewed by the government. Although we do not expect any obstacles for their renewals, we cannot assure you that such renewals will be successfully obtained.

As the Internet and telecommunications and other related industries mature, the PRC government authorities are likely to continue to issue new regulations governing these industries and hence require new and additional licences, permits and approvals. While in recent years the PRC government has implemented pilot programs to ease foreign investment restrictions in certain value-added telecommunications services in designated areas, regulatory requirements and compliance obligations continue to evolve. As we further develop and expand our product and services offerings and functions, including new services and products, we and our users may in the future become subject to additional or new regulations (such as stricter regulations relating to content publication, user identity, privacy, consumer and data protection, artificial intelligence services and the provision of online payment services), and we may also need to obtain additional qualifications, permits, approvals or licences. There is no assurance that we can obtain and renew those licences, permits and approvals in a timely or cost-effective manner. Failure to obtain them could materially and adversely affect our business, future results of operations and prospects.

The PRC government has promulgated a series of rules, regulations and policies that may have negative impact on the online game industry, and we cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future.

The online game industry is highly regulated in China. The PRC government has adopted a series of rules, regulations and policies to monitor and control the online game industry in response to, among other things, perceived addiction to online games and its perceived negative social effects, particularly for minors.

On 25 October 2019, the NPPA issued the Notice on Preventing Minors from Addiction to Online Games (關於防止未成年人沉迷網絡遊戲的通知) (the "**Addiction Prevention Notice**") which came into effect on 1 November 2019. The Addiction Prevention Notice requires online game operators to establish and implement real-name registration system for users and not provide any game services for users not completing real-name registration from 1 November 2019, and online game enterprises must require all their existing users to complete real-name registration and stop providing game services for users who have not completed real name registration within two months after the Addiction Prevention Notice took effect. In addition, period and length of time for playing online games by minors are strictly controlled. Online game operators are not permitted to provide game services for minor users from 22:00 to 8:00 and the length of time for playing online games by minors shall not exceed three hours on each statutory holiday and 1.5 hours on each working day. The Addiction Prevention Notice also regulates for-charge services provided by online game operators to minors, e.g., online game operators shall not provide for-charge service to minors under the age of eight; the recharge amount shall not exceed RMB50 once and RMB200 every month by game users who have reached the age of eight but not the age of 16, and not exceed RMB100 once and RMB400 every month by minors who have reached the age of 16, etc.

On 30 August 2021, the NPPA promulgated the Notice of Further Imposing Strict Administrative Measures to Prevent Minors from Becoming Addicted to Online Games (國家新聞出版署關於進一步嚴格管理切實防止未成年人沉迷網絡遊戲的通知) (the "**Further Addiction Prevention Notice**"), which came into effect on 1 September 2021. Compared to the Addiction Prevention Notice, the Further Addiction Prevention Notice imposes stricter time limits for playing online games by minors

(individuals under the age of 18), which requires all online game operators can only provide game services to minors (under the age of 18) from 20:00 to 21:00 on each Friday, Saturday, Sunday and statutory holiday. This Further Addiction Prevention Notice also requires that all the online games must be connected to the real-name registration and game addiction prevention system, emphasising the requirements that online game operators shall strictly implement the real-name registration system for users and shall not provide game services in any form to users not registering and logging in without real-name authentication. On 20 October 2021, the Ministry of Education, the Publicity Department of the CCCPC, the CAC, the MIIT, the MPS and the SAMR jointly issued the Notice on Strengthening the Management of Preventing Primary and Middle School Students from Indulging in Online Games (教育部辦公廳等六部門關於進一步加強預防中小學生沉迷網絡遊戲管理工作的通知) (the "**Addiction Prevention Management Notice**"), which became effective on the same day, providing substantially the same requirements as the Further Addiction Prevention Notice. For example, the Addiction Prevention Management Notice addresses the requirement of pre-approval for online games operation. This Addiction Prevention Management Notice also emphasises online game operators are banned from providing game services in any form to minors under the age of 18 unless in the permitted time slots stipulated in the Further Addiction Prevention Notice. On 16 October 2023, the State Council promulgated the Regulations on the Online Protection of Minors (未成年人網絡保護條例) (the "**Minor Protection Regulations**"), which came into effect on 1 January 2024. The Minor Protection Regulations set out in detail the responsibilities of the online platforms, online product or service providers, personal information processors and manufacturers and sellers of smart terminal products. If we fail to comply with the requirements under the Minor Protection Regulations, the competent authorities can order us to make rectifications, issue a warning and confiscate the illegal gains, as well as impose monetary fines. If we refuse to make rectifications or the circumstances are serious, we may be ordered to suspend our relevant business, cease our business for rectification, close our website or revoke our relevant permits or business licence. The responsible managerial personnel and other directly liable staff could be subject to monetary fines.

On 22 December 2023, the NPPA released for public comment the Measures for the Administration of Online Games (Draft for Comments) (網絡遊戲管理辦法(草案徵求意見稿)) (the "**Online Games Measures Draft**"). According to the Online Games Measures Draft, the publishing authority is responsible for the supervision and management of online game publishing and operating activities. The Online Games Measures Draft sets forth provisions on the establishment, administration and supervision of online game publication and operation entities, restrictions on the excessive use and high consumption of games, protection of minors, etc., which further regulates activities concerning publication and operation of online games. The release of the Online Games Measures Draft caused significant market volatility, resulting in a sharp decline in the share prices of major gaming companies. Although the formal adoption of the Online Games Measures Draft has not yet occurred, there remains substantial uncertainties as to how and when the measures will be enacted, interpreted or implemented and how they will affect our operations. If there are any new supervision requirements in the future for the distribution and operation of online games, there is no assurance that we can meet all such supervision requirements in a timely or cost-effective manner. Failure to comply with the supervision requirements could materially and adversely affect our business, future results of operations and prospects.

We cannot assure you that the PRC government will not promulgate similar rules, regulations or policies in the future, particularly during periods when public opinion does not favor online games. Such rules, regulations and policies could significantly reduce our revenue and materially and adversely affect our business, future results of operations and prospects.

Any administrative changes in regulatory government authorities may impact market conditions which could in turn affect our results of operations.

Our operations of online games are subject to the supervision and administration of multiple government authorities in China. Any administrative changes in regulatory government authorities may also impact market conditions which could in turn affect our results of operations. In early 2018, the responsibilities of the SAPPRFT, being the government authority responsible for pre-approval of online games, in respect of administration of press and publication were transferred to the Publicity Department of the CCCPC. In addition, it is reported that no new online games were approved during the period from April 2018 to December 2018, and a second suspension of approximately eight months occurred from August 2021 to April 2022. On 30 August 2018, eight PRC regulatory authorities at national government level, including the NPPA and the Ministry of Education, released the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (綜合防控兒童青少年近視實施方案) (the "**Implementation Programme**"). As a part of the plan to prevent myopia among children, the Implementation Programme plans to regulate the number of new online games and restrict the amount of time children spend playing on electronic devices. On 14 December 2018, SAMR issued the Action Plan for the Implementation of the Implementation Programme on Comprehensive Prevention and Control of Adolescent Myopia (貫徹落實《綜合防控兒童青少年近視實施方案》行動方案), which stipulates that SAMR will conduct an inspection of the anti-fatigue system of online games at the proper time. Any future suspension of online game approvals and filings by the relevant government authorities, as well as the Implementation Programme, may impact our introduction of new online games and expansion of our operational scales. If such adverse market conditions persist, our results of operations may be materially and adversely affected.

In addition, on 18 September 2026, the CAC issued the Provisions of the State Council on Safeguarding Minors' Healthy and Safe Use of the Internet (Draft for Comments) (國務院關於保障未成年人健康安全使用網絡的規定(徵求意見稿)) (the "**Minor Internet Protection Draft**"). The Minor Internet Protection Draft sets forth enhanced compliance requirements for internet service providers covering social networking, content services and online game businesses, including prohibiting the provision of certain internet services to minors, mandating the application of minor mode for certain internet services, strengthening minor user identification capabilities, and requiring the performance of statutory minor internet protection obligations. The draft is currently open for public comments and has not been officially finalized and implemented, however, substantial uncertainties remain regarding its final provisions, official interpretation and effective timeline. If there are any new regulatory requirements for our internet services in the future, there is no assurance that we can meet all such regulatory requirements in a timely and cost-effective manner. Failure to comply with the relevant regulatory requirements could materially and adversely affect our business, future results of operations and prospects.

Currently, there is no law or regulation specifically governing virtual property rights and therefore it is not clear what liabilities, if any, online game operators may have for virtual property.

In the course of playing online games, users may acquire and accumulate some virtual property, such as virtual Avatars, game tokens, special equipment and other accessories. Such virtual property may be important to online game players and have monetary value and in some cases may be traded among players for actual money. In practice, virtual property can be lost for various reasons, often through unauthorised use of user accounts by other users and occasionally through data loss caused by a delay of network service, a network crash or hacking activities. The Civil Code contains a general provision in respect of the protection of data and network virtual property. However, there is no PRC law or regulation specifically governing virtual property rights. As a result, there is uncertainty as to who is the legal owner of virtual property, whether and how the ownership of virtual property is protected by law, and whether an online game operator would have any liability to game players or other interested parties (whether in contract, tort or otherwise) for loss of such virtual property. In case of a loss of virtual property, we may be sued by our game players and held liable for damages, which may negatively affect our reputation and business and financial condition.

Based on recent PRC court judgements, the courts have typically held online game operators liable for losses of virtual property by game players if the operators are found to have failed to fulfil their reasonable security obligations, and in some cases have allowed online game operators to return the lost virtual property to game players in lieu of paying damages. If we are sued by our game players or users and held liable for damages, our business, future results of operations and prospects may be negatively affected.

Compliance with the laws or regulations governing virtual currency may result in us having to obtain additional approvals or licences or change our current business model.

The issuance and use of "virtual currency" in China has been regulated since 2007 in response to the growth of the online game industry in China. In January 2007, the MPS, MOC, MIIT and GAPP jointly issued the Notice on Regulating the Operation of Online Games and Investigating to Prohibit Gambling by Way of Online Games (關於規範網絡遊戲經營秩序查禁利用網絡遊戲賭博的通知), which has implications for the use of virtual currency. To curtail online games that involve online gambling, as well as address concerns that virtual currency could be used for money laundering or illicit trade, the circular: (i) prohibits online game operators from charging commissions in the form of virtual currency in relation to winning or losing of games; (ii) requires online game operators to impose limits on use of virtual currency in guessing and betting games; (iii) bans the conversion of virtual currency into real currency or property; and (iv) prohibits services that enable game players to transfer virtual currency to other players. On 4 June 2009, MOC and MOFCOM jointly issued a notice regarding strengthening the administration of online game virtual currency (關於加強網絡遊戲虛擬貨幣管理工作的通知) (the "**Virtual Currency Notice**") which, among other things, stipulates that a single enterprise may not operate both virtual currency issuing services and virtual currency trading services. The Online Game Measures and other rules and guidelines issued by MOC also imposed restrictions on virtual currency related business. However, since the MOCT no longer assumes the responsibility for the administration of online game industry and the Online Game Measures was abolished, it is unclear whether the responsibility for supervising the virtual currency will be undertaken by another government agency and to what extent the issuance and trading of virtual currency shall be subject to relevant rules and guidelines that were issued by MOC and have not been officially abolished.

We issue game tokens to game players and our users use them to purchase various virtual items or time units to be used in our online games. We believe we only offer game tokens for in-game consumption, which are not transferable among our user accounts and are not convertible into real currency. In addition, we do not offer secondary trading services of the game tokens. Nonetheless, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and that we may not be subject to certain penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could have a material and adverse effect on our business and results of operations. In addition, the Virtual Currency Notice prohibits online game operators from setting game features that involve the direct payment of cash or virtual currency by players for the chance to win virtual items or virtual currency based on random selection through a lucky draw, wager or lottery. The notice also prohibits game operators from issuing currency to game players through means other than purchases with legal currency. Although we believe that we do not engage in any of the above-mentioned prohibited activities, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours and deem such feature as prohibited by the Virtual Currency Notice, thereby subjecting us to penalties, including mandatory corrective measures and fines. The occurrence of any of the foregoing could materially and adversely affect our business, future results of operations and prospects.

Regulation and censorship of information disseminated over the Internet in China may adversely affect our business and subject us to liability for content displayed on or linked to our websites.

The PRC government has adopted regulations governing Internet access and the distribution of news and other information over the Internet. Under these regulations, Internet content providers and Internet publishers are prohibited from posting or displaying content over the Internet that, among other things, violates PRC laws and regulations, impairs the national dignity of China or is reactionary, obscene, superstitious, fraudulent or defamatory. Further, MIIT or its local branches may shut down the website of any local Internet service provider that violates such content restrictions, suspend its operations or revoke its ICP licence. If the PRC government takes any action to limit or prohibit the distribution of information through our network or any of our platforms, or to limit or regulate any current or future content or services available to users on our network, our business could be adversely impacted. Failure to comply with the applicable requirements may result in the revocation of licences to provide Internet content and other licences, the closure of the concerned websites and may subject the website operator to potential liabilities for such censored information displayed on or linked to the website. If our network or any of our platforms is found to be in violation of any such requirements, we may be penalised by relevant authorities, and our operations or reputation could be adversely affected.

We are also subject to potential liability for content on our websites that is deemed inappropriate by the PRC government and for any unlawful actions of our users or website visitors. When Internet and mobile service providers find that any obscene, superstitious, fraudulent or defamatory information has been transmitted on their platforms, they are required to terminate the transmission of such information or delete such information immediately, keep records and report to relevant authorities. Mobile network operators like *China Mobile*, *China Telecom* and *China Unicom* also have their own policies prohibiting or restricting the distribution of inappropriate content. On 15 December 2009, the MIIT issued the Notice Regarding Plan for Further Regulating Obscene Materials on Mobile Phones (關於進一步深入整治手機淫穢色情專項行動工作方案的通知) ("**Circular 672**"). Under Circular 672, mobile network operators are required to examine their business, promotional channels, as well as the business of their partners, and must immediately terminate such business if any obscene material is involved. Mobile service providers involved in distributing or publishing such obscene materials on mobile handsets are subject to immediate suspension or termination of cooperation with mobile network operators, and violations are reported to relevant authorities. Mobile network operators and mobile service providers must examine all websites accessed through mobile handsets and conduct full daily inspection of such websites. If any obscene material is found, access and transmission must be ceased and be reported to authorities. On 12 August 2013, the MOC issued the Administrative Rules on Content Review by Internet Culture Operating Entities (網絡文化經營單位內容自審管理辦法), which became effective on 1 December 2013, pursuant to which companies operating Internet culture businesses are required to employ personnel certified to conduct content review on their products before they are released to the public and retain records of the content review for at least two years.

In addition, the CAC has also issued rules from time to time to enhance the Internet service provider's obligations to monitor the information displayed on the information platform and prevent dissemination of illegal content. At the end of 2019, the CAC issued the Provisions on the Management of Network Information Content Ecology (網絡信息內容生態治理規定) (the "**CAC Order No. 5**"), which became effective on 1 March 2020, to further strengthen the regulation and management of network information content. Pursuant to the CAC Order No. 5, each network information content service platform is required, among other things: (i) not to disseminate any information prohibited by laws and regulations, such as information jeopardising national security; (ii) to strengthen the examination of advertisements published on such network information content service platforms; (iii) to promulgate management rules and platform conventions and improve user agreements, such that such network information content service platform could clarify users' rights and obligations and perform management responsibilities required by laws, regulations, rules and conventions; (iv) to establish convenient means for complaints and reports; and (v) to prepare annual

work report regarding its management of network information content ecology. In addition, a network information content service platform must not, among other things (a) utilise new technologies such as deep-learning and virtual reality to engage in activities prohibited by laws and regulations, (b) engage in online traffic fraud, malicious traffic rerouting and other activities related to fraudulent accounts, illegal transaction accounts or maneuver of users' accounts or (c) infringe a third party's legitimate rights or seek illegal interests by way of interfering with information display. The CAC has intensified its enforcement activities through regular targeted campaigns such as the Qinglang campaigns, which have expanded to address algorithm transparency, AI misuse, deep synthesis and data security.

Although we attempt to monitor the content in our online communities, we are not able to control or restrict the content of other Internet content providers linked to or accessible through our websites, or content generated or placed on our other online communities by our users. If third-party websites linked to or accessible through our websites operate unlawful activities such as online gambling on their websites, PRC regulatory authorities may require us to report such unlawful activities to relevant authorities and to remove the links to such websites, or they may suspend or shut down the operation of such websites. To the extent that the PRC regulatory authorities find any content displayed on our websites objectionable, they may require us to limit or eliminate the dissemination of such information on our websites. For example, on 23 January 2019, CAC issued a notice requiring us to make further changes to content we deliver on one of our apps. The notice also stated that the agency had shut down over 9,000 apps and 700 websites since 3 January 2019 due to harmful content. If in the future the PRC government authorities decide to restrict the dissemination of information via microblog services or online postings in general, they may temporarily block access to certain websites for a period of time, require us to discontinue or restrict certain services and websites or levy penalties or fines for violations of relevant rules and regulations arising from content displayed on or linked to our websites. We may also be required to delete content that violates PRC laws and report content that we suspect to violate PRC laws. Any of these actions may adversely affect user confidence in our services and lead to reduced user traffic, which in turn may materially and adversely affect our reputation, business and results of operations.

We also need to monitor the advertising content shown on our websites to ensure that such content is true, accurate and in full compliance with applicable PRC laws and regulations. On 25 February 2023, the SAMR published the Administrative Measures for Internet Advertising (互聯網廣告管理辦法) ("**Measures of Internet Advertising**"), which came into force on 1 May 2023. The Measures of Internet Advertising emphasises, among other things, the responsibilities of Internet advertising operators and publishers. Internet advertising operators and publishers shall establish and improve the management systems regarding acceptance, registration, review and filing of the Internet advertising businesses according to the relevant regulations and shall examine, verify and register the identity information of advertisers such as their names, addresses and valid contact details, set up registration files and check and update them on a regular basis. Violation of these laws, rules or regulations may result in penalties, including fines up to RMB2 million or of other amounts calculated based on the advertising fees involved, confiscation of advertising revenues, and orders to cease the dissemination of advertisements. In case of serious violations, the PRC government may suspend or revoke our licences. The Enforcement Guidelines 1 on the Application of the PRC Advertising Law (《中華人民共和國廣告法》適用問題執法指南(一)) issued by the SAMR in June 2025 provided a detailed definition of "advertisement" aimed at distinguishing commercial advertisements from other forms of commercial promotion. The guidelines also introduce a checklist to help identify situations where advertising laws and regulations apply. The costs associated with complying with these laws, rules and regulations, including any penalties or fines resulting from non-compliance, could have a material adverse effect on our business, financial condition and results of operations.

The sub-section entitled "*Risk Factors — Risks Relating to the Chinese Mainland*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

Risks Relating to the Chinese Mainland

The PRC legal system is evolving and the interpretation and implementation of PRC laws and regulations involves uncertainties.

The PRC legal system is based on written statutes, while People's Courts of all levels carry out trials of similar cases with reference to guiding cases issued by the Supreme People's Court. Since 1979, the PRC government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, competition and anti-trust, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new, and due to the limited volume of guiding cases, interpretation and enforcement of these laws and regulations involve uncertainties. As the PRC legal system develops, changes in such laws and regulations, or in their interpretation or enforcement, could have a material and adverse effect on our business operations. For example, we may be subject to competition and anti-trust investigations by the PRC government from time to time in the future. The outcomes of such investigations may prevent us from offering certain features, functions, services or products; requiring a change in our business practices or requiring development of non-infringing services, products or technologies, which could have a material and adverse effect on our business operations.

We may face uncertainties regarding the regulation and administration of our businesses and operations after the institutional reforms of PRC government authorities, as well as uncertainties in the changes and enforcement of certain laws, regulations and policies, which may have an effect on our business operations. For example, in May 2019, the MOCT issued the MOCT Adjustment Notice to adjust the applicable scope of the Network Culture Operating Permit (關於調整《網絡文化經營許可證》審批範圍進一步規範審批工作的通知), or "the MOCT Adjustment Notice". Pursuant to the MOCT Adjustment Notice, the MOCT would no longer be the authority supervising the online game industry in the PRC and therefore the business scope of a Network Culture Operating Permit issued by it and its local counterparts would not include online games. On 10 July 2019, the Online Game Measures was abolished by the MOCT. On 22 December 2023, the Measures for the Administration of Online Games (Draft for Comments) (《網絡遊戲管理辦法》(徵求意見稿)) drafted by the NPPA is released to the public for comments, despite that no final rules are enacted thereafter. Tencent Computer and some other entities in our group have obtained the Network Culture Operating Permit for online games. These Network Culture Operating Permits for online games will not be renewed after their expiration and those also covering other network culture business may be renewed with the online games removed from the approved business scope. As there are uncertainties regarding the authority supervising the online game industry in the Chinese Mainland, we cannot assure you that we will be able to obtain any other licences necessary for us to carry out online game business, or that our existing licences will continue to cover all aspects of our online game operations upon their renewal. In addition, on 29 December 2023, the SCNPC promulgated the amended PRC Company Law, which came into effect on 1 July 2024. The amended PRC Company Law imposes stricter requirements on capital contributions for companies established in the PRC. The State Council on Implementing the Registered Capital Registration and Management System under the Amended PRC Company Law (國務院關於實施《中華人民共和國公司法》注冊資本登記管理制度的規定) issued by the State Council on 1 July 2024 further specify the detailed requirements and measures for the registration and management of registered capital under the amended PRC Company Law. Pursuant to these new laws and regulations, we may need to fulfil capital contribution obligations to our subsidiaries or provide financial support to the nominee shareholders of the variable interest entities within a much shorter time frame than required before. On 5 May 2026, the State Council issued the Regulations on Outbound Investment (國務院關於對外投資的規定), which became effective on 1 July 2026. The regulations establish a comprehensive regulatory framework governing overseas

investment by PRC investors. Pursuant to the regulations, PRC investors are prohibited from exporting Chinese goods, technologies, services or data that are subject to export prohibitions, including by dispatching technical personnel overseas, arranging for employees to work abroad, providing cross-border technical consulting services, or organizing international training. PRC investors are also prohibited from exporting restricted Chinese goods, technologies, services or related data without approval. However, since these laws and regulations are still relatively new, there remains uncertainty regarding the law and provisions' implementation and interpretation. In addition, on 21 August 2026, the NDRC issued the Measures for the Administration of Outbound Investment (Revised Draft for Comments) (對外投資管理辦法(修訂徵求意見稿)), which proposes to revise Administrative Measures for the Outbound Investment by Enterprises (企業境外投資管理辦法) by, among other things, expanding the scope of regulated investors to include resident individuals and other organisations, introducing a pre-investment reporting system, broadening offshore reinvestment reporting obligations, clarifying the application of the regime to QDII investments, and extending security review requirements to both investment and exit stages, although substantial uncertainties remain as to its final provisions and implementation timeline.

Furthermore, the administration of PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to those in common law jurisdictions. In addition, it may be time-consuming for us to obtain satisfactory enforcement of laws in the PRC or the enforcement of judgements by a court in another jurisdiction.

China's economic, political and social conditions as well as government policies could adversely affect our business, future results of operations and prospects.

China's economy differs from the economies of most developed countries in many respects, including government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources. China's economy has been transitioning from a planned economy to a more market-oriented economy, and the PRC government has implemented measures emphasising economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. There can be no assurance that the PRC government will continue to pursue a policy of economic reform or that any such reforms will not have an adverse effect on the way we operate our business. Our business and financial condition could also be materially and adversely affected by any changes in PRC laws and regulations (or the interpretation thereof), as well as changes in the political, economic and social conditions of China.

We may be adversely affected by a severe downturn of the global or China's economy.

While China's economy has experienced significant growth in the past decades, the growth rate of China's economy has gradually slowed since 2010, which trend may continue. Any adverse changes in economic conditions in China could adversely affect our business and operating results, lead to reduction in demand for our products and services and adversely affect our financial results. Other economies around the globe have also experienced stagnant or negative growth. Whether this will lead to a severe downturn in the global economy is still unknown.

There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. The U.S. Federal Reserve's monetary policy has undergone significant changes in response to economic challenges over the past few years. The U.S. federal government implemented reductions in 2020 due to the COVID-19 pandemic, reaching a historic low of 0% to 0.25%. As the economy began to recover in 2022, the U.S. federal government shifted its focus to address rising inflation and the economic impacts of the Russia-Ukraine conflict, resulting in a series of rate hikes that brought the federal funds rate to a range of 5.25% to 5.50% by 2023. From September to December 2024, the U.S. Federal Reserve announced total cuts of 100 basis points in the benchmark federal funds rate, followed by total cuts of 75 basis points from September to December 2025, bringing it to a new target range of 3.50% to 3.75%.

Furthermore, the Russia-Ukraine conflict, the war in the Gaza Strip, the ongoing conflict among the United States, Israel and Iran since February 2026, terrorist threats and the potential for war in the Middle East and elsewhere, elevated inflation levels, trade war, sanctions and high food and energy prices may increase market volatility across the globe. It is unclear whether these challenges and uncertainties will be contained or resolved and what effects they may have on the global political and economic conditions in the long term. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China.

Any slowdown in China's economy and globally may lead to reduced Internet-related activities and consumer spending. The deterioration in economic conditions in China and globally may harm the business of our customers, who may experience reduced business volume, and therefore decrease or delay in marketing service spending, or reduce their budgets or other spending across our platforms. In addition, there may be decreases in demand for our cloud projects due to the negative impact on our enterprise customers by the deterioration in economic conditions. We may also see decreases in demand for our FinTech services from users, such as payment, lending and wealth management services. This may have a negative impact on our business, results of operations and financial condition, and continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

If the PRC tax authorities determine that we are a "resident enterprise", we and the Noteholders may face unfavorable tax consequences.

Under the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法) effective on 1 January 2008, and subsequently amended on 24 February 2017 and on 29 December 2018 (the "**2008 EIT Law**"), enterprises established outside of China whose "de facto management bodies" are located in China are considered "resident enterprises". The Regulation on the Implementation of the PRC Enterprise Income Tax Law (中華人民共和國企業所得税法實施條例) (the "**Implementation Rules**") defines "de facto management body" as an organisation that exercises substantial and overall management and control over an enterprise's manufacturing, or business operation, personnel, accounting and property. In addition, the STA has promulgated the Circular on Identification of China-Controlled Overseas-Registered Enterprises as Resident Enterprises on the Basis of De Facto Management Bodies (Guo Shui Fa [2009] No. 82) (國家税務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知) (國税發[2009]82號) (the "**Circular 82**"), which was amended on 29 December 2017. The Circular 82 further provides certain specific criteria for determining whether the "de facto management body" of a Chinese-controlled offshore incorporated enterprise is located in China. The criteria include whether: (i) the premises where the senior management and the senior management departments responsible for the daily production and operation management of the enterprise perform their functions are mainly located within China, (ii) decisions relating to the enterprise's financial and human resource matters are made or subject to approval by organisations or personnel in China, (iii) the enterprise's primary assets, accounting books and records, company seals and board and shareholders' meeting minutes are located or maintained in China, and (iv) 50% or more of voting board members or senior executives of the enterprise habitually reside in China. Circular 82 further requires a "substance over form" principle to be followed when determining the location of the de facto management body. The STA has subsequently issued measures concerning the recognition, administration and taxation of China-controlled offshore enterprises whose de facto management bodies are located within China. Although Circular 82 applies only to offshore enterprises controlled by enterprises or enterprise groups located within China, not including those ultimately controlled by Chinese individuals, the determining criteria set forth in Circular 82 may reflect the STA's general position on how the "de facto management body" test may be applied in determining the tax resident status of all offshore enterprises.

As the tax residency of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body" as applicable to offshore entities such as us, we cannot assure you that we will not be considered to be a PRC tax resident enterprise. If we were determined to be a PRC tax resident enterprise, we would be subject to a 25% corporate income tax on our worldwide taxable income (other than non-taxable dividends from our subsidiaries based on relevant tax circulars). In addition, we might in that case be subject to PRC corporate income tax reporting obligations. Furthermore, because interest payments on the Notes would in that case be regarded as being derived from sources within China, we would be obligated to withhold PRC income tax at a rate of 10% on interest payments to non-resident enterprise investors or up to 20% on interest payments to non-resident individuals. In addition, interest payable by us to non-resident noteholders may be subject to PRC VAT at a rate of 6% and related local levies, including educational surtax and urban maintenance and construction tax at a rate of up to 0.72%. Failure to withhold these taxes if required to do so could cause us to be subject to fines and other penalties. The requirement to pay additional amounts would increase the cost of servicing the interest payments on the Notes and could have an adverse effect on our financial condition.

Any PRC tax liability may be reduced by an applicable tax treaty, such as the Arrangement Between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排), which reduces the applicable PRC income tax on interest to 7% for certain qualifying Hong Kong resident enterprises. Hong Kong individual tax residents could also apply the treaty if the individuals are beneficial owners of the interest.

If we were treated as a PRC tax resident enterprise, any gain realised by non-resident investors from the transfer of the Notes may be regarded as PRC source income and be subject to a 10% PRC tax for non-resident enterprises or a 20% tax for non-resident individuals, unless an applicable tax treaty or arrangement provides for a reduced tax rate.

The new PRC Value-Added Tax Law may subject us to more taxes, which could adversely affect our business, future results of operations and prospects.

On 25 December 2024, the SCNPC published the Value-Added Tax Law of the PRC (中華人民共和國增值税法) (the "**PRC VAT Law**"), which came into effect on 1 January 2026, replacing the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例) which was promulgated by the State Council on 13 December 1993 and last amended on 19 November 2017 with effect from the same day. On 25 December 2025, the State Council issued the Regulations for the Implementation of the Value-Added Tax Law of the PRC (中華人民共和國增值税法實施條例), which became effective on 1 January 2026. Pursuant to these regulations, the VAT rates generally applicable are simplified as 13%, 9% and 6%, and the VAT rate for simplified tax calculation method is 3%. Although the PRC VAT Law largely preserves the tax framework and rate structure under the Provisional Regulations on Value-Added Tax of the PRC (中華人民共和國增值税暫行條例), it makes changes in the areas of taxable acts, tax jurisdiction, deemed sales, non-taxable items, simplified taxation, withholding agents, input taxes, non-creditable input taxes, mixed sales and input credit carry-forward and refund. Consequently, we may be subject to additional taxes under the PRC VAT Law in connection with our operations and activities in China, which could materially and adversely affect our business, results of operations and prospects.

Discontinuation of any of the preferential tax treatments or imposition of any additional taxes could adversely affect our business, future results of operations and prospects.

The National People's Congress passed the 2008 EIT Law which was amended in 2017 and 2018 with the latest amendment becoming effective on 29 December 2018, and the State Council passed its implementation rules, which became effective on 1 January 2008 and were amended in 2019 and 2024 with the latest amendment becoming effective on 20 January 2025. The 2008 EIT Law significantly curtails tax incentives granted to foreign-invested enterprises under the PRC Income Tax Law

Concerning Foreign-Invested Enterprises and Foreign Enterprises (中華人民共和國外商投資企業和外國企業所得稅法) effective prior to 1 January 2008. The 2008 EIT Law, however, (i) reduces the statutory rate of the CIT from 33% to 25% and (ii) introduces new tax incentives, subject to various qualification criteria.

The 2008 EIT Law and its implementing rules permit certain "high/new technology enterprises" to enjoy a reduced 15% CIT rate subject to certain new qualification criteria. Pursuant to the Circular on Income Tax Policies for Further Encouraging the Development of Software Industry and Integrated Circuit Industry issued on 20 April 2012 (Cai Shui [2012] No. 27 (關於進一步鼓勵軟件產業和集成電路產業發展企業所得稅政策的通知(財稅[2012]27號)) ("**Circular 27**") which was last amended on 11 December 2020, a qualified software enterprise is eligible to be exempted from income tax for its first two profitable years before 31 December 2017, followed by a reduction of income tax to 12.5% for the subsequent three years. Moreover, pursuant to the Announcement on Income Tax Policies for Integrated Circuit Design and Software Enterprises (MOF and State Administration of Taxation Announcement [2019] No. 68) (關於集成電路設計和軟件產業企業所得稅政策的公告) ("**Bulletin 68**"). The Announcement on the Policy Applicable to the Final Settlement of Enterprise Income Tax for the Year 2019 for Integrated Circuit Design Enterprises and Software Enterprises (Announcement of the Ministry of Finance and State Taxation Administration [2020] No. 29) (關於集成電路設計企業和軟件企業2019年度企業所得稅匯算清繳適用政策的公告) (財政部、稅務總局公告2020年第29號), and the Announcement on the Enterprise Income Tax Policies for Promoting the High-Quality Development of the Integrated Circuit Industry and the Software Industry (Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission and the Ministry of Industry and Information Technology [2020] No. 45) (關於促進集成電路產業和軟件產業高質量發展企業所得稅政策的公告(財政部、稅務總局、發展改革委、工業和信息化部公告2020年第45號)) ("**Bulletin 45**"), the aforesaid "tax exemption for the first two years and 50% tax reduction for the next three years" for the qualified software enterprise has been extended accordingly. In addition, pursuant to the Bulletin 45 effective from 1 January 2020, the key integrated circuit design enterprises and software enterprises encouraged by the State are entitled to be exempted from CIT from the first year to the fifth year since its profit-making year, and then enjoy a reduced 10% CIT rate since the sixth year. Certain of our WFOEs and consolidated affiliated entities have been recognised by the relevant authorities as "high/new technology enterprises" or satisfy the criteria of "national key software enterprises" or "software production enterprises" and therefore are eligible for the preferential tax treatments upon their filing or reporting of the qualified status with the relevant tax authorities. In addition, there is a preferential tax rate of 15% applicable to some WFOEs and consolidated affiliated entities located in certain areas of the Chinese Mainland upon fulfilment of certain requirements of the respective local governments. Preferential tax treatments granted to our WFOEs and consolidated affiliated entities by the local governmental authorities are subject to review and may be adjusted or revoked at any time. We cannot assure you that we will be able to maintain our current effective tax rate in the future. If any of the WFOEs or consolidated affiliated entities which have enjoyed such preferential tax treatments fails to maintain their qualification status or renew their qualifications when the relevant term expires, their applicable CIT rate may increase to 25%, which could have a material and adverse effect on our business, future results of operations and prospects.

We may rely on dividends and other distributions on equity paid by the WFOEs to fund any cash and financing requirements we may have. Any limitation on the ability of our WFOEs to pay dividends to us could materially and adversely affect our business, future results of operations and prospects.

We are a holding company, and we may rely on dividends and other distributions on equity to be paid by our WFOEs to meet our cash and financing requirements, including the funds necessary to pay service and debt we may incur. If any of our WFOEs incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us.

Under PRC laws and regulations, our WFOEs may pay dividends only out of their accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, each of our WFOEs in China is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. With approval by its shareholders in accordance with its articles of association, the WFOE may allocate a portion of its after-tax profits based on PRC accounting standards to discretionary reserve funds. These reserve funds are not distributable as cash dividends. Furthermore, in recent years, PRC government authorities have continued to strengthen tax oversight and enforcement, including by promulgating and implementing new rules, policies, guidelines and interpretations and undertaking other enforcement measures.

Any restrictions on the ability of our WFOEs in China to pay dividends or make other distributions to us could materially and adversely affect our ability to grow our business, make investments or acquisitions that could be beneficial to our business, pay dividends or otherwise fund and conduct our business.

According to the 2008 EIT Law and the Implementation Rules and other prevailing PRC tax circulars, dividends generated from the business of our WFOEs in China on or after 1 January 2008 and payable to the WFOEs' immediate holding companies incorporated in Hong Kong will be subject to a withholding tax rate of 10% if the PRC tax authorities determine that such holding companies are not beneficial owners of the dividends and not eligible for the lower withholding tax treatments under the applicable double taxation arrangement between the Chinese Mainland and Hong Kong. If the Hong Kong holding companies' beneficial owner status is not challenged by the PRC tax authorities, the withholding tax rate could be reduced to 5% from 10%.

In addition, according to Circular 6, any payment, especially service fees and royalties that are made by enterprises to their offshore affiliates, which fails to satisfy the arm's-length transaction principles may not be deducted from such enterprise's taxable income when calculating its enterprise income tax. In the case of any foregoing payment to offshore affiliates, the PRC tax authorities may request the payer to provide relevant transaction documents thereunder and to prove the real transaction background and the arm's-length transaction nature of such payment and transaction, and will take into consideration the offshore affiliate's actual contribution in such transaction when determining whether such transaction is in compliance with the arm's-length transaction principles. Accordingly, the distributions paid by our WFOEs to us might be challenged on their actual transaction background by the PRC tax authorities based on Circular 6 and might therefore incur certain tax burdens on our WFOEs.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries, limit our PRC subsidiaries' ability to increase their registered capital or distribute profits to us or may otherwise adversely affect us.

On 4 July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicle (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) ("**Circular 37**"), which abolishes and supersedes the Financing and Return on Investment Conducted by Residents in China via Special-Purpose Companies (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) ("**Circular 75**") issued by SAFE on 21 October 2005. Circular 37 and its implementation guidelines require PRC residents to register with local branches of SAFE (or qualified banks in accordance with SAFE Circular 13 as defined below) in connection with their direct establishment or indirect control of an offshore entity for the purpose of overseas investment and financing with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in Circular 37 as a "special purpose vehicle". Circular 37 further requires amendment to the registration in the event

of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by Chinese individuals, share transfer or exchange, merger, division or other material event. In the event that a Chinese shareholder holding interests in a special purpose vehicle fails to fulfil the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from distributing profits to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC laws for evasion of foreign exchange controls.

On 13 February 2015, SAFE promulgated Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) ("**SAFE Circular 13**"), which became effective on 1 June 2015 and was amended on 30 December 2019. In accordance with SAFE Circular 13, if no retroactive SAFE registration is required, entities and individuals are required to apply for foreign exchange registration of foreign direct investment and overseas direct investment, including those required under the Circular 37, with qualified banks, instead of SAFE, while SAFE will handle retroactive SAFE registration. The qualified banks, under the supervision of SAFE, directly examine the applications and conduct the registration.

We have notified substantial holders of ordinary shares of the Company whom we know are PRC residents to register with the local SAFE branch and update their registrations as required under the SAFE regulations described above. We, however, cannot provide any assurances that all of our shareholders who are PRC residents will file all applicable registrations or update previously filed registrations as required by these SAFE regulations. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth therein may subject such PRC resident shareholders to fines and legal sanctions, restrict our cross-border investment activities or limit our PRC subsidiaries' ability to distribute dividends to us or restrict us in injecting additional capital or extending loans to our PRC subsidiaries.

As it is uncertain how the SAFE regulations described above will be interpreted or implemented, we cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a Chinese domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the SAFE regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business, future results of operations and prospects.

Governmental control of currency conversion may limit our ability to obtain sufficient foreign currency to satisfy our currency demands and may affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our revenues in RMB and substantially all of our cash inflows and outflows are denominated in RMB. Under our current corporate structure, our income is primarily derived from dividend payments from our Chinese operating subsidiaries. We may convert a portion of our revenues into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our ordinary shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and expenditures from trade-related transactions, can be made in foreign currencies generally without

prior approval from SAFE by complying with certain procedural requirements. However, approval from appropriate banks appointed by government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may also at its discretion restrict access in the future to foreign currencies for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currency to satisfy our currency demands, we may not be able to pay interests in foreign currencies to the holders of the Notes.

PRC laws and regulations establish more complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

PRC laws and regulations, such as the Regulations on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors ("**M&A Rules**") (關於外國投資者併購境內企業的規定) adopted in September 2006 and amended on 22 June 2009, the Anti-Monopoly Law which became effective on 1 August 2008 and amended on 24 June 2022, and Notice of the General Office of the State Council on the Establishment of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (國務院辦公廳關於建立外國投資者併購境內企業安全審查制度的通知), effective from 3 March 2011, established additional procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a Chinese domestic enterprise, or that the approval from the MOFCOM be obtained in circumstances where overseas companies established or controlled by Chinese enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. The Provisions of the MOFCOM on the Implementation of the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (商務部實施外國投資者併購境內企業安全審查制度的規定), effective from 1 September 2011, further provide that, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review by PRC governmental agencies, the principle of substance over form should be applied and foreign investors are prohibited from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions. On 19 December 2020, the NDRC and the MOFCOM promulgated the Measures for the Security Review of Foreign Investment (外商投資安全審查辦法), which came into effect on 18 January 2021 and further provide that foreign investment in certain key areas with bearing on national security, such as important cultural products and services, important information technology and Internet services and products, key technologies and other important areas with bearing on national security which results in the acquisition of de facto control of investee companies, shall be filed with a specifically established office before such investment is carried out. See "*Regulations on Foreign Investor's Merger and Acquisition of PRC Enterprises*" for more details. If the business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any contractual arrangements. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time-consuming, and any required approval processes, including approval from the MOFCOM, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

We face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises by their non-Chinese holding companies.

On 10 December 2009, the STA issued the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises ("**Circular 698**") (國家税務總局關於加強非居民企業股權轉讓所得企業所得税管理的通知), with retroactive effect from 1 January

2008, which has been repealed from 1 December 2017. On 3 February 2015, the STA further promulgated the Announcement on Enterprise Income Tax for Indirect Transfers of Properties by Non-PRC Resident Enterprises ("**Circular 7**") (國家税務總局關於非居民企業間接轉讓財產企業所得税若干問題的公告), effective from 3 February 2015 and further amended in December 2017, to replace certain provisions under Circular 698 and to further strengthen the regulation regarding indirect transfers of Chinese properties through the transfer of equity interests in PRC resident enterprises by non-PRC resident enterprises. According to Circular 7, if a non-resident enterprise conducts an "indirect transfer" by transferring its equity interest in an offshore enterprise, which directly or indirectly owns Chinese real property or property of a business conducted within China ("**PRC Taxable Property**"), and the foregoing "indirect transfer" does not satisfy the "reasonable business purpose test" as provided in Circular 7, each of the transferor, the transferee and the PRC resident enterprise (as the ultimate target company under the transfer) has discretion to report the transfer to the relevant tax authority of the PRC resident enterprise.

According to Circular 7, several factors must be considered when determining whether an indirect transfer has a reasonable business purpose, including (i) whether the value of the equity interest in the overseas holding company derives, directly or indirectly, from the PRC Taxable Property; (ii) whether investments within China constitute, directly or indirectly, the main assets of the overseas holding company, or, whether the income of the overseas holding company is mainly generated, directly or indirectly, from China; (iii) whether the functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property, can establish the economic substance of the corporate structure; (iv) the shareholders and business model of the overseas holding company and the duration that the relevant corporate structure has existed; (v) the foreign income tax consequences of such indirect transfer; (vi) whether such indirect transfer and indirect investment regarding the PRC Taxable Property could have been made through a direct transfer of and indirect investment in the PRC Taxable Property; and (vii) the tax treaties or arrangements applicable in China to gains derived from such indirect transfer. However, notwithstanding the foregoing factors, if such indirect transfer and other arrangements related thereto satisfy all of the following conditions, such indirect transfer is deemed to lack a "reasonable business purpose": (a) the PRC Taxable Property constitutes 75% or more of the value of the equity interests of the overseas holding company; (b) at any time within one (1) year before such indirect transfer, the overseas holding company's investment in China constitutes, directly or indirectly, 90% or more of its total assets (exclusive of any cash), or, within one (1) year before such indirect transfer, 90% or more of the overseas holding company's income was generated, directly or indirectly from within China; (c) the limited functions actually performed and the risks undertaken by the overseas holding company and its subsidiaries, directly or indirectly holding the PRC Taxable Property are insufficient to establish the economic substance of their corporate structure and (d) the foreign income tax rate on such indirect transfer is lower than that on the PRC Taxable Property under applicable PRC laws.

Circular 7 also provides some exceptions for indirect transfers of certain PRC Taxable Property, including (i) shares in an offshore listing company that are bought and sold by a non-PRC resident enterprise via a public market, or (ii) gains derived from indirect transfers that would not have been subject to income tax pursuant to the applicable tax treaties or arrangements had the PRC Taxable Property been directly transferred or (iii) transactions that are internal transfers among affiliates via share swaps and would not ultimately decrease the amount of gain subject to PRC income tax, taking the contingent transactions into consideration. Gains derived from an indirect transfer of the PRC Taxable Property may be subject to PRC withholding tax at a rate of up to 10%. If they decide that any of such transactions do not have a reasonable commercial purpose, the PRC tax authorities may apply Circular 7 to our previous financing transactions where non-resident private equity investors were involved, or the sale or purchase of shares in other non-PRC resident companies or other taxable assets held by us. As a result, we and our non-resident investors in such transactions may become at

risk of being taxed under Circular 7, and we may be required to expend valuable resources to comply with Circular 7 or to establish that we should not be taxed under the general anti-avoidance rule of the 2008 EIT Law. This may have a material and adverse effect on our financial condition and results of operations or such non-resident investors' investments in us.

Any failure to comply with PRC regulations regarding the registration requirements for employee stock incentive plans may subject us to fines and other legal or administrative sanctions.

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知) issued by SAFE in February 2012, employees, directors, supervisors and other senior management participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in the Chinese Mainland for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. In addition, pursuant to the Capital Account Foreign Exchange Business Guidelines (2024 Version) issued by SAFE, proceeds from the sale of equity incentive plan shares should in principle be remitted back to the Chinese Mainland within six months of the sale. We and our directors, executive officers and other employees who are PRC citizens or who reside in the Chinese Mainland for a continuous period of not less than one year and who have been granted restricted shares, restricted share units or options are subject to these regulations. Failure to complete the SAFE registrations may subject such individuals to fines and legal sanctions and may also limit our ability to contribute additional capital into our wholly foreign-owned subsidiaries in the Chinese Mainland and limit these subsidiaries' ability to distribute dividends to us.

In addition, the STA has issued certain circulars concerning employee share options or restricted shares. Under these circulars, the employees working in the Chinese Mainland who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of such overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes according to applicable laws and regulations, the PRC subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Fluctuations in exchange rates may have a material and adverse effect on your investment.

The value of the RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange policies. The conversion of RMB into foreign currencies, including U.S. dollars, has been based on exchange rates set by the PBOC. Pursuant to reforms of the exchange rate system announced by the PBOC on 21 July 2005, RMB-to-foreign currency exchange rates are allowed to fluctuate within a narrow and managed band against a basket of foreign currencies, rather than being effectively linked to the U.S. dollar. Further, from 18 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank foreign exchange market of the RMB against the U.S. dollar from 0.3% to 0.5% around the central parity rate, effective on 21 May 2007. This allows the RMB to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC. The floating band was further widened to 1.0% on 16 April 2012 and further widened to 2.0% on 17 March 2014. These changes in currency policy resulted in the RMB appreciating against the U.S. dollar by approximately 24.5% from 21 July 2005 to 31 December 2016. On 11 August 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorising market-makers to provide parity to the China Foreign Exchange Trading Centre operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. On the same day, the central parity rate of the RMB against the U.S. dollar depreciated by nearly 2.0% as compared

to 10 August 2015, and further depreciated by nearly 1.6% on 12 August 2015 as compared to 11 August 2015. The International Monetary Fund announced on 30 September 2016 that, effective from 1 October 2016, the RMB would be added to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the RMB against foreign currencies.

We mainly operate in China with most of our transactions settled in RMB. The conversion of RMB-denominated balances into foreign currencies is subject to the rates and regulations of foreign exchange control promulgated by the PRC government. We hold some financial assets denominated in U.S. dollars, H.K. dollars, Euro and Korea Won subject to certain thresholds stated in our treasury mandate and borrow some bank loans denominated in U.S. dollars. We also issue long-term notes denominated in U.S. dollars and H.K. dollars from time to time. This exposes us to foreign exchange risk.

Any significant revaluation of RMB may materially and adversely affect our revenue, earnings and financial position, and the value of the Notes in U.S. dollars. For example, an appreciation of RMB against the U.S. dollar would reduce the amount of RMB we would receive if we need to convert U.S. dollars into RMB. Conversely, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the value of the Notes. It is difficult to predict how the PBOC's policy may impact the RMB exchange rate in the future.

We manage our foreign exchange risk by regularly reviewing net foreign exchange exposures and try to minimise these exposures through natural hedges wherever possible and may enter into forward foreign exchange contracts, when necessary. However, the availability and effectiveness of these current and future arrangements may be limited, and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by China's exchange control regulations that restrict our ability to convert RMB into foreign currency. As a result, fluctuations in exchange rates may have a material and adverse effect on your investment.

Implementation of the labour laws and regulations in China may adversely affect our business and results of operations.

Pursuant to the PRC Labour Contract Law (中華人民共和國勞動合同法) that became effective in January 2008 and further amended on 28 December 2012 and became effective on 1 July 2013, and its implementation rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labour contracts. Due to the lack of detailed interpretation rules and uniform implementation practice and possible penalties, it is uncertain as to how it would affect our current employment policies and practices. Our employment policies and practices may violate the PRC Labour Contract Law or its implementation rules, and we may thus be subject to related penalties, fines or legal fees. Compliance with the PRC Labour Contract Law and its implementation rules may increase our operating expenses, in particular our personnel expenses. In the event that we decide to terminate some of our employees or otherwise change our employment or labour practices, the PRC Labour Contract Law and its implementation rules may also limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. On 28 October 2010, the SCNPC promulgated the PRC Social Insurance Law (中華人民共和國社會保險法) which became effective on 1 July 2011 and was amended on 29 December 2018. On 10 August 2026, the State Council amended the Regulation on the Administration of Housing Accumulation Funds which became effective on 20 September 2026. According to applicable PRC social insurance laws and the Regulation on the Administration of Housing Accumulation Funds (住房公積金管理條例), employees must participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance and housing funds and the employers must, together with their employees or separately, pay the social insurance premiums and housing funds for such employees. On 20 July 2018, the General

Office of the Central Committee of the Communist Party of China and the General Office of the State Council issued the Plan for Reforming the State and Local Tax Collection and Administration Systems (國税地税徵管體制改革方案), which stipulated that the STA would become solely responsible for collecting social insurance premiums. On 24 January 2014, the Ministry of Human Resources and Social Security promulgated the Provisional Rules on Labour Dispatching (勞務派遣暫行規定), effective on 1 March 2014. Intended to control labour dispatching arrangements, these regulations require that dispatched workers may be designated only to positions of a temporary, supporting or substitute nature, and further require employers to change and adjust their employment structure so that their used dispatched workers should not exceed a statutory cap of 10% of total employees.

We expect our labour costs to increase due to the implementation of these laws and regulations. As the interpretation and implementation of these laws and regulations are still evolving, we cannot assure you that our employment practice will at all times be deemed in full compliance with labour-related laws and regulations in the PRC which may subject us to labour disputes or government investigations. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected. Further, labour disputes, work stoppages or slowdowns at our offices and facilities or any of our clients or suppliers could significantly disrupt our daily operation or our expansion plans and have material and adverse effects on our business.

Inflation in China and measures to contain inflation may negatively affect our profitability and growth.

While China's economy has experienced rapid growth, such growth has been uneven among various sectors of the economy and in different geographical areas of the country and among different demographic sectors in the community. If prices for our services and products rise at a rate that is insufficient to compensate for the rise in the costs, our business may be materially and adversely affected. In order to control inflation in the past, the PRC government has imposed controls on bank credits, limits on loans for fixed assets, and restrictions on state bank lending. Such austerity measures can lead to a slowing of economic growth in China, which could materially and adversely affect our business, future results of operations and prospects.

The section entitled "*Capitalisation and Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

CAPITALISATION AND INDEBTEDNESS

The following table sets forth our debt and capitalisation as at 30 June 2026.

This table should be read in conjunction with "*Use of Proceeds*", "*Selected Consolidated Financial and Other Data*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and the Company's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026 and related notes thereto included elsewhere in this Offering Circular.

	As of June 30, 2026	
	(Unaudited)	
	(RMB in million)	(US$ in million)
Current liabilities:		
Borrowings	86,292	12,718
Notes payable	—	—
	86,292	**12,718**
Non-current liabilities:		
Borrowings	212,650	31,341
Notes payable	154,021	22,700
	366,671	**54,041**
Total debts	**452,963**	**66,759**
Equity attributable to equity holders of the Company		
Share capital	—	—
Share premium	73,692	10,861
Treasury shares	(2,180)	(321)
Shares held for share award scheme	(8,315)	(1,225)
Other reserves	5,893	869
Retained earnings	1,066,763	157,220
	1,135,853	**167,404**
Non-controlling interests	86,660	12,772
Total equity	**1,222,513**	**180,176**
Total capitalisation (1)	**1,675,476**	**246,935**

Note:

(1) Total capitalisation represents the sum of total debts under current and non-current liabilities and total equity.

As at the date of this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Group since 30 June 2026.

The section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion of our financial condition and results of operations as at and for the years ended 31 December 2023, 2024 and 2025 and as at and for the six months ended 30 June 2025 and 2026, and of the material factors that we believe are likely to affect our financial condition and results of operations. You should read this section in conjunction with our audited consolidated financial statements and unaudited interim condensed consolidated financial information included in this Offering Circular beginning on page F-2. Our consolidated financial statements and unaudited interim condensed consolidated financial information have been prepared in accordance with IFRS Accounting Standards.

In addition, the following discussion contains certain forward-looking statements that reflect our plans, estimates and beliefs. Our actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this Offering Circular, including "Risk Factors".

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

We believe that the most significant factors that have affected or are expected to affect our results of operations and financial condition include, among others:

Ability to increase the engagement and monetisation of our vast user base

The growth of our business and revenues depends on the attractiveness and demand for our service and product offerings and our ability to deepen user engagement and further increase the monetisation of our vast user base. We have seen a modest growth in our *Weixin* and *WeChat* user base and maintained large numbers of *QQ* users. As at 30 June 2026, combined MAU of *Weixin* and *WeChat* reached 1,439 million, an increase of 2%, from 1,411 million as at 30 June 2025, and mobile device MAU of *QQ* was 520 million.

We believe the depth of user engagement of our massive online communities is one of our key competitive advantages. We continue to increase user engagement by enhancing user experience and broadening our products and services, creating opportunities for our ecosystem partners. We introduce high-quality digital content, including games, video, music and literature, and seek to integrate these digital content services with our social platforms to enhance the holistic and differentiated social experience for our users. We seek to leverage the size of our user base and integrated nature of our platforms to build up user traffic for our new services and products. In addition, our large and logged-in user base and our leading mobile payment services also make our platforms more attractive to advertisers and merchant partners.

We have also monetised user traffic generated from our various digital content and *Weixin* services. We have accumulated expertise in cross-marketing our services and products across our massive user base. Our major digital content, including games, video, music and literature, help attract users and drive conversion into paying users. The numerous *Weixin* services, such as *Mini Programs, Video Accounts, Mini Shops* and *Weixin Pay*, help merchants digitalise their businesses and complete more online-to-offline transactions. Leveraging an AI-powered technology platform, we enhance our capabilities for marketing, games and business services, generating higher revenues.

Ability to innovate and adopt new technologies such as AI

The technology industry is highly competitive, innovative and ever changing due to the evolving development of technology and user behavior. We have endeavored to embrace generative and agentic AI technologies, implement AI technologies to businesses, such as games, marketing and business services, and provide AI based solutions to external customers.

We not only encourage our employees to innovate, but also allocate considerable resources to the research and development of new technologies and the optimisation of product features as well as enhancement of user experience of products. We will continue to invest in and develop our AI infrastructure and application to our products and services to enhance user acquisition while maintaining our existing market share.

Ability to develop content and applications to maintain our market position

Our ability to develop relevant content and applications will affect our users' engagement and usage of our platforms. We have devoted significant resources to the research and development of content and applications in order to keep our existing platforms relevant and attractive to users. We have established a strong market position and built a brand name widely recognised by consumers and industry participants. For example, *Weixin* has become the leading communication and social network platform, connecting users, enterprises, content and services. We have also maintained our leadership in the games market in China and globally leveraging the success of developing and operating evergreen titles.

As we seek to expand our business lines and diversify our portfolio of services and products, our ability to launch new attractive contents and applications will continue to be the key to our revenue growth. Our ability to compete effectively and maintain our leading brand and market position will continue to affect our results of operations going forward.

BASIS OF PRESENTATION

During the years presented in the consolidated financial statements, we derived our revenue substantially under a series of contractual arrangements between certain of our WFOEs and our consolidated affiliated entities. These contractual arrangements are designed to provide us and the WFOEs with effective control over, and (to the extent permitted by PRC laws) the right to acquire the equity interests in and assets of our consolidated affiliated entities. Based on such contractual arrangements, we have concluded that it is appropriate to consolidate the financial statements of our consolidated affiliated entities, notwithstanding the lack of direct share ownership, because, in substance, the contractual arrangements transfer the economic risks and benefits of these consolidated affiliated entities to us.

DESCRIPTION OF SELECTED INCOME STATEMENT LINE ITEMS

Revenues

We generate our revenues primarily from four lines of business:

- *VAS;*
- *Marketing Services;*
- *FinTech and Business Services; and*
- *Others.*

Our revenues were RMB609,015 million, RMB660,257 million and RMB751,766 million and RMB364,526 million and RMB401,243 million (US$59,136 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. The following table sets forth our revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	% of total revenues	(RMB in millions)	(US$ in millions)	% of total revenues
Revenues											
VAS	298,375	49%	319,168	49%	369,281	49%	183,501	50%	194,524	28,669	48%
Marketing Services	101,482	17%	121,374	18%	144,973	19%	67,615	19%	81,736	12,046	21%
FinTech and Business Services	203,763	33%	211,956	32%	229,435	31%	110,443	30%	120,171	17,711	30%
Others	5,395	1%	7,759	1%	8,077	1%	2,967	1%	4,812	710	1%
Total Revenues	**609,015**	**100%**	**660,257**	**100%**	**751,766**	**100%**	**364,526**	**100%**	**401,243**	**59,136**	**100%**

VAS

Revenues from VAS are derived principally from the provisions of games and social networks services. Our VAS is primarily provided on a subscription basis, per-item basis or revenue share basis.

We derive games revenues primarily from sales of in-game virtual items and social networks revenues primarily from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business. We have an extensive portfolio of market leading game titles across genres in both domestic and international markets.

We also derive revenues from the massive and engaged user base across our social networks and platforms. Through providing access to services offered in *Mini Games*, such as in-app purchases, we collect *Mini Games* platform service fees from the operation. In addition, we generate subscription revenues from offering access to premium digital content and other privileges on our digital content services, such as video, music and literature. Revenue generated from in-game virtual item sales is also attributable to our social networks.

Revenues from VAS were RMB298,375 million, RMB319,168 million and RMB369,281 million and RMB183,501 million and RMB194,524 million (US$28,669 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from VAS are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — VAS.*"

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts*, *Weixin Search*, *Tencent Video*, *QQ Music*, mobile advertising network and eSports events. Significant traffic on our various properties offer ample advertising opportunities. Through leveraging our advertising technology and transaction ecosystem, we provide targeted marketing services to generate attractive returns for advertisers.

Revenues from Marketing Services were RMB101,482 million, RMB121,374 million and RMB144,973 million and RMB67,615 million and RMB81,736 million (US$12,046 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from Marketing Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — Marketing Services*".

FinTech and Business Services

FinTech and Business Services revenues mainly comprise revenues derived from provision of FinTech and cloud services. FinTech service revenues mainly include commissions from payment transactions, wealth management services and other FinTech services. Cloud service revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources.

Revenues from FinTech and Business Services were RMB203,763 million, RMB211,956 million and RMB229,435 million and RMB110,443 million and RMB120,171 million (US$17,711 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

For a detailed discussion of how revenues from FinTech and Business Services are recognised in our consolidated financial statements, see "— *Critical Accounting Policies, Estimates and Judgements — Revenue Recognition — FinTech and Business Services*".

Others

Revenues from our other businesses are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. Revenues from others were RMB5,395 million, RMB7,759 million and RMB8,077 million and RMB2,967 million and RMB4,812 million (US$710 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of Revenues

Our cost of revenues was RMB315,906 million, RMB311,011 million and RMB329,173 million and RMB159,020 million and RMB171,545 million (US$25,283 million) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Cost of revenues consists of the direct costs for operating and offering our services and products, which consist primarily of transaction costs, content costs, technical infrastructure operation costs, equipment depreciation and other direct costs. Employee benefits expenses that directly relate to the provision of our services and products are also included in cost of revenues. The following table sets forth our cost of revenues by line of business for the years/periods indicated:

	Year ended 31 December						Six months ended 30 June				
	2023		2024		2025		2025		2026		
	(Audited)						(Unaudited)				
	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	% of segment revenues	(RMB in millions)	(US$ in millions)	% of segment revenues
Cost of Revenues											
VAS	136,456	46%	137,511	43%	146,985	40%	73,367	40%	71,471	10,533	37%
Marketing Services	50,138	49%	54,142	45%	61,584	42%	29,336	43%	35,777	5,272	44%
FinTech and Business Services	123,127	60%	112,255	53%	112,819	49%	53,894	49%	57,573	8,485	48%
Others	6,185	115%	7,103	92%	7,785	96%	2,423	82%	6,724	993	140%
Total cost of revenues	**315,906**		**311,011**		**329,173**		**159,020**		**171,545**	**25,283**	

Selling and Marketing Expenses

Selling and marketing expenses primarily consist of costs incurred with our promotional and advertising activities, such as purchasing third-party advertising, holding promotion events and related employee benefits expenses. In recent years, our selling and marketing expenses have increased as we continue to launch and promote new services and seek to enhance our brand recognition.

General and Administrative Expenses

General and administrative expenses primarily consist of research and development expenses, related employee benefits expense, office rental/depreciation of right-of-use assets, travel and entertainment expenses, consulting fees, office maintenance and other general office expenses.

Other Gains/(Losses), Net

Other gains/(losses), net consist primarily of subsidies and tax rebates.

Net gains/(losses) from investments and others

Net gains/(losses) from investments and others primarily consist of net gains/(losses) on disposals and deemed disposals of investee companies, net fair value gains/(losses) on FVPL, other net fair value gains/(losses), impairment (provision)/reversal for investee companies, goodwill and other intangible assets arising from acquisitions, dividend income and donations.

Interest Income

Interest income mainly represents interest income from bank deposits, including bank balance and term deposits.

Finance Costs

Finance costs include interest and related expenses primarily arising from the borrowings, notes payable and lease liabilities, as well as foreign currency exchange gains or losses.

Income Tax Expense

Income tax expense is recognised based on our best knowledge of the income tax rates expected to be applicable for the financial year.

(i) Cayman Islands and British Virgin Islands CIT

We were not subject to any taxation in the Cayman Islands and the British Virgin Islands for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(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 years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(iii) PRC CIT

PRC CIT had been provided for at applicable tax rates under the relevant laws and regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profits of our entities established in the Chinese Mainland for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026. The general PRC CIT rate was 25% in 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

Certain subsidiaries in the Chinese Mainland were approved as High and New Technology Enterprise, and they were subject to a preferential CIT rate of 15% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

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 Chinese Mainland upon fulfilment of certain requirements of the respective local governments.

(iv) CIT in other jurisdictions

Income tax on profits arising from other jurisdictions, including North America, Europe, Asia and South America, had been calculated on the estimated assessable profits at the respective rates prevailing in the relevant jurisdictions, which were not higher than 39% for the years ended 31 December 2023, 2024 and 2025 and for the six months ended 30 June 2025 and 2026.

(v) Withholding tax

According to applicable tax laws and regulations prevailing in the Chinese Mainland, dividends distributed by a company established in the Chinese Mainland 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 Chinese Mainland and Hong Kong, the relevant withholding tax rate applicable to such foreign investor will be reduced from 10% to 5% subject to the fulfilment of certain conditions.

Dividends distributed from certain jurisdictions which our entities operate in are also subject to withholding tax at respective applicable tax rates.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

We have identified certain accounting policies that are significant to the preparation of our consolidated financial information. The determination of these accounting policies is fundamental to our financial condition and results of operations, and requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involved the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting the estimates may differ significantly from management's current judgements. We believe the following represents our critical accounting policies, judgements and estimates.

Revenue recognition

We generate revenues primarily from provision of VAS, Marketing Services, FinTech and Business Services, and other online related services in the PRC. Revenue is recognised when the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time.

VAS

Revenues from VAS primarily include revenues from the provision of games and social networks services. Games revenues are mainly derived from sales of in-game virtual items, and social networks revenues are mainly derived from subscriptions, sales of virtual items, livestreaming and games revenues attributable to social networks business.

Revenues from VAS are recognised when we satisfy our performance obligations by rendering relevant promised services.

Gross receipts from sales of in-game permanent virtual items are deferred and amortised over the respective estimated expected user lifetime of the applicable games estimated by us as there is an explicit or implicit obligation of us to maintain the virtual items operated on our platforms and allow users to gain access to them, whereas revenues from sales of in-game limited life virtual items and social networks virtual items, are recognised based on the consumption or over the stipulated periods of validity of the relevant virtual items ratably.

Revenues from subscriptions are recognised ratably over the subscription period.

Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

In respect of our VAS directly delivered to our customers and paid through various third-party platforms, these third-party platforms collect the relevant service fees (the "**Online Service Fees**") on behalf of us and they are entitled to platform provider fees at pre-determined percentages (as part of "**Channel and distribution costs**"). Such Channel and distribution costs are withheld and deducted from the gross Online Service Fees collected by these platforms from the users, with the net amounts remitted to us.

We recognise the Online Service Fees as revenue on a gross or net basis depending on whether we are acting as a principal or an agent in these transactions based on the assessment according to the criteria.

We also open our online platforms to third-party game/application developers under certain co-operation agreements, under which we pay to the third-party game/application developers a pre-determined percentage of the fees paid by and collected from the users of our online platforms for the virtual items sold. We recognise the related revenue on a gross or net basis depending on whether we are acting as a principal or an agent in the transaction.

We adopt different revenue recognition methods based on our specific responsibilities/obligations in different VAS offerings.

Marketing Services

Marketing Services revenues mainly include revenues derived from sales of marketing solutions and advertising inventories from our various platforms.

Revenue is recognised either ratably over the agreed period of display, or when the performance is fulfilled, such as impression, view or click. Where a contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

FinTech and Business Services

FinTech and Business Services revenues mainly include revenues derived from the provision of FinTech services and cloud services.

FinTech service revenues include commissions from payment transactions, wealth management services and other FinTech services, where the commissions received by us are generally determined as a percentage of the value of each single transaction or periodic retention amount. Revenue from these commissions is recognised at a point in time when we satisfy our performance obligations by rendering the relevant services.

Cloud services revenues mainly include revenues derived from the provision of cloud services to customers based on the subscription for a period of time or consumption of cloud resources. For cloud service contracts based on subscription for a specified service period, revenue is recognised ratably over the subscribed period as the services are delivered to customers. For cloud service provided on a consumption basis, revenue is recognised based on the customer utilisation of the cloud resources. When a cloud-based service contract includes multiple performance obligations, we allocate the transaction price to each performance obligation on a relative stand-alone selling price basis, which is determined based on the prices charged to or expected to be recovered from customers.

Other Revenues

Our other revenues are primarily derived from investments in, production of and distribution of, films and television programmes, copyrights licensing, merchandise sales and various other activities. We recognise other revenues as the respective services are rendered, or when the control of the products is transferred to customers.

Share-based compensation benefits

We operate a number of share-based compensation plans (including share option schemes and share award schemes), under which we receive services from employees and other qualifying participants as consideration for equity instruments (including share options and awarded shares) of us. The fair value of the employee services and other qualifying participants' services received in exchange for the grant of equity instruments of us is recognised as an expense with a corresponding increase in equity over the vesting period, i.e., the period over which all of the specified vesting conditions are to be satisfied.

For grant of share options, the total amount to be expensed is determined by reference to the grant-date fair value of the options granted by using option-pricing model, "Enhanced FAS 123" binomial model (the "**Binomial Model**"), which includes the impact of market performance conditions (such as our share price) but excludes the impact of service condition and non-market performance conditions. For grant of awarded shares, the total amount to be expensed is determined by reference to the market price of the relevant equity instruments at the grant date. We also adopt valuation and actuarial techniques to assess the grant-date fair value of non-listed equity instruments granted under the share-based compensation plans as appropriate.

Non-market performance and service conditions are included in assumptions about the number of options and awarded shares that are expected to vest.

From our perspective, the grants of our equity instruments to employees of our subsidiaries are made in exchange for employee services to the subsidiaries. Accordingly, the share-based compensation expenses are treated as part of the "Investments in subsidiaries", or "Amounts due from subsidiaries" if rechargeable, in our statement of financial position.

At the end of each reporting period, we revise our estimates of the number of options and awarded shares that are expected to ultimately vest. We recognise the impact of the revision to prior estimates, if any, in the consolidated income statement of us, with a corresponding adjustment to equity.

When share options are exercised, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium. When the vested equity instruments are later forfeited prior to expiry date, the amount previously recognised in share premium may be transferred to retained earnings.

If we repurchase vested equity instruments, the payments made to the employees and other qualifying participants are accounted for as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments repurchased, measured at the repurchase date. Any such excess is recognised as an expense.

If the terms of an equity-settled share-based award are modified, an additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employees and other qualifying participants, as measured at the date of modification. Modifications of an equity-settled share-based award in a manner that is not beneficial to employees are not taken into account when determining the expenses to be recognised.

If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), we account for the cancellation or settlement as an acceleration of vesting, and therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

Share-based payment arrangements where the terms provide us to settle the transactions in cash are cash-settled share-based payment transactions. For cash-settled share-based payments, a liability is recognised at the current fair value determined at the end of the reporting period to the extent of the portion of the services received until the date of settlement, with any changes in fair value recognised in profit or loss.

Income taxes

We are subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. Where the final tax outcome is different from the amounts that were previously recorded, such differences will impact current income tax and deferred income tax in the period in which such outcome is decided.

Recoverability of non-financial assets

Goodwill and other non-financial assets, mainly including property, plant and equipment, construction in progress, other intangible assets, investment properties, land use rights, right-of-use assets as well as investments in associates and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be fully recoverable. In addition, the Group performs impairment tests on goodwill and other intangible assets that have an indefinite life or are not yet available for use at least annually regardless of whether there are indicators of impairment. The recoverable amounts are determined based on value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates.

Judgement is required to identify any impairment indicators existing for any of our goodwill and other non-financial assets, to determine appropriate impairment approaches, i.e., fair value less costs of disposal or value in use, for impairment testing purposes, and to select key assumptions applied in the adopted valuation models, including discounted cash flows and market approach. Changes in the assumptions selected by management in assessing impairment could materially affect the result of the impairment test and in turn affect our financial condition and results of operations. If there is a significant adverse change in the key assumptions applied, it may be necessary to take additional impairment charge to the consolidated income statement.

Fair value measurement of FVPL and FVOCI

The fair value assessment of FVPL and FVOCI that are measured at Level 3 fair value hierarchy requires significant estimates, which include risk-free rates, expected volatility, liquidity discounts adopted for lack of marketability, market information of recent transactions (such as recent fund-raising transactions undertaken by the investees) and other assumptions. Changes in these assumptions and estimates could materially affect the respective fair value measurement of these investments.

Scope of consolidation

Consolidation of an investee is permitted only if control exists. We control an investee when we have all the following: (i) power over the investee; (ii) exposure, or rights, to variable returns from our involvement with the investee; and (iii) the ability to use our power over the investee to affect the amount of our returns. Power results from rights that can be straightforward through voting rights or complicated from contractual arrangements. Variable returns normally encompass financial benefits and risks, but in certain cases, they also include operational values specific to us. These three factors are not considered in isolation by us in our assessment of control over an investee. Where the factors of control are not apparent, significant judgement is applied in the assessment, which is based on a holistic analysis of all of the relevant facts and circumstances.

We are required to reassess whether we control an investee if facts and circumstances indicate a change to one or more of the three factors of control.

RESULTS OF OPERATIONS

Six months ended 30 June 2026 compared to six months ended 30 June 2025

Revenues. Revenues increased by 10% year-on-year to RMB401,243 million (US$59,136 million) for the six months ended 30 June 2026.

The following table sets forth our revenues by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
			(Unaudited)		
	Amount (RMB in millions)	% of total revenues	Amount (RMB in millions)	Amount (US$ in millions)	% of total revenues
VAS	183,501	50%	194,524	28,669	48%
Marketing Services	67,615	19%	81,736	12,046	21%
FinTech and Business Services	110,443	30%	120,171	17,711	30%
Others	2,967	1%	4,812	710	1%
Total revenues	**364,526**	**100%**	**401,243**	**59,136**	**100%**

Revenues from VAS increased by 6% year-on-year to RMB194,524 million (US$28,669 million) for the six months ended 30 June 2026. Domestic Games revenues were RMB92.7 billion (US$13.7 billion), up 11% year-on-year, driven by growth from most of our major games, with notable contributions from *Delta Force*, *VALORANT* PC and MOBILE, *Roco Kingdom: World* and *Wuthering Waves*. International Games revenues were RMB37.4 billion (US$5.5 billion), up 6% year-on-year, primarily driven by higher revenues from *Clash Royale*, *Wuthering Waves* and *VALORANT* PC. Social Networks revenues decreased by 0.7% year-on-year to RMB64.4 billion (US$9.5 billion).

Revenues from Marketing Services were RMB81,736 million (US$12,046 million) for the six months ended 30 June 2026, up 21% year-on-year, supported by enhancements to our AI-driven ad recommendation model (which determines the ad shown to each user for each impression), upgrades to our automated campaign management solution *AIM+* (which helps advertisers purchase performant impressions), and integration of closed-loop marketing capabilities within the *Weixin* ecosystem (which facilitates *Weixin*-integrated services, such as *Mini Games* and *Mini Shops*, to advertise more effectively on Tencent-managed ad properties). Most major industry categories increased marketing spending on our platforms during the six months ended 30 June 2026.

Revenues from FinTech and Business Services increased by 9% year-on-year to RMB120,171 million (US$17,711 million) for the six months ended 30 June 2026. FinTech Services revenue growth was mainly due to higher revenues from commercial payment, wealth management and consumer loan services. Business Services revenue growth was primarily driven by increased revenues from our cloud services, underpinned by greater demand for AI-related services, ongoing international expansion, and a more favourable pricing environment.

Cost of revenues. Cost of revenues increased by 8% year-on-year to RMB171,545 million (US$25,283 million) for the six months ended 30 June 2026. The increase was primarily due to higher AI-related equipment depreciation and associated operating costs.

Gross profit. Gross profit increased by 12% year-on-year to RMB229,698 million (US$33,853 million) for the six months ended 30 June 2026, slightly outpacing revenue growth. Robust growth in high-margin revenue streams, including higher revenues from internally developed games and from Marketing Services, offset higher depreciation and operating costs associated with our expanded AI infrastructure. Gross margin was 57%, up from 56% in the same period last year. The following table sets forth our gross profit and gross margin by line of business for the six months ended 30 June 2025 and 2026:

	Six months ended 30 June				
	2025		2026		
	(Unaudited)				
	Amount (RMB in millions)	Gross margin	Amount (RMB in millions)	Amount (US$ in millions)	Gross margin
VAS	110,134	60%	123,053	18,136	63%
Marketing Services	38,279	57%	45,959	6,774	56%
FinTech and Business Services	56,549	51%	62,598	9,226	52%
Others	544	18%	(1,912)	(283)	NM
Total gross profit	**205,506**	**56%**	**229,698**	**33,853**	**57%**

Gross profit for VAS grew by 12% year-on-year to RMB123,053 million (US$18,136 million), primarily driven by a greater revenue contribution from high-margin internally developed games. Gross margin expanded to 63% from 60% in the same period last year.

Gross profit for Marketing Services increased by 20% year-on-year to RMB45,959 million (US$6,774 million), broadly consistent with segment revenue growth, as higher revenues, supported by enhancements to our AI-driven marketing capabilities, largely offset higher costs, including depreciation and operating costs associated with expanding our AI infrastructure to improve ad and content recommendation. Gross margin was 56%, compared with 57% in the same period last year.

Gross profit for FinTech and Business Services rose by 11% year-on-year to RMB62,598 million (US$9,226 million), mainly driven by wealth management and consumer loan services, as well as cloud services. Gross margin increased to 52% from 51% in the same period last year.

Selling and marketing expenses. Selling and marketing expenses increased by 34% year-on-year to RMB23,212 million (US$3,421 million) for the six months ended 30 June 2026, due to higher marketing spending to support our games business and to drive adoption of our AI-native products. As a percentage of revenues, selling and marketing expenses were 6% for the six months ended 30 June 2026, increased from 5% for the six months ended 30 June 2025.

General and administrative expenses. General and administrative expenses increased by 11% year-on-year to RMB72,608 million (US$10,701 million) for the six months ended 30 June 2026, primarily reflecting higher R&D spending to support *Hy* model enhancements, *Weixin* AI initiatives, and development of AI capabilities across our products and services. As a percentage of revenues, general and administrative expenses remained stable at 18% for the six months ended 30 June 2025 and 2026.

Other gains/(losses), net. We recorded net other gains of RMB773 million (US$114 million) for the six months ended 30 June 2026.

Operating profit. Operating profit increased by 14% year-on-year to RMB134,651 million (US$19,845 million) for the six months ended 30 June 2026. Non-IFRS operating profit[1] increased by 9% year-on-year to RMB151,263 million (US$22,293 million). Non-IFRS operating profit excluding new AI products[2] increased by 18% year-on-year to RMB170.5 billion (US$25.1 billion).

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB13,112 million (US$1,932 million) for the six months ended 30 June 2026.

Interest income. Interest income increased by 5% year-on-year to RMB8,227 million (US$1,213 million) for the six months ended 30 June 2026, mainly driven by growth in cash reserves.

Finance costs. Finance costs were RMB5,958 million (US$878 million) for the six months ended 30 June 2026, compared with RMB7,801 million in the same period last year, reflecting favourable foreign exchange movements and lower interest expenses due to lower average interest rates.

Share of profit/(loss) of associates and joint ventures, net. Our share of losses of associates and joint ventures was RMB6,373 million (US$939 million) for the six months ended 30 June 2026, primarily reflecting our share of the fair value adjustment recognised by an unlisted investee from revaluation of its issued convertible redeemable preferred shares arising from increased valuation of the investee, which was excluded from our non-IFRS profit. On a non-IFRS basis, our share of profits of associates and joint ventures was RMB13,482 million (US$1,987 million), compared with share of profits of RMB13,988 million in the same period last year.

Profit before income tax. Profit before income tax increased by 10% year-on-year to RMB143,659 million (US$21,173 million) for the six months ended 30 June 2026.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB26,290 million (US$3,875 million) for the six months ended 30 June 2026, reflecting operating profit growth.

Profit for the period. As a result of the factors discussed above, profit for the period increased by 11% year-on-year to RMB117,369 million (US$17,298 million) for the six months ended 30 June 2026. Our profit margin remained stable at 29% for the six months ended 30 June 2025 and 2026.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 10% year-on-year to RMB114,115 million (US$16,818 million) for the six months ended 30 June 2026. Non-IFRS profit attributable to equity holders of the Company increased by 10% year-on-year to RMB136,320 million (US$20,091 million).

Year ended 31 December 2025 compared to year ended 31 December 2024

Revenues. Revenues increased by 14% year-on-year to RMB751,766 million for the year ended 31 December 2025.

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[1] Certain non-IFRS financial measures (in terms of operating profit, share of profit/(loss) of associates and joint ventures, net, profit attributable to equity holders of the Company) represents the IFRS financial measures after adjusting for share-based compensation, net (gains)/losses from investee companies, amortisation of intangible assets resulting from acquisitions, impairment provisions/(reversals), donations and expenses incurred for the sustainable social value and common prosperity programmes, non-recurring compliance-related costs and expenses incurred for certain litigation settlements and the related income tax effects.

[2] New AI products primarily consist of *Hy*, *Yuanbao*, *CodeBuddy*, *WorkBuddy*, and *Xiaowei*.

The following table sets forth our revenues by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	319,168	49%	369,281	49%
Marketing Services	121,374	18%	144,973	19%
FinTech and Business Services	211,956	32%	229,435	31%
Others	7,759	1%	8,077	1%
Total revenues	**660,257**	**100%**	**751,766**	**100%**

Revenues from VAS increased by 16% year-on-year to RMB369,281 million for the year ended 31 December 2025. Domestic Games revenues were RMB164.2 billion, up 18% year-on-year, underpinned by robust performance of recently released *Delta Force*, as well as higher revenues from evergreen games such as *Honour of Kings* and *Peacekeeper Elite*, and from *VALORANT* franchise (PC and mobile). International Games revenues were RMB77.4 billion, up 33% year-on-year (32% on a constant-currency basis), reflecting higher revenues from Supercell's games and *PUBG MOBILE*, as well as incremental revenue contribution from *Wuthering Waves*. Social Networks revenues rose by 5% year-on-year to RMB127.7 billion, due to growth in *Video Accounts* live streaming revenue, music subscription revenue and app-based game virtual item sales.

Revenues from Marketing Services increased by 19% year-on-year to RMB144,973 million for the year ended 31 December 2025, primarily driven by growth in pricing and ad impressions. Pricing benefitted from AI-powered ad targeting, advertisers using AI to create more ads, and an increasing proportion of closed-loop ads (where the user clicks through to native transactional experiences, such as *Mini Programs*, *Mini Shops*, or *Mini Games*). Impression growth benefitted primarily from greater user engagement with products including *Video Accounts* and *Weixin Search*, and modest increases in ad load. Advertising spending grew across most major industry categories during the year.

Revenues from FinTech and Business Services grew by 8% year-on-year to RMB229,435 million for the year ended 31 December 2025. FinTech Services revenues increased at a high single-digit rate year-on-year, due to higher revenues from wealth management services, consumer loan services, and commercial payment activities. Business Services revenues rose by a high-teens rate year-on-year, reflecting increased domestic and international demand for cloud services, including demand for AI-related services, as well as higher eCommerce technology service fees, underpinned by growth in *Mini Shops* GMV.

Cost of revenues. Cost of revenues increased by 6% year-on-year to RMB329,173 million for the year ended 31 December 2025. The increase was primarily due to higher content costs and channel and distribution costs, as well as bandwidth and server costs.

Gross profit. Gross profit rose by 21% year-on-year to RMB422,593 million for the year ended 31 December 2025, primarily driven by greater contributions from high-margin revenue streams, including internally developed games, *Video Accounts* and *Weixin Search* marketing services, and by enhanced cost efficiency in FinTech services and cloud services. Gross margin was 56%, up from 53% for the year ended 31 December 2024. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2024 and 2025:

	Year ended 31 December			
	2024		2025	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	181,657	57%	222,296	60%
Marketing Services	67,232	55%	83,389	58%
FinTech and Business Services	99,701	47%	116,616	51%
Others	656	8%	292	4%
Total gross profit	**349,246**	**53%**	**422,593**	**56%**

Gross profit for VAS increased by 22% year-on-year to RMB222,296 million, due to greater revenue contributions from internally developed games. Gross margin was 60%, up from 57% in the prior year.

Gross profit for Marketing Services rose by 24% year-on-year to RMB83,389 million, as AI-powered marketing services drove strong growth in high-margin revenue streams, particularly *Video Accounts* and *Weixin Search*. Gross margin improved to 58% from 55% in the previous year.

Gross profit for FinTech and Business Services increased by 17% year-on-year to RMB116,616 million, benefitting from growing scale of cloud services and improved revenue mix in FinTech services, alongside enhanced cost efficiency. Gross margin rose to 51% from 47% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 15% year-on-year to RMB41,727 million for the year ended 31 December 2025, reflecting increased promotional efforts to support the growth of our AI-native applications and games. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses rose by 21% year-on-year to RMB136,127 million for the year ended 31 December 2025. This growth was due to increased R&D expenses, primarily higher staff costs and increased depreciation expenses driven by our AI investments, alongside a one-off share-based compensation expense of RMB4.0 billion related to restructuring of an existing commercial arrangement at an overseas subsidiary. As a percentage of revenues, general and administrative expenses were 18% for the year ended 31 December 2025, increased from 17% for the year ended 31 December 2024.

Other gains/(losses), net. We recorded net other losses of RMB3,177 million for the year ended 31 December 2025.

Operating profit. Operating profit increased by 16% year-on-year to RMB241,562 million for the year ended 31 December 2025. Non-IFRS operating profit increased by 18% year-on-year to RMB280,656 million for the year ended 31 December 2025. We recorded non-IFRS operating profit excluding new AI products of RMB298.1 billion for the year ended 31 December 2025.

Net gains/(losses) from investments and others. We recorded net gains from investments and others of RMB10,168 million for the year ended 31 December 2025.

Interest income. Interest income increased by 6% year-on-year to RMB16,909 million for the year ended 31 December 2025 due to growth in cash reserves.

Finance costs. Finance costs were RMB15,130 million for the year ended 31 December 2025, compared with RMB11,981 million in the prior year, mainly due to net foreign exchange losses recognised for the year ended 31 December 2025, versus net foreign exchange gains recorded for the year ended 31 December 2024.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB23,740 million for the year ended 31 December 2025, compared with share of profits of RMB25,176 million for the year ended 31 December 2024. Non-IFRS share of profits of associates and joint ventures rose to RMB33,457 million, compared with RMB31,635 million in the previous year.

Profit before income tax. Profit before income tax increased by 15% year-on-year to RMB277,249 million for the year ended 31 December 2025.

Income tax expense. Income tax expense increased by 5% year-on-year to RMB47,448 million for the year ended 31 December 2025, mainly reflecting operating profit growth, partially offset by lower withholding tax provision recognised this year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by 17% year-on-year to RMB229,801 million for the year ended 31 December 2025. Our profit margin increased from 30% for the year ended 31 December 2024 to 31% for the year ended 31 December 2025.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 16% year-on-year to RMB224,842 million for the year ended 31 December 2025. Non-IFRS profit attributable to equity holders of the Company increased by 17% year-on-year to RMB259,626 million for the year ended 31 December 2025.

Year ended 31 December 2024 compared to year ended 31 December 2023

Revenues. Revenues increased by 8% year-on-year to RMB660,257 million for the year ended 31 December 2024.

The following table sets forth our revenues by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	% of total revenues	Amount	% of total revenues
	(RMB in millions)		(RMB in millions)	
VAS	298,375	49%	319,168	49%
Marketing Services	101,482	17%	121,374	18%
FinTech and Business Services	203,763	33%	211,956	32%
Others	5,395	1%	7,759	1%
Total revenues	**609,015**	**100%**	**660,257**	**100%**

Revenues from VAS increased by 7% year-on-year to RMB319,168 million for the year ended 31 December 2024. International Games revenues were RMB58.0 billion, reflecting 9% growth in both reported and constant currency terms, driven by strong performances from *PUBG MOBILE* and Supercell's games. Domestic Games revenues rose by 10% to RMB139.7 billion, driven by revenue growth from *VALORANT*, *Naruto Mobile*, *Fight of the Golden Spatula* and *League of Legends: Wild Rift*, alongside new contributions from *DnF Mobile* and *Delta Force*. Social Networks revenues were RMB121.5 billion, up 2% year-on-year, driven by higher revenues from music and long-form video subscription services, increased app-based game virtual item sales and *Mini Games* platform service fees, partially offset by a decline in music-related and games-related live streaming revenues.

Revenues from Marketing Services increased by 20% year-on-year to RMB121,374 million for the year ended 31 December 2024. This increase was primarily due to robust advertiser demand for *Video Accounts*, *Mini Programs* and *Weixin Search* inventories, and ongoing enhancement of our AI-powered advertising infrastructure. Advertising spending rose across most major categories, with notable growth from games, eCommerce, education and Internet services categories.

Revenues from FinTech and Business Services grew by 4% year-on-year to RMB211,956 million for the year ended 31 December 2024. The increase in FinTech Services revenues primarily reflected growth in wealth management services and commercial payment services. Higher Business Services revenues were driven by growth in *WeCom* revenue and eCommerce technology service fees.

Cost of revenues. Cost of revenues were RMB311,011 million for the year ended 31 December 2024, representing a 2% year-on-year decline, due to lower live streaming revenue sharing costs, long-form video content costs and cloud project deployment costs.

Gross profit. Gross profit rose by 19% year-on-year to RMB349,246 million for the year ended 31 December 2024, primarily driven by robust growth in high-margin revenue streams from Domestic Games, *Video Accounts*, *Weixin Search* and the *Mini Games* platform. Improved profitability in our cloud services and long-form video businesses also contributed to the overall increase in gross profit. Gross margin increased to 53%, compared to 48% in the prior year. The following table sets forth our gross profit and gross margin by line of business for the years ended 31 December 2023 and 2024:

	Year ended 31 December			
	2023		2024	
	(Audited)			
	Amount	Gross margin	Amount	Gross margin
	(RMB in millions)		(RMB in millions)	
VAS	161,919	54%	181,657	57%
Marketing Services	51,344	51%	67,232	55%
FinTech and Business Services	80,636	40%	99,701	47%
Others	(790)	NM	656	8%
Total gross profit	**293,109**	**48%**	**349,246**	**53%**

Gross profit for VAS increased by 12% year-on-year to RMB181,657 million, driven by growth in high-margin revenues from Domestic Games and *Mini Games* platform service fees, as well as long-form video subscription revenue growth and content cost optimisation. Gross margin improved to 57% from 54% in the previous year.

Gross profit for Marketing Services increased by 31% year-on-year to RMB67,232 million, primarily due to growth in high-margin revenues from *Video Accounts* and *Weixin Search* marketing services. Gross margin increased to 55% from 51% in the previous year.

Gross profit for Fintech and Business Services rose by 24% year-on-year to RMB99,701 million, driven by revenue growth from wealth management services, *WeCom*, and eCommerce technology service fees, as well as enhanced cost efficiency in our cloud services. Gross margin rose to 47% from 40% in the previous year.

Selling and marketing expenses. Selling and marketing expenses grew by 6% year-on-year to RMB36,388 million for the year ended 31 December 2024, reflecting higher promotional and advertising efforts to support new content releases. As a percentage of revenues, selling and marketing expenses remained largely stable at 6%, consistent with the previous year.

General and administrative expenses. General and administrative expenses increased by 9% year-on-year to RMB112,761 million for the year ended 31 December 2024. This increase was primarily driven by higher R&D expenses, including those related to our AI initiatives, alongside higher staff costs. As a percentage of revenues, general and administrative expenses remained broadly stable at 17%, in line with the prior year.

Operating profit. Operating profit increased by 30% year-on-year to RMB208,099 million for the year ended 31 December 2024. Non-IFRS operating profit increased by 24% year-on-year to RMB237,811 million for the year ended 31 December 2024.

Interest income. Interest income increased by 16% year-on-year to RMB16,004 million for the year ended 31 December 2024 due to growth in cash reserves.

Finance costs. Finance costs decreased by 2% year-on-year to RMB11,981 million for the year ended 31 December 2024, primarily due to recognition of foreign exchange gains this year versus losses in the previous year, partially offset by higher interest expenses.

Share of profit/(loss) of associates and joint ventures, net. We recorded share of profits of associates and joint ventures of RMB25,176 million for the year ended 31 December 2024, up from share of profits of RMB5,800 million for the previous year. Non-IFRS share of profits of associates and joint ventures rose to RMB31,635 million, compared to RMB13,041 million for the previous year. The increase in non-IFRS share of profits of associates and joint ventures reflected stronger financial performances across several associates, driven by company-specific factors, including business growth, new content releases and operational efficiency improvements.

Profit before income tax. Profit before income tax increased by 50% year-on-year to RMB241,485 million for the year ended 31 December 2024.

Income tax expense. Income tax expense increased by 4% year-on-year to RMB45,018 million for the year ended 31 December 2024, primarily due to our operating profit growth, partially offset by the high base effect from deferred tax adjustments at an overseas subsidiary in the previous year. Excluding the deferred tax adjustments in the prior year, income tax expense would have increased by 15% year-on-year.

Profit for the year. As a result of the factors discussed above, profit for the year increased by RMB78,419 million, or 66%, from RMB118,048 million for the year ended 31 December 2023 to RMB196,467 million for the year ended 31 December 2024. Our profit margin increased from 19% for the year ended 31 December 2023 to 30% for the year ended 31 December 2024.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company increased by 68% year-on-year to RMB194,073 million for the year ended 31 December 2024. Non-IFRS profit attributable to equity holders of the Company increased by 41% to RMB222,703 million for the year ended 31 December 2024.

QUARTERLY RESULTS OF OPERATIONS

The following table presents our unaudited quarterly results of operations for the most recent nine quarters. You should read the table in conjunction with the consolidated financial information contained elsewhere in this Offering Circular. Results of operations for any quarter are not necessarily indicative of results for any future quarters or full year.

	Three months ended								
	30 June 2024	30 September 2024	31 December 2024	31 March 2025	30 June 2025	30 September 2025	31 December 2025	31 March 2026	30 June 2026
	(Unaudited)								
	(RMB in millions)								
Revenues:									
VAS	78,822	82,695	79,022	92,133	91,368	95,860	89,920	96,110	98,414
Marketing services[(1)]	29,871	29,993	35,004	31,853	35,762	36,242	41,116	38,171	43,565
FinTech and business Services	50,440	53,089	56,125	54,907	55,536	58,174	60,818	59,885	60,286
Others	1,984	1,416	2,295	1,129	1,838	2,593	2,517	2,292	2,520
Total revenues	**161,117**	**167,193**	**172,446**	**180,022**	**184,504**	**192,869**	**194,371**	**196,458**	**204,785**
Cost of revenues	(75,222)	(78,365)	(81,793)	(79,529)	(79,491)	(84,071)	(86,082)	(85,193)	(86,352)
Gross profit	**85,895**	**88,828**	**90,653**	**100,493**	**105,013**	**108,798**	**108,289**	**111,265**	**118,433**
Selling and marketing expenses	(9,156)	(9,411)	(10,285)	(7,866)	(9,410)	(11,468)	(12,983)	(11,343)	(11,869)
General and administrative expenses	(27,491)	(29,058)	(31,403)	(33,664)	(31,921)	(34,259)	(36,283)	(33,800)	(38,808)
Other gains/(losses), net	1,484	2,974	2,513	(1,397)	(3,578)	483	1,315	1,253	(480)
Operating profit.	**50,732**	**53,333**	**51,478**	**57,566**	**60,104**	**63,554**	**60,338**	**67,375**	**67,276**
Net gains/(losses) from investments and others	(654)	3,066	1,119	1,407	2,638	2,820	3,303	1,928	11,184
Interest income	3,850	3,996	3,910	3,748	4,121	4,256	4,784	4,025	4,202
Finance costs	(3,112)	(3,531)	(2,512)	(3,860)	(3,941)	(3,756)	(3,573)	(2,979)	(2,979)
Share of profit/(loss) of associates and joint ventures, net	7,718	6,019	9,253	4,581	4,473	7,854	6,832	3,620	(9,993)
Profit before income tax	**58,534**	**62,883**	**63,248**	**63,442**	**67,395**	**74,728**	**71,684**	**73,969**	**69,690**
Income tax expense	(10,168)	(8,900)	(11,781)	(13,717)	(11,351)	(9,785)	(12,595)	(14,577)	(11,713)
Profit for the period	**48,366**	**53,983**	**51,467**	**49,725**	**56,044**	**64,943**	**59,089**	**59,392**	**57,977**

Note:

(1) We have renamed this revenue segment from "Online Advertising" to "Marketing Services" since the third quarter of 2024 to better represent the breadth of the marketing solutions and accompanying technology services across the online marketing properties.

We experienced growth in our quarterly revenues for the nine quarters in the period from 30 June 2024 to 30 June 2026.

LIQUIDITY AND CAPITAL RESOURCES

On a consolidated basis, we currently fund our operations primarily with cash flows from operating activities. Our cash requirements relate primarily to:

- *our working capital requirements, such as transaction costs, content costs (excluding amortisation of intangible assets), employee benefits expenses, technical infrastructure operations costs (excluding depreciation), selling and marketing expenses, as well as research and development expenses; and*

- *costs associated with the expansion of our business.*

We had cash and cash equivalents of RMB172,320 million, RMB132,519 million and RMB141,041 million and RMB206,930 million (US$30,498 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Our term deposits and others included in current and non-current assets were RMB231,038 million, RMB282,894 million and RMB353,837 million and RMB304,224 million (US$44,837 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

We bill and collect revenues for our VAS principally through these prepaid channels: mobile payment solutions (mainly *Weixin Pay*) and online banking. A majority of our revenues from VAS are prepaid, allowing us to minimise our credit risk.

Our accounts receivable were RMB46,606 million, RMB48,203 million and RMB49,930 million and RMB55,606 million (US$8,195 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively, which mainly represented amounts due from marketing services customers and agents, FinTech and cloud customers, content production related customers, and third-party platform providers. Some marketing services customers and agents are usually granted with a credit period within 30 to 90 days immediately following the month end in which the relevant obligations under the relevant contracted orders are delivered. Third-party platform providers usually settle the amounts due by them within 60 days. Other customers, mainly including content production related customers and FinTech and cloud customers, are usually granted with a credit period within 90 days.

Our accounts payable were RMB100,948 million, RMB118,712 million and RMB121,127 million and RMB175,579 million (US$25,877 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. We normally settle the amount due by us according to the terms of our contracts.

Cash flows

The following table sets forth our cash flows information for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026:

	Year ended 31 December			Six months ended 30 June		
	2023	2024	2025	2025	2026	2026
		(Audited)			(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(USD in millions)
Net cash flows generated from operating activities	221,962	258,521	303,052	151,265	154,061	22,706
Net cash flows used in investing activities	(125,161)	(122,187)	(205,732)	(72,407)	(74,724)	(11,013)
Net cash flows used in financing activities	(82,573)	(176,494)	(87,155)	(30,111)	(9,469)	(1,396)
Net increase/(decrease) in cash and cash equivalents	14,228	(40,160)	10,165	48,747	69,868	10,297
Cash and cash equivalents at beginning of the year/period	**156,739**	**172,320**	**132,519**	**132,519**	**141,041**	**20,787**
Exchange gains/(losses) on cash and cash equivalents	1,353	359	(1,643)	791	(3,979)	(586)
Cash and cash equivalents at end of the year/period	**172,320**	**132,519**	**141,041**	**182,057**	**206,930**	**30,498**

Cash Flows from Operating Activities

For the six months ended 30 June 2026, we had a net cash inflow from operating activities in the amount of RMB154,061 million (US$22,706 million). Our net cash inflow from operating activities was after deduction of income tax paid of RMB32,863 million.

For the six months ended 30 June 2025, we had a net cash inflow from operating activities in the amount of RMB151,265 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB29,006 million.

In 2025, we had a net cash inflow from operating activities in the amount of RMB303,052 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB331,267 million and changes in working capital in the amount of RMB16,484 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB44,699 million. The changes in working capital primarily consisted of (i) a decrease in prepayments, deposits and other assets of RMB17,007 million, (ii) an increase in accounts payable of RMB13,741 million, and (iii) an increase in deferred revenue of RMB6,143 million, partially offset by (i) a decrease in other payables and accruals of RMB18,745 million, (ii) an increase in accounts receivable of RMB1,242 million, (iii) a decrease in other tax liabilities of RMB331 million, and (iv) an increase in inventories of RMB89 million.

In 2024, we had a net cash inflow from operating activities in the amount of RMB258,521 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB282,824 million and changes in working capital in the amount of RMB21,881 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB46,184 million. The changes in working capital primarily consisted of (i) an increase in deferred revenue of RMB16,533 million, (ii) an increase in accounts payable of RMB10,872 million, (iii) a decrease in prepayments, deposits and other assets of RMB2,632 million, and (iv) a decrease in inventories of RMB20 million, partially offset by (i) a decrease in other payables and accruals of RMB6,765 million, (ii) an increase in accounts receivable of RMB1,048 million, and (iii) a decrease in other tax liabilities of RMB363 million.

In 2023, we had a net cash inflow from operating activities in the amount of RMB221,962 million. This was primarily a result of cash flows generated from operations before changes in working capital in the amount of RMB237,458 million and changes in working capital in the amount of RMB19,233 million. Our net cash inflow from operating activities was after deduction of income tax paid of RMB34,729 million. The changes in working capital primarily consisted of (i) an increase in accounts payable of RMB8,044 million, (ii) a decrease in prepayments, deposits and other assets of RMB5,469 million, (iii) an increase in deferred revenue of RMB3,821 million, (iv) a decrease in inventories of RMB1,882 million, and (v) an increase in other payables and accruals of RMB1,349 million, partially offset by (i) an increase in accounts receivable of RMB1,010 million, and (ii) a decrease in other tax liabilities of RMB322 million.

Cash Flows from Investing Activities

Net cash used in investing activities for the six months ended 30 June 2026 was RMB74,724 million (US$11,013 million), primarily reflecting purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB95,615 million, the payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB46,445 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB39,876 million and purchase of or prepayment for intangible assets in the amount of RMB11,547 million, partially offset by proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB41,938 million, proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB35,668 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB34,349 million.

Net cash used in investing activities for the six months ended 30 June 2025 was RMB72,407 million, primarily reflecting payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB71,170 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB45,558 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB43,023 million and purchase of or prepayment for intangible assets in the amount of RMB11,899 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB60,699 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB38,139 million and net receipt flow of term deposits with initial terms of over three months in the amount of RMB8,400 million.

Net cash used in investing activities for the year ended 31 December 2025 was RMB205,732 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB131,087 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB87,482 million, payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB73,517 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB40,886 million, purchase of or prepayments for intangible assets in the amount of RMB25,399 million and payments for acquisition of investments in associates in the amount of RMB24,637 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB96,904 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB70,033 million and interest received in the amount of RMB14,534 million.

Net cash used in investing activities for the year ended 31 December 2024 was RMB122,187 million, primarily reflecting the payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB66,603 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB62,927 million, net placement flow of term deposits with initial terms of over three months in the amount of RMB52,277 million, purchase of or prepayment for intangible assets in the amount of RMB26,394 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB14,022 million, partially offset by proceeds from disposals of financial assets at fair value through profit or loss in the amount of RMB69,562 million, proceeds from disposal of financial assets at fair value through other comprehensive income in the amount of RMB25,490 million and interest received in the amount of RMB14,913 million.

Net cash used in investing activities for the year ended 31 December 2023 was RMB125,161 million, primarily reflecting net placement flow of term deposits with initial terms of over three months in the amount of RMB80,706 million, payments for acquisition of financial assets at fair value through profit or loss in the amount of RMB45,614 million, purchase of or prepayments for intangible assets in the amount of RMB26,042 million, purchase of or prepayments for property, plant and equipment, construction in progress and investment properties in the amount of RMB21,008 million and payments for acquisition of financial assets at fair value through other comprehensive income in the amount of RMB8,511 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss in the amount of RMB49,324 million and interest received in the amount of RMB10,349 million.

Cash Flows from Financing Activities

Net cash used in financing activities for the six months ended 30 June 2026 was RMB9,469 million (US$1,396 million), primarily reflecting dividends paid to the Company's shareholders of RMB41,595 million, payments for repurchase of shares of RMB22,257 million, repayments of short-term borrowings of RMB13,999 million, repayments of notes payable of RMB10,399 million and interest paid of RMB6,408 million, partially offset by proceeds from short-term borrowings of RMB57,733 million and net proceeds from issuance of notes payable of RMB31,592 million.

Net cash used in financing activities for the six months ended 30 June 2025 was RMB30,111 million, primarily reflecting repayments of short-term borrowings of RMB66,262 million, repayments of long-term borrowings of RMB48,414 million, dividends paid to the Company's shareholders of RMB37,535 million, payments for repurchase of shares of RMB34,525 million, interest paid of RMB7,003 million and repayments of notes payable of RMB6,456 million, partially offset by proceeds from long-term borrowings of RMB100,230 million and proceeds from short-term borrowings of RMB76,168 million.

Net cash used in financing activities for the year ended 31 December 2025 was RMB87,155 million, primarily reflecting repayments of short-term borrowings of RMB121,385 million, payments for repurchase of shares of RMB73,312 million, repayments of long-term borrowings of RMB48,530 million, dividends paid to the Company's shareholders of RMB37,535 million, interest paid of RMB13,180 million and repayments of notes payable of RMB8,587 million, partially offset by proceeds from short-term borrowings of RMB113,557 million and proceeds from long-term borrowings of RMB108,683 million.

Net cash used in financing activities for the year ended 31 December 2024 was RMB176,494 million, primarily reflecting payments for repurchase of shares of RMB102,331 million, repayments of long-term borrowings of RMB74,642 million, repayments of short-term borrowings of RMB40,049 million, dividends paid to the Company's shareholders of RMB28,859 million, repayments of notes payable of RMB14,213 million and interest paid of RMB12,417 million, partially offset by proceeds from short-term borrowings of RMB62,563 million and proceeds from long-term borrowings of RMB52,021 million.

Net cash used in financing activities for the year ended 31 December 2023 was RMB82,573 million, primarily reflecting payments for repurchase of shares of RMB43,767 million, repayments of long-term borrowings of RMB34,116 million, dividends paid to the Company's shareholders of RMB20,983 million, interest paid of RMB11,478 million and repayments of notes payable of RMB10,141 million, partially offset by proceeds from long-term borrowings of RMB33,641 million and proceeds from short-term borrowings of RMB29,809 million.

Capital Expenditure

Our capital expenditures consist of the amount paid for investments in IT infrastructure (including computer equipment, components, and software), data centres, land use rights, office premises and intellectual properties (excluding media content), which amounted to RMB22.7 billion, RMB72.1 billion and RMB88.3 billion and RMB45.9 billion and RMB96.3 billion (US$14.2 billion) for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

We believe that our existing cash and cash equivalents, cash flows from operations and term deposits will be sufficient to meet the anticipated cash needs for our operating activities and capital expenditures for at least the next 12 months.

INDEBTEDNESS

Our total borrowings amounted to RMB197,356 million, RMB199,406 million and RMB250,987 million and RMB298,942 million (US$44,059 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Our total notes payable amounted to RMB151,262 million, RMB139,209 million and RMB136,746 million and RMB154,021 million (US$22,700 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. On 15 July 2015, we completed the issue of the 2035 Notes. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. See "*Description of Other Material Indebtedness — 2035 Notes*". On 19 January 2018, we completed the issue of the 2028 Notes. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. See "*Description of Other Material Indebtedness — 2028 Notes*". On 19 January 2018, we completed the issue of the 2038 Notes. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. See "*Description of Other Material Indebtedness — 2038 Notes*". On 11 April 2019, we completed the issue of the 2029 Notes. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. See "*Description of Other Material Indebtedness — 2029 Notes*". On 11 April 2019, we completed the issue of the 2049 Notes. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. See "*Description of Other Material Indebtedness — 2049 Notes*". On 3 June 2020, we completed the issue of the 2030 Notes. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. See "*Description of Other Material Indebtedness — 2030 Notes*". On 3 June 2020, we completed the issue of the 2050 Notes. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. See "*Description of Other Material Indebtedness — 2050 Notes*". On 3 June 2020, we completed the issue of the 2060 Notes. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. See "*Description of Other Material Indebtedness — 2060 Notes*". On 3 September 2020, TME completed the issue of the TME 2030 Notes. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. See "*Description of Other Material Indebtedness — TME 2030 Notes*". On 22 April 2021, we completed the issue of the 2031 Notes. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. See "*Description of Other Material Indebtedness — 2031 Notes*". On 22 April 2021, we completed the issue of the 2041 Notes. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. See "*Description of Other Material Indebtedness — 2041 Notes*". On 22 April 2021, we completed the issue of the 2051 Notes. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. See "*Description of Other Material Indebtedness — 2051 Notes*". On 22 April 2021, we completed the issue of the 2061 Notes. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. See "*Description of Other Material Indebtedness — 2061 Notes*". On 23 September 2025, we completed the issue of the September 2030 Notes. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. See "*Description of Other Material*

Indebtedness — September 2030 Notes". On 23 September 2025, we completed the issue of the September 2035 Notes. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. See "*Description of Other Material Indebtedness — September 2035 Notes*". On 23 September 2025, we completed the issue of the September 2055 Notes. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. See "*Description of Other Material Indebtedness — September 2055 Notes*". On 16 June 2026, we completed the issue of the 2036 USD Notes. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. See "*Description of Other Material Indebtedness — 2036* USD Notes". On 16 June 2026, we completed the issue of the 2036 CNY Notes. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. See "*Description* of *Other Material Indebtedness — 2036 CNY Notes*". On 16 June 2026, we completed the issue of the 2046 USD Notes. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. See "*Description* of *Other Material Indebtedness — 2046 USD Notes*". On 16 June 2026, we completed the issue of the 2056 CNY Notes. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. See "*Description of Other Material Indebtedness — 2056 CNY Notes*".

The following table sets forth our debt as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	2026
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Current:					
USD bank borrowings					
- Unsecured	18,415	20,487	—	—	—
- Secured [1]	—	—	—	206	30
HKD bank borrowings, unsecured [1]	—	—	12,627	13,879	2,046
RMB bank borrowings					
- Unsecured [1]	7,046	28,039	28,094	70,421	10,379
- Secured [1]	100	—	100	10	1
Current portion of long-term USD bank borrowings, unsecured [2]	15,936	4,313	1,757	1,703	251
Current portion of long-term RMB bank borrowings, unsecured [2]	15	28	30	68	10
Current portion of long-term EUR bank borrowings					
- Unsecured	4	3	—	—	—
- Secured [2]	4	3	2	1	—
Current portion of long-term JPY bank borrowings					
- Unsecured [2]	16	12	8	4	1
- Secured	1	—	—	—	—
	41,537	52,885	42,618	86,292	12,718
Non-Current:					
Non-current portion of long-term USD bank borrowings, unsecured[2]	109,782	92,012	46,742	45,292	6,675
Non-current portion of long-term EUR bank borrowings					
- Unsecured [2]	3	—	17,130	16,156	2,381
- Secured	6	3	1	—	—
Non-current portion of long-term RMB bank borrowings, unsecured [2]	46,000	48,655	133,325	140,438	20,698
Non-current portion of long-term HKD bank borrowings, unsecured [2]	—	5,837	11,165	10,760	1,586
Non-current portion of long-term JPY bank borrowings					
- Unsecured [2]	26	14	6	4	1
- Secured	2	—	—	—	—
	155,819	146,521	208,369	212,650	31,341
Total borrowings	**197,356**	**199,406**	**250,987**	**298,942**	**44,059**
Current:					
Notes payable	14,161	8,623	10,542	—	—
Non-current:					
Notes payable [3]	137,101	130,586	126,204	154,021	22,700
Total notes payable	**151,262**	**139,209**	**136,746**	**154,021**	**22,700**
Total	**348,618**	**338,615**	**387,733**	**452,963**	**66,759**

Notes:

(1) The aggregate principal amounts of short-term RMB, HKD and USD bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB70,573	0.75% ~ 3.50%
RMB bank borrowings	RMB158	1-year LPR - 0.70% ~ - 0.30%
HKD bank borrowings	HKD15,980	HIBOR + 0.08% ~ 0.10%
USD bank borrowings	USD30	3.70%

(2) The aggregate principal amounts of long-term RMB, HKD, USD, EUR and JPY bank borrowings as at 30 June 2026 and applicable interest rates are as follows:

	Unaudited 30 June 2026	
	Amount (Million)	**Interest rate (per annum)**
RMB bank borrowings	RMB69,085	2.52% ~ 3.10%
RMB bank borrowings	RMB65,621	1-year LPR - 0.65% ~ + 0.15%
RMB bank borrowings	RMB5,800	5-year LPR - 0.85%
HKD bank borrowings	HKD12,402	HIBOR + 0.25% ~ 0.60%
USD bank borrowings	USD6,900	SOFR + CAS + 0.80%
EUR bank borrowings	EUR2,080	EURIBOR + 0.70% ~ 0.75%
JPY bank borrowings	JPY103	0.60% ~ 1.36%
JPY bank borrowings	JPY90	TIBOR + 1.70%

The long-term bank borrowings are repayable as follows:

	As at 31 December			As at 30 June	
	2023	**2024**	**2025**	**2026**	**2026**
		(Audited)		**(Unaudited)**	
	(RMB in millions)	**(RMB in millions)**	**(RMB in millions)**	**(RMB in millions)**	**(US$ in millions)**
Within 1 year	15,976	4,359	1,797	1,776	262
Between 1 and 2 years	41,643	45,784	19,671	19,155	2,823
Between 2 and 5 years	114,174	95,759	183,771	182,794	26,941
Over 5 years	2	4,978	4,927	10,701	1,577
Total	**171,795**	**150,880**	**210,166**	**214,426**	**31,603**

(3) On 15 July 2015, we completed the issue of the 2035 Notes in an aggregate principal amount of US$100 million that will mature on 15 July 2035. The 2035 Notes bear an interest of 4.700% per annum from 15 July 2015, payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2028 Notes in an aggregate amount of US$2,500 million that will mature on 19 January 2028. The 2028 Notes bear an interest of 3.595% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. On 19 January 2018, we completed the issue of the 2038 Notes in an aggregate amount of US$1,000 million that will mature on 19 January 2038. The 2038 Notes bear an interest of 3.925% per annum from 19 January 2018, payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2029 Notes in an aggregate amount of US$3,000 million that will mature on 11 April 2029. The 2029 Notes bear an interest of 3.975% per annum from 11 April 2019, payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. On 11 April 2019, we completed the issue of the 2049 Notes in an aggregate amount of US$500 million that will mature on 11 April 2049. The 2049 Notes bear an interest of 4.525% per annum from 11 April 2019, payable semi-annually in arrears on 11 April

and 11 October of each year. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2030 Notes in an aggregate amount of US$2,250 million that will mature on 3 June 2030. The 2030 Notes bear an interest of 2.390% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2050 Notes in an aggregate amount of US$2,000 million that will mature on 3 June 2050. The 2050 Notes bear an interest of 3.240% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. On 3 June 2020, we completed the issue of the 2060 Notes in an aggregate amount of US$750 million that will mature on 3 June 2060. The 2060 Notes bear an interest of 3.290% per annum from 3 June 2020, payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. On 3 September 2020, TME completed the issue of the TME 2030 Notes in an aggregate amount of US$500 million that will mature on 3 September 2030. The TME 2030 Notes bear an interest of 2.000% per annum from 3 September 2020, payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2031 Notes in an aggregate principal amount of US$500 million that will mature on 22 April 2031. The 2031 Notes bear an interest of 2.880% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2041 Notes in an aggregate principal amount of US$900 million that will mature on 22 April 2041. The 2041 Notes bear an interest of 3.680% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2051 Notes in an aggregate principal amount of US$1,750 million that will mature on 22 April 2051. The 2051 Notes bear an interest of 3.840% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. On 22 April 2021, we completed the issue of the 2061 Notes in an aggregate principal amount of US$1,000 million that will mature on 22 April 2061. The 2061 Notes bear an interest of 3.940% per annum from 22 April 2021, payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2030 Notes in an aggregate principal amount of CNY2,000 million that will mature on 23 September 2030. The September 2030 Notes bear an interest of 2.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2035 Notes in an aggregate principal amount of CNY6,000 million that will mature on 23 September 2035. The September 2035 Notes bear an interest of 2.50% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. On 23 September 2025, we completed the issue of the September 2055 Notes in an aggregate principal amount of CNY1,000 million that will mature on 23 September 2055. The September 2055 Notes bear an interest of 3.10% per annum from 23 September 2025, payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 USD Notes in an aggregate principal amount of US$1,750 million that will mature on 16 June 2036. The 2036 USD Notes bear an interest of 5.00% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2036 CNY Notes in an aggregate principal amount of CNY11,000 million that will mature on 16 June 2036. The 2036 CNY Notes bear an interest of 2.50% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2046 USD Notes in an aggregate principal amount of US$700 million that will mature on 16 June 2046. The 2046 USD Notes bear an interest of 5.60% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. On 16 June 2026, we completed the issue of the 2056 CNY Notes in an aggregate principal amount of CNY4,000 million that will mature on 16 June 2056. The 2056 CNY Notes bear an interest of 3.10% per annum from 16 June 2026, payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount.

CONTRACTUAL OBLIGATIONS

Capital Commitments

The following table sets forth our capital commitments as at the dates indicated:

	As at 31 December			As at 30 June	
	2023	2024	2025	2026	
		(Audited)		(Unaudited)	
	(RMB in millions)	(RMB in millions)	(RMB in millions)	(RMB in millions)	(US$ in millions)
Contracted:					
Construction/purchase of buildings and purchase of land use rights	4,480	2,937	5,237	4,649	685
Capital investment in investees	9,685	9,298	12,164	13,754	2,027
Purchase of other capital assets	3,444	2,470	3,354	74,326	10,955
Total	**17,609**	**14,705**	**20,755**	**92,729**	**13,667**

Other Commitments

Our commitments under agreements mainly for technical infrastructure operations costs, online game licensing, media content and other technical services, which were contracted but not provided in the condensed consolidated financial statements, amounted to approximately RMB29,308 million, RMB31,070 million, RMB55,190 million and RMB280,147 million (US$41,289 million) as at 31 December 2023, 2024 and 2025 and 30 June 2026. A portion of our commitments is expected to fall due within the next 12 months, with the majority payable beyond the next 12 months, based on the contractual terms of the underlying arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

Foreign Exchange Risk

We operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to HKD, USD and EUR. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective functional currency of our subsidiaries. The functional currency of us and the majority of our overseas subsidiaries is USD whereas the functional currency of the subsidiaries which operate in the Chinese Mainland is RMB.

We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures.

Price Risk

We are exposed to price risk mainly arising from investments held by us that are classified as at either FVPL or FVOCI. To manage our price risk arising from the investments, we diversify our investment portfolio. The investments are made either for strategic purposes, or for the purpose of achieving investment yield and balancing our liquidity level simultaneously. Each investment is managed by management on a case by case basis.

Interest Rate Risk

Our income and operating cash flows are substantially independent of changes in market interest rates and we have no significant interest-bearing assets except for loans to investees and investees' shareholders, receivables related to financial services, term deposits with initial terms of over three months, restricted cash and cash and cash equivalents.

Our exposure to changes in interest rates is also attributable to its borrowings and notes payable, representing a substantial portion of our debts. Borrowings and notes payable carried at floating rates expose us to cash flow interest-rate risk whereas those carried at fixed rates expose us to fair value interest-rate risk.

We regularly monitor our interest rate risk to identify if there are any undue exposures to significant interest rate movements and manage our cash flow interest rate risk by using interest rate swaps, whenever considered necessary.

We entered into certain interest rate swap contracts to hedge our exposure arising from borrowings and senior notes carried at floating rates. Under these interest rate swap contracts, we agreed with the counterparties to exchange, at specified intervals, the difference between contractual fixed-rate interest and benchmark floating-rate interest amounts calculated by reference to the agreed notional amounts. These interest rate swap contracts had the economic effect of converting borrowings and senior notes from floating rates to fixed rates and were qualified for hedge accounting.

Swaps currently in place covered certain floating-rate borrowings principal outstanding as at 30 June 2026.

Credit Risk

We are exposed to credit risk in relation to our cash, deposits and restricted cash placed with banks and other financial institutions, accounts receivable, other receivables, derivative financial instruments, as well as debt investments measured at amortised cost, at FVOCI and at FVPL. The carrying amount of each class of these financial assets represents our maximum exposure to credit risk in relation to the corresponding class of financial assets.

The majority of the balances of accounts receivable are due from marketing services customers and agents, FinTech and cloud customers, content production related customers and third-party platform providers. To manage the credit risk arising from accounts receivable, we have policies in place to ensure that credit terms are made to counterparties with an appropriate credit history and the management performs ongoing credit evaluations of our counterparties. The credit periods granted to these customers are usually not more than 90 days and the credit quality of these customers is regularly assessed, which takes into account their financial position, past experience and other factors. We have a large number of customers and there is no significant concentration of credit risk.

Other receivables mainly comprise loan receivables related to financial services, interest receivables, loans to investees and investees' shareholders, lease deposits and other receivables. Management manages the loans by category, makes periodic assessments as well as individual assessments on the recoverability of other receivables based on historical settlement records and past experience.

For financial assets whose impairment losses are measured using ECL model, we assess whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their ECL, as follows:

— Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial instrument is included in stage 1.

— Stage 2: If the credit risk has increased significantly since its initial recognition but not yet deemed to be credit-impaired, the financial instrument is included in stage 2.

— Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in stage 3.

We consider the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, lifetime or 12-month ECL are provided respectively.

We consider the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout its life. To assess whether there is a significant increase in credit risk, we compare risk of a default occurring on the asset as at year end with the risk of default as at the date of initial recognition. In particular, the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty; and
- significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

(i) Credit risk of cash and deposits

To manage this risk, we only make transactions with state-owned banks and other financial institutions in the PRC and reputable international banks and other financial institutions outside of the PRC, which are of high credit quality. The ECL is close to zero.

(ii) Credit risk of accounts receivable

We apply the simplified approach to provide for ECL prescribed by IFRS 9, which requires the recognition of the lifetime expected loss provision for all accounts receivable, with reference to their expected loss rates and probability of defaults. In view of the sound financial position and collection history of receivables due from these counterparties and insignificant risk of default, to measure the ECL, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over 12 months before 30 June 2026 and the corresponding historical credit losses experienced within this period or probability of a receivable progressing through successive stages of delinquency to write-off. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. We have identified the Gross Domestic Product ("**GDP**") to be the most relevant factor. Various economic scenarios are considered in generating the forward-looking adjustment.

A default on accounts receivable occurs when the counterparty fails to make contractual payments after a certain period which takes into account their financial position, past experience and other factors after they fall due. To measure the ECL, accounts receivable are grouped on the basis of shared credit risk characteristics, such as industry, with the objective of facilitating recognition of loss allowance on a timely basis. Accounts receivable are written off, in whole or in part, when we have exhausted all practical recovery efforts and have concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with us, and the failure to make contractual payments for a period of greater than three years past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same item.

(iii) Credit risk of loan receivables related to financial services

To manage credit risk arising from loan receivables related to financial services, standardised credit management procedures are performed. We measure credit risk using Probability of Default ("**PD**"), Exposure at Default ("**EAD**") and Loss Given Default ("**LGD**"). This is consistent with the general approach used for the purpose of measuring ECL under IFRS 9. ECL is the product of PD, EAD and LGD.

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition. No significant changes to estimation techniques or assumptions were made during the reporting period.

As at 30 June 2026, the majority of the gross carrying amount of loan receivables was classified in stage 1, and the amount of loan receivables transferred from stage 1 to stage 2 or stage 3 was immaterial. During the six months ended 30 June 2026, the impairment loss resulting from loan receivables related to financial services was immaterial.

Liquidity Risk

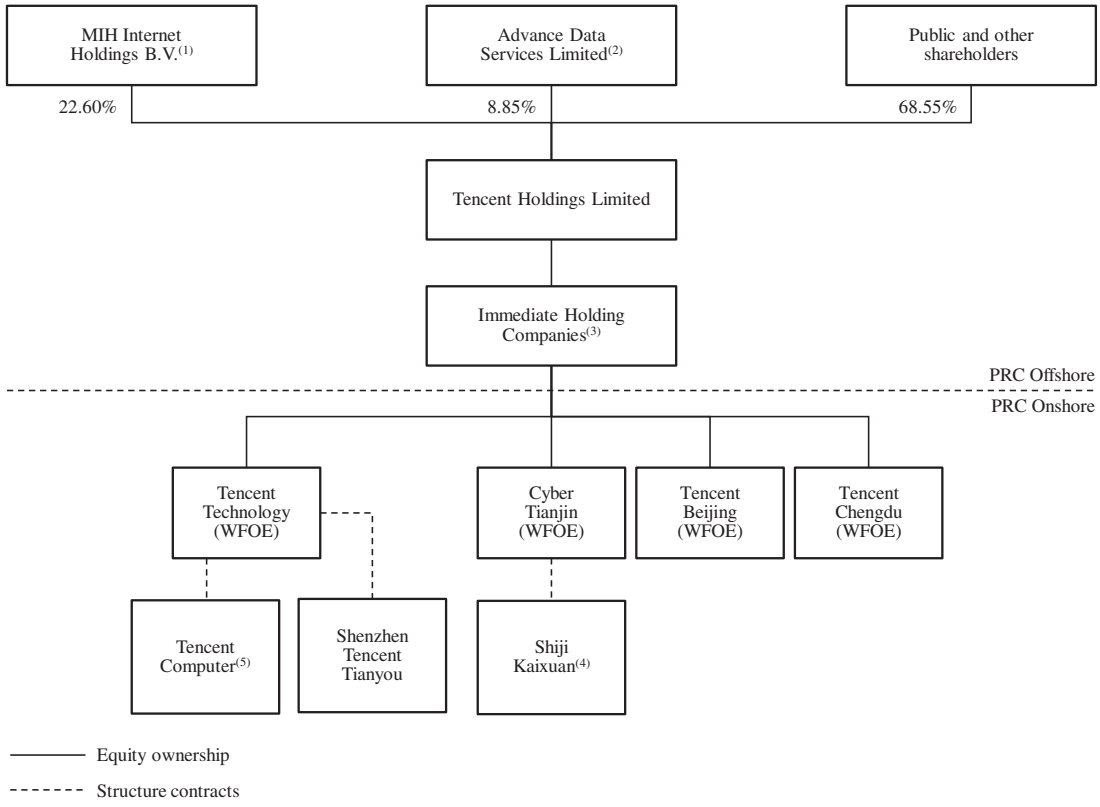
We aim to maintain sufficient cash and cash equivalents, and readily marketable securities which are classified as FVPL. Due to the dynamic nature of the underlying businesses, we maintain flexibility in funding by maintaining adequate balances of such.

The section entitled "*Our Corporate Structure*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

OUR CORPORATE STRUCTURE

We were incorporated in the British Virgin Islands on 23 November 1999 as an international business company with limited liability. We redomiciled to the Cayman Islands on 27 February 2004 and continued as an exempted company with limited liability under the Companies Act (As Revised) of the Cayman Islands.

The following diagram illustrates our principal corporate and share ownership structure as at 30 June 2026.



Notes:

(1) MIH Internet Holdings B.V. is controlled by Naspers Limited through its non wholly-owned subsidiary, Prosus N.V.

(2) Advance Data Services Limited held 709,859,700 shares directly and 95,000,000 shares indirectly through its wholly-owned subsidiary, Ma Huateng Global Foundation Limited (formerly known as Ma Huateng Global Foundation). Advance Data Services Limited is wholly-owned by Mr Ma Huateng.

(3) Intermediate Holding Companies include various Group companies established for the purpose of holding interests in various WFOEs as well as other investments of the Group.

(4) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

(5) The shareholders are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

We primarily conduct our Chinese operations through our WFOEs, including *Tencent Technology*, *Cyber Tianjin*, *Tencent Beijing* and *Tencent Chengdu*. The Company holds its interests in the WFOEs through certain intermediate holding companies wholly-owned by the Company. Our WFOEs employ a substantial portion of our staff, develop the principal software (other than software acquired from third-party providers) for our operations and hold our principal intellectual property rights.

STRUCTURE CONTRACTS

PRC regulations currently restrict foreign ownership of companies that provide value-added telecommunications services in China. See also "*General Regulation on Internet and Telecommunications Industries*". As foreign-invested enterprises, our WFOEs do not have licences to provide Internet content or information services and other value-added telecommunications services. Accordingly, we conduct Internet businesses, our value-added telecommunications businesses and other related businesses mainly through *Tencent Computer, Shiji Kaixuan and Shenzhen Tencent Tianyou* by themselves, or through their subsidiaries, under a series of contractual agreements (collectively, the "**Structure Contracts**") entered into among certain of our WFOEs, consolidated affiliated entities and shareholders of our consolidated affiliated entities. *Tencent Computer* is licenced to provide Internet information services, value-added telecommunications services and other related services and operate those services. The shareholders of *Tencent Computer* are Mr Ma Huateng, Mr Zhang Zhidong, Mr Xu Chenye and Mr Chen Yidan.

As a result of the Structure Contracts, the Group is able to effectively control, and recognise and receive substantially all the economic benefit of the business and operations of, our consolidated affiliated entities. In summary, the Structure Contracts provide the Company through the WFOEs with, among other things:

(a) the right to receive the cash received by the consolidated affiliated entities from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;

(b) the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the consolidated affiliated entities without making any payment; and

(c) the right to control the management and financial and operating policies of the consolidated affiliated entities.

The Structure Contracts establish a cooperation committee (the "**Co-operation Committee**") for each of the consolidated affiliated entities to oversee its business and operations. The Co-operation Committees advise, supervise and effectively control the businesses of the consolidated affiliated entities. Through the Co-operation Committees, the WFOEs advise, supervise and effectively control the business of the consolidated affiliated entities. Under the Structure Contracts, the Co-operation Committees will adopt an internal governance mechanism for payments, expenditure and expenditure-related contracts. Our approval matrix is required to be consistent throughout the Group and can be amended only by the Directors of the Company, and any such amendment applies to all members of the Group.

The Structure Contracts also effectively transfer from the consolidated affiliated entities to the WFOEs all of the cash that is surplus to the requirements of the consolidated affiliated entities, primarily in the form of fees paid for the WFOE's provision of certain technology and information services to the consolidated affiliated entities under the applicable Structure Contracts between the WFOEs and the consolidated affiliated entities. The Co-operation Committee determines and adjusts periodically the fees to be paid by the consolidated affiliated entities to the WFOEs to ensure that all such surplus cash of the consolidated affiliated entities is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the consolidated affiliated entities to be consolidated with the Company as if they were subsidiaries of the Company and that the economic benefit of their businesses flows to the Company and the WFOEs.

Our PRC legal counsel, Han Kun Law Offices, is of the opinion that the Structure Contracts setting forth our contractual arrangements among *Tencent Technology*, *Tencent Computer* and shareholders of *Tencent Computer,* who are Chinese individuals, have been duly authorised, executed and delivered by the applicable Chinese companies and Chinese individuals who are parties thereto, and that each of the Structure Contracts (i) constitutes a legal, valid and binding obligation of the Chinese companies and Chinese individuals who are parties thereto and is enforceable against such parties in accordance with its terms, subject as to enforceability, bankruptcy, insolvency, fraudulent transfer, reorganisation, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and (ii) is in compliance with, and does not violate any applicable existing requirements of, PRC Laws. In providing their opinion, our counsel has noted that there are ongoing uncertainties and risks in this area as further described under "*Risk Factors — Risks Related to our Corporate Structure*" and "*General Regulation on Internet and Telecommunications Industries*".

The section entitled "*Business*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

BUSINESS

OUR MISSION AND VISION

Our mission and vision is "Value for Users, Tech for Good", guided by our values of "Integrity, Proactivity, Collaboration and Creativity". Throughout our history, users are at the heart of everything we do. We are committed to investing in our content platforms and technology infrastructure, and expect AI to become a growth multiplier that enables us to better serve our users, customers and society at large.

OVERVIEW

We are a leading technology company offering a broad range of services, including communications and social networks, games, digital content, marketing services, FinTech and business services for our users, enterprises and merchants. We develop and deliver highly popular products and services to enhance the quality of life and improve connectivity for users and to maximise business opportunities for enterprises and merchants through digital transformation. Our comprehensive product offerings, advanced technologies and robust infrastructure form a hub that fulfills living needs of users, as well as growing business needs of enterprises and merchants, covering a massive spectrum of online and offline scenarios. In our core businesses, we are now a leader in leveraging AI to enhance strength and accelerate growth.

We operate the largest communications and social community in China in terms of user base through *Weixin* and *QQ*. *Weixin* and *WeChat* had a combined MAU of 1,439 million, and *QQ* had a mobile device MAU of 520 million as at 30 June 2026. Over the years, we supplement instant messaging with open platforms, and have established a diversified and thriving digital ecosystem. The open platforms extend connectivity with external content and services, where users can fulfil not only their social networking needs, but also their lifestyle pursuits.

We fulfil users' perpetual need to connect with other users, such as friends, family members and business associates, through communicating, sharing and interacting in our ecosystem. Users chat via instant messaging, post in *Moments*, discover via *Weixin Search*, read news and information from *Official Accounts*, entertain through *Video Accounts* and transact in *Mini Shops*. *Video Accounts* complement our other social networking services with short videos and live streaming, as users can watch videos and easily share them in *Moments* and chats. *Mini Shops* are our platform for indexed and standardised merchandise, where merchants can operate storefronts similar to those in eCommerce marketplaces, while leveraging *Weixin* social interactions, content services and payment capabilities.

Enterprises, merchants, advertisers and content providers benefit from the massive traffic and digital transformation brought by our digital ecosystem, which better fulfil their business needs and enhance conversion and efficiency. Services such as *Weixin Pay*, *Mini Programs*, *Video Accounts* and *Mini Shops* are becoming increasingly interconnected and serve as central hubs of mobile connectivity among users, enterprises and content providers, enhancing overall user engagement and usage frequency. *Mini Programs*, a light feature embedded in *Weixin*, enable a simple and innovative way to connect content and service providers online and offline with users, and to convert user interactions into transactions and repeat sales. The close connection of *Video Accounts* with other *Weixin* functions links public and private domains, allowing content providers and merchants to increase user reach and drive transactions. We are embedding AI across the *Weixin* ecosystem to enhance user experience, spanning social interactions, information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. In addition, we have begun a small-scale prototype test for *Xiaowei*, an embedded and context-aware agentic AI service within *Weixin*. *Xiaowei* is powered by a customised model, *WeLM*, built for user privacy, Weixin-specific use cases and cost efficiency.

As a cross-platform instant messaging platform, *QQ* offers a wide range of features including communications, interest-based communities, content and social network, catering to users across different generations. *QQ* empowers users to express themselves freely, discover and engage with interest groups and utilise productivity tools such as file management and photo albums. With *QQ*, users can enjoy diverse social experiences online.

We provide leading digital content services leveraging our rich portfolio of high-quality IPs. We create appealing content based on these IPs to attract paying users, extending our IP value across various formats, such as music, video, literature, anime and games. We offer premium music content through *TME*. We are the leader in the long-form video industry by paying users. We operate *China Literature*, a leading online literature and IP incubation platform in China. We ranked first in music and video by paid subscription, and first in literature by users' paid revenue in China as at 30 June 2026. Our fee-based VAS subscriptions[3] reached 259 million as at 30 June 2026.

We believe we were the largest game developer and publisher, globally by revenues, in 2025. We have a strong and expanding portfolio, led by our evergreen games with various vintages, and we continuously nurture popular new games with evergreen potential. Over the years, we have achieved success across a wide variety of genres, both in domestic and international markets, and across mobile, PC and console platforms. In China, we operated eight out of the top 10 domestic mobile games by average quarterly DAU in the second quarter of 2026, according to QuestMobile. In international markets, we operated 3 out of top 10 international mobile games by average quarterly DAU in the second quarter of 2026, according to Sensor Tower. We have strengthened our global leadership through self-developed titles and collaboration with IP partners and investee companies. In addition to our leadership in gameplay-focused games, including battle arena and action games, we have also achieved initial success in content-driven and narrative games. In 2025, International Games revenue surpassed US$10 billion. In addition, we are also leveraging generative AI to accelerate in-game content production speed and scale, as well as facilitating new user acquisition and existing user retention.

Our massive and engaged user base as well as advanced technology make us the preferred choice for advertisers. We leverage our advertising platform which is powered by foundation models with large language model capabilities, and offer generative AI-empowered tools for advertisers. These tools enable the creation of advertisements, streamline the ad approval and placement process, enhance recommendation algorithms and facilitate performance analysis, ultimately boosting ROI for advertisers. We offer marketing solutions across our digital ecosystem and content platforms, and provide unified access to our own and third-party marketing inventories through mobile advertising network. The significant traffic across our various properties offers ample opportunities for marketing services.

We have spent many years establishing a solid base for FinTech services through our widely used payment platform. We facilitate users' basic payment needs, such as transaction and utility payments, red packets, money transfers with friends and bill sharing. Building on top of our payment services, we offer additional value-added FinTech services, including wealth management services, consumer loan and insurance via deepened cooperations with licensed financial institutions, maintaining an unwavering focus on risk management. FinTech services revenue grew single digit % year-on-year in the second quarter of 2026, driven by increased revenue in commercial payment, wealth management, and consumer loan services.

Our robust technology and infrastructure lay a solid foundation for our cloud services. We offer high-performance computing services that power our enterprise customers across 70 Availability Zones. We have been accelerating AI integration into our cloud business across IaaS, PaaS and SaaS solutions. Through our IaaS solutions, enterprise customers can achieve high performance AI training

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[3] Average daily number of subscriptions during the quarter.

and inference capabilities at scale, while developers can access and deploy mainstream foundation models. Our PaaS platform provides powerful solutions, enabling enterprise customers to customise AI assistants using their own proprietary data and developers to generate mini programs and mobile applications through natural language prompts. We ranked second by PaaS revenue in the first quarter of 2026, according to IDC[1]. Our SaaS products, such as *WeCom*, *Tencent Meeting* and *Tencent Docs*, have achieved strong user and revenue growth and deepened penetration into key verticals. *WeCom*, the enterprise version of *Weixin*, has become an integral communications tool for remote workplaces and the top CRM software by revenue in China. *Tencent Meeting* ranked first among video conferencing software by user time and revenue in China. In the second quarter of 2026, our cloud revenue growth accelerated to low-twenties % year-on-year due to AI-related demand, international expansion, and increased usage and pricing for general cloud services. Our international cloud business is seeing increased demand in the rest of Asia and the Middle East.

Our self-developed *Hy* foundation model enables us to develop end-to-end foundation model capabilities in terms of infrastructure, algorithm, training, alignment and data management, and also to tailor solutions for the different needs of internal and external use cases. Starting in September 2025, we restructured our large language model team and rebuilt our foundational capabilities including enhancing AI infrastructure reliability, ingesting more and better-quality data, and implementing a persistent evaluation feedback loop. In April 2026, we released *Hy3* preview large language model, which was the first *Hy* model trained on re-built foundations and delivered substantial practical utility and cost efficiency, outperforming models in its size class. In July 2026, we released *Hy3* production version with enhanced quality and diversity of post-training data, unlocking integration with internal *Tencent* applications. In August 2026, we launched *Hy4* preview, a large model with substantial performance uplift and cost efficiency in activities, such as office work and website and *Mini Program* creation. *Hy4* preview ranked first among open-source models on the Agent Arena leaderboard in terms of real-world agentic task orchestration[2].

Our Model-as-a-Service ("**MaaS**") business provides a range of models including our own Hy series to meet customers' inference needs. Our MaaS revenue has begun to achieve rapid growth. MaaS already generates positive gross margins, reflecting industry-wide limited supply of GPUs, our large pre-existing client base, our deep infrastructure know-how and our continued cost-down initiatives.

On productivity AI, we are currently the first mover and clear China market leader, with our *WorkBuddy* and *CodeBuddy* productivity AI tools, which are starting to generate subscription revenue from enterprise and prosumer paying customers. Our productivity AI tools, *WorkBuddy* and *CodeBuddy*, ranked first and fourth respectively, among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys.

On consumer AI, we released prototype of agentic AI service, *Xiaowei*, to deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s social existing distribution, social graph, and Mini Programs and payment infrastructure.

We strive to harness our technology, connectivity and platform to create sustainable social value, and have made significant progress integrating sustainability into our strategy, development of products and services, and daily operations. For more details of our ESG initiatives, see "*Environmental, Social and Governance ("ESG") Initiatives*".

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1 IDC Quarterly Public Cloud Services Tracker, 1Q26

2 As of September 28, 2026; Based on signals like tool reliability, task completion, and steerability

OUR STRENGTHS

We believe that the following strengths contribute to our success and differentiate us from our competitors:

Vibrant Digital Ecosystem Based on Fundamental Communication and Social Needs

We have built an integrated and vibrant digital ecosystem with social communications at its core to fulfil the expanding needs of our users and enterprise partners. We operate the largest communications and social community in China in terms of user base, with 1,439 million combined MAU of *Weixin* and *WeChat*.

Our flagship product, *Weixin*, satisfies the most fundamental communications and social needs of users. Messaging fulfills the perpetual social networking needs among friends, family and colleagues, and *Weixin*'s MAU and total time spent increased in 2025. Building upon *Weixin*'s core functionality, our thriving *Weixin* ecosystem is expanding rapidly through an open platform, which seamlessly connects users with products, services and content via *Video Accounts*, *Mini Programs*, *Mini Shops*, *Official Accounts* and *Weixin Search*. We pioneered and proliferated these programs, which complement our native mobile applications and materially enhance our user experience, enterprise relationships, and the development of our marketing, payment and business services.

Our thriving ecosystem continuously enhances value for users, merchants and advertisers, and content providers:

— **Users**: Users can interact and share via messaging and group chats, discover their desired content and services in *Moments*, *Weixin Search* and *Official Accounts*, upload videos to *Video Accounts* and share with other users, as well as enjoy products and services via *Mini Programs*.

— **Merchants and advertisers**: The seamless connections of our merchants and advertisers with users increase their operational efficiency, conversion rates and revenue opportunities. *Video Accounts*, *Mini Programs* and *Mini Shops* empower merchants and advertisers to effectively target a broader audience, increase user engagement and usage frequency, therefore converting user interactions into transactions and repeat sales. These platforms not only lower entry barriers and launch costs for developers and merchants, but also connect them with the broader non-app users within our digital ecosystem. *Mini Programs*' light and easy-to-access nature suits industries that require online-offline integration, and also provides a unique platform for complex apps to offer select popular functions and for low-frequency services to increase exposure. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and have achieved further growth in 2025.

— **Content providers**: Content providers also benefit from the close interactions with users and massive traffic, which help them expand audience reach and nurture the creation of high-quality content. We provide more targeted traffic support for creators in key categories, such as knowledge-based content, lifestyle and music, and have enhanced recommendation algorithms to prioritise original content. We also enriched our content offering in *Mini Programs* with increasingly popular *Mini Games*, whose monthly active user accounts exceeded 500 million in February 2026, and *Mini Dramas*.

We have deeply integrated marketing, payment and business services within our digital ecosystem platform. Through *Weixin Pay*, we enable users and merchants to settle transactions across our ecosystem. Seamless integration with *Weixin*, *Tencent Meeting* and *Tencent Docs* enables *WeCom* to become a core platform with enhanced collaboration and productivity.

We continue to introduce AI features within *Weixin* to enhance communication efficiency and content discovery for our users and as a result, this strengthens our value propositions to the merchants, advertisers and content providers on our platforms. For example, we deploy long-sequence large

model that enhances intelligence of content recommendation for *Video Accounts*, which was the second most popular short video service by DAU in China. Total time spent on *Video Accounts* grew over 20% year-on-year in 2025 and the first half of 2026. For *Mini Programs*, we upgraded developer toolkit architecture so users can better leverage AI plug-ins. Over time, AI agents can use *Mini Programs* code as AI skills, pre-built and context aware tools, within *Weixin*. We enhanced *Mini Shops* customer service and merchandise recommendation with large language model, driving higher sales conversion. In addition, we released prototype of *Xiaowei*, agentic AI which deliver embedded and context-aware AI experience in *Weixin*, leveraging *Weixin*'s existing distribution, social graph, and Mini Programs and payment infrastructure.

Effective Marketing Services With Improving ROI Driven by Ad Tech, User Engagement and Transaction Ecosystem

We have been powering our advertising technology platform with foundation model and generative AI capabilities which allow for a deeper understanding of merchandise and user interests, enabling better ad targeting and click-through rates and ultimately providing more value to advertisers. Generative AI also enables advertisers to create more ads more efficiently, with greater relevance to users. Our automated ad campaign management solution *AIM+* improved advertisers' return on marketing spending. *AIM+* powered approximately 30% of the total marketing services spending from our advertisers in first quarter of 2026.

Robust advertiser demand for *Video Accounts* has been a key driver behind the strong growth of our marketing services. *Video Accounts* have become an attractive platform for advertisers due to their growing popularity among users. With features like short-form video, live-streaming and user-generated content, *Video Accounts* appeal to a wide range of advertisers, from large-scale consumer brands to small and medium-sized enterprises, who can utilise our marketing tools to enhance content exposure, promote live streams and drive sales conversion.

We have been enhancing the transaction ecosystem within *Weixin*, which has contributed to the growth of closed-loop advertising. We direct a large amount of traffic from various touchpoints such as *Weixin Search*, *Moments* and *Video Accounts*, to advertisers' respective *Official Account*, *Mini Programs* and *Mini Shops*. Users can explore products and services by going through product catalogs or watching live-streams, complete the purchases through *Weixin Pay* and manage after-sales services, all within the *Weixin* ecosystem. This closed-loop model reduces the friction between ad exposure and purchase conversion, making it more appealing to advertisers, as they can track the entire customer journey more effectively from ad impression to conversion and optimise their marketing strategies accordingly.

Leading Global Game Platform With an Expanding Evergreen Games Portfolio and Growing Overseas Presence

Throughout our over 20-year journey with games, we have accumulated industry know-how, user insights, production and distribution capabilities. These strengths enable us to develop and operate many evergreen games across various genres, such as battle arena and action, and on mobile and PC platforms. In 2024, we expanded our evergreen games portfolio to 14 titles, while nurturing new games with evergreen potential. In recent years, we have solidified our leadership in our evergreen gameplay-focused games, launched several major new titles, achieved success in content-driven and casual games and further expanded our leadership in international markets.

In China, we have achieved success with our evergreen games with various vintages and further strengthened our leadership via new games with evergreen potential. We define evergreen games as those that surpass average quarterly DAU of 5 million for mobile or 2 million for PC and generate over RMB4 billion annual gross receipts. Our flagship evergreen games *Honour of Kings* and

Peacekeeper Elite have been in operation since 2015 and 2019, respectively, and remain highly popular and continue to achieve solid growth today. *Honour of Kings*, *Delta Force*, *Peacekeeper Elite* and *Roco Kingdom: World* ranked among the top five games by average quarterly DAU in the second quarter of 2026, according to QuestMobile.

We have extended our market leadership to international games markets. Our international games business has become an increasingly large contributor to revenue, contributing to 32% of games revenues in 2025. We grew our international business through in-house studios and collaborations with external partners via strategic investments and partnerships, and have achieved widespread popularity. In the second quarter of 2026, *Brawl Stars* was a top five mobile game by average quarterly DAU in international markets, according to Sensor Tower.

We continue to launch new games with evergreen potential, such as *Delta Force*, our first in-house developed multi-platform first-person shooter, which has recently qualified for the definition of an evergreen game. *Delta Force* ranked among the top three games by DAU in China in the fourth quarter of 2025, according to QuestMobile, and achieved lifetime high average DAU in the second quarter of 2026, demonstrating strong enduring potential.

We also leveraged generative AI in games to accelerate content production speed and scale, optimize the matching experience by enabling virtual teammates and providing more human-like interactions, enhance marketing for player acquisition and engagement and deliver more realistic graphics via AI rendering techniques.

Digital Content Powerhouse With Significant Monetisation Potential Arising From Self-Owned IPs

We are the leading player in the entire digital content value chain, from IP, production to distribution. We possess a rich, high-quality, differentiated IP and content library that spans across multiple formats, including video, music, audio, literature and comics. With our industry-leading production and distribution capabilities, we can develop these into highly popular digital content works, and then distribute to our massive user base. Our online literature, comics, music and game platforms nurture high quality IPs, while our studios including *New Classics Media* create and convert into premium video content. Our self-owned IPs pave the way for monetisation potential.

By driving synergies across our digital content services, we have significantly enhanced the value of our IP portfolio. We ranked first in music and video by paid subscription and first in literature by users' paid revenue as at 30 June 2026 in China, with these subscription revenues recurring in nature. Our fee-based VAS subscriptions[4] reached 259 million as at 30 June 2026.

We also leverage AI to improve productivity, boost content discovery, enhance content recommendation algorithms and offer personalised experiences. These initiatives enable us to better unlock the potential of our content platforms.

Solid and Expanding FinTech Platform With Prudent Risk Management

We have spent many years building our ubiquitous payment services, which set a solid foundation for our other FinTech services, with strict adherence to regulatory requirements and prudent risk management. Product upgrades have propelled our success in payment services. Over the years, we have launched a series of upgrades and deeply integrated payment services with our ecosystem, fulfilling both the lifestyle needs of users and the business needs of enterprises and merchants. We introduced *Weixin Palm Pay* in 2023, and expanded beyond the Chinese Mainland with a launch in Macau in September 2024. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based transaction tools and enhancing cross-border payment experience. The

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[4] Average daily number of subscriptions during the quarter.

daily average number of commercial payment transactions on *Weixin Pay* has exceeded 1 billion since the fourth quarter of 2019. Commercial payment revenue continued year-on-year growth, despite macro uncertainties, due to increasing numbers of transactions. Our payment business has structurally benefitted from synergies with *Mini Programs*, which provide online and offline solutions for merchants to reduce transaction friction and drive repeat sales.

Leveraging our robust payment platform, we facilitate the distribution of wealth management services as well as consumer loan products and services in collaboration with licensed financial institutions. For wealth management services, we have achieved a strong growth in aggregated customer assets, driven by an increase in users and average assets per user. As we prudently expand our FinTech business beyond payment, risk management continues to be our core strength and focus.

High Quality Revenue Growth Model Powers Sustainable Value Creation

Over the years, we have established a diversified and resilient revenue model encompassing both consumer and enterprise-facing businesses. This approach allows us to maintain resilience amidst economic cycles and capture opportunities during growth periods. We started with consumer-facing businesses, such as social networks, games and digital content, and expanded into enterprise-facing services, such as marketing services, FinTech, cloud and other business services. Our growing international presence, driven by our games and cloud businesses, provides an additional healthy stream of revenue from outside China.

We have consistently generated healthy cash flows from our operations and maintained positive operating cash flows since 2001, even through various economic cycles. A significant majority of our revenues are derived from micro-transactions or subscription revenues generated by our massive user base, which are recurring in nature. Consequently, our business is generally less affected by economic slowdowns and macro or industry headwinds. Since our first bond issuance in 2011, we have achieved 26 times revenue growth and 24 times Adjusted EBITDA growth by 2025, compared with 2011.

We strategically focus on high-quality growth, translating solid revenue growth into faster gross profit and Adjusted EBITDA growth by achieving positive revenue mix shift. In the last twelve months ended 30 June 2026, year-over-year growth in revenue, gross profit and Adjusted EBITDA reached 12%, 16% and 15%, respectively.

We bill and collect a significant amount of our revenues on a prepaid basis, which minimises our working capital needs and results in a high cash flow conversion ratio. For the last twelve months ended 30 June 2026, our operating cash flow increased 8% year-over-year to RMB305,848 million.

Solid Balance Sheet With Prudent Capital Management

We adopt a prudent balance sheet management strategy, and have maintained a strong and stable liquidity position alongside a significant investment portfolio. As at 30 June 2026, our cash and cash equivalents and term deposits and others in total amounted to RMB511.2 billion. The fair value of our shareholdings[5] in listed investee companies (excluding subsidiaries) amounted to RMB487.2 billion as at 30 June 2026, while the carrying book value of our shareholdings in unlisted investee companies (excluding subsidiaries) amounted to RMB387.9 billion as at 30 June 2026. In recent years, we have also diversified our debt funding mix with a broader spectrum of borrowing maturity mix and a diverse set of lending and relationship banks. For the last twelve months ended 30 June 2026, total debt/Adjusted EBITDA was 1.3x, Adjusted EBITDA/interest and related expense was 27.2x, and total debt/total capitalisation was 27.0%.

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

Stable Management Team With Proven Execution Track Record

We have a stable and seasoned senior management team with extensive operating experience in the Internet and technology industries, coupled with strong capabilities in developing and executing innovative business strategies. In addition to our core founders, we have recruited senior talents from leading global firms. We also have competitive training and career development plans in place to continuously build our teams. The collective experience of our management team combines local and international expertise, industry knowledge and complementary skill sets, which have led us to become a leading technology company. We believe our committed and experienced management team will continue to drive our success by creating value for users, enterprises and society.

OUR STRATEGIES

We have strategically shifted our focus into a "High Quality Revenue Growth Model" to support our continued economic value creation. Under this model, we aim to translate solid revenue growth into faster gross and operating profit growth by achieving positive revenue mix shift and delivering greater operating leverage for our existing core businesses. We remain focused to drive high quality revenue streams such as the *Video Accounts* ads, the search ads, value-added FinTech services, the eCommerce technology services fees, and our own games, which continue to grow faster than our overall revenue and contribute substantially higher margins than our blended margin. This approach provides us the capacity to reinvest this leverage for the exciting AI opportunity.

Our investment in AI is both a growth multiplier for our existing businesses and a new growth driver. We believe that in our core businesses, we are now a leader in leveraging AI to strengthen and accelerate growth. Use of AI is already showing positive initial results for our businesses, demonstrated by user engagement and revenue trends.

We aim to continue to implement the following strategies:

Develop New AI Capabilities and Products to Capture Exciting New Opportunities

We have assembled the compute infrastructure, model intelligence and human talent which we believe are preconditions to upgrade our services for the AI era, and to cultivate a virtuous feedback cycle for AI. Our AI strategy includes delivering agentic AI to consumers within the *Weixin* application, delivering agent-to-agent capabilities to merchants through *Mini Programs* and *TenPay* infrastructure, and delivering productivity AI to enterprises and prosumers via our productivity AI tools, *WorkBuddy* and *CodeBuddy*. Through these initiatives, we intend to expand our user base and use cases, add AI engagement to our user interactions, and create new monetization streams. Real-world usage arising from AI engagement, such as users entering prompts into our productivity AI tools, provides proprietary data that enables us to rapidly iterate our AI model intelligence and AI application capabilities.

We will continue to invest in our own family of foundation models. Our AI applications, especially our productivity AI tools, generate substantial and valuable user feedback, enabling us to better train our models and enhance their real world utility. Experience providing AI infrastructure in tandem with operating our own models lets us co-design our compute and models together, and thus drive down inference costs. Possessing our own models, which represent a substantial share of our customers' and our own usage, removes our reliance on any single external model provider and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding

capability. We will also focus on integrating multimodal capabilities to our flagship large language models, especially for 3D and video generation, where we see substantial paying customer demand from specific high value industries. Furthermore, we will customize lightweight flash models to further bring down the inference cost, enhancing cost performance to users.

We plan to unlock huge opportunities in productivity market, including coding and existing office work scenarios, with our productivity AI tools such as *WorkBuddy* and CodeBuddy. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys, and is generating revenue from users paying for tokens through subscriptions or top-ups. We are currently prioritizing market education and extending our leadership position, and we target to improve economics over time as we increase paying penetration, and reduce token costs through improvements in agent efficiency, inference efficiency, and model optimization. We believe productivity AI tools will become a franchise business , as context lock-in effect will bring up switching costs and build user loyalty.

We have begun a small-scale prototype test for *Xiaowei*, the agentic AI embedded within *Weixin*, and intended to enhance the growth and monetisation of the *Weixin* ecosystem with AI. We expect *Xiaowei* to contribute progressively to our revenues over time, through a number of monetization paths including higher advertising revenues driven by more relevant ad targeting, new enterprise revenue arising from providing agent-to-agent facilitation services to merchants and service providers, and increased activity velocity across the *Weixin* ecosystem, which we anticipate will generate additional advertising inventory and a greater volume of payment fee generating transactions. We are currently executing several initiatives to further elevate the *Xiaowei* user experience and then roll out to broader *Weixin* consumer and merchant user base.

For *Yuanbao*, our AI-native chatbot, we will continue to prioritize enhancements to its capabilities and user experience, particularly in search, speech recognition and text-to-speech functionality. The ongoing development of our AI products plays an important role in the co-design flywheel that enhances our *Hy* family of models.

We are accelerating AI integration into our cloud services by introducing a suite of autonomous AI agent products and tools, along with upgraded agent-related infrastructure. We increasingly allocate compute to Model-as-a-Service business, providing a range of models including our flagship *Hy* series to existing and new *Tencent Cloud* customers to meet their inference needs. We remain focused on strengthening our IaaS solutions, and enable enterprise customers to achieve high performance AI training and inference capabilities at scale. For PaaS, we continue to provide powerful solutions supporting enterprise customers and developers. Furthermore, we will focus on enhancing our AI-powered tools to expand and upgrade our SaaS products, enabling more AI functions to enhance user productivity.

For marketing services, we have been enhancing our ad tech platform with LLM capabilities, scaled-up foundation model and upgraded architecture for our runtime advertising recommendation model. For entertainment content, we are utilising generative AI to enhance the creation of high production value games, as well as improving content discovery and user experience for short form video and music.

We will continue to train foundation models, step up development of new AI-native products and support surging inference demand for core businesses. We sharpened our focus on both fast product innovation and deep model research, matching our stepped up execution momentum and decision making velocity. We will continue to invest in our own models and accelerate the development of AI applications across our business groups. Additionally, we are investing in marketing to build user awareness and promote the adoption of our AI native products. We believe these investments will yield good economic returns over time.

Enrich our Ecosystem Through Better User Engagement and Strengthening Transaction Capabilities

We believe that the depth of user engagement within our vast online communities is one of our key competitive advantages. Our goal is to further increase user engagement by enhancing their experience and connecting them to our broadening online and offline products and services. We will continuously enhance functionalities and enrich high-quality content across our various digital content platforms, including games, music and video in collaboration with third-party developers, merchants and content providers, and further integrate them to our ecosystem to enhance the holistic and differentiated social experience for our users.

We will continue to boost user engagement through *Video Accounts* by refining recommendation algorithms and providing more original and local content. Additionally, we will focus on emerging popular content such as *Mini Games* and *Mini Dramas*, to further enrich our platform's offerings.

We will continue to drive transactions within our *Weixin* ecosystem. We aim to provide more support for *Mini Shops* merchants to enrich product listings on our platforms and add features leveraging users' social graph to stimulate new and repeat transactions. We will also offer more monetisation support for *Video Accounts* creators, such as facilitating merchandise sales through live streaming and matching creators with brands for marketing campaigns. As a result, we aim to ramp up monetisation in higher-margin businesses such as *Video Accounts* marketing services and eCommerce technology services.

Moreover, there is still tremendous room to expand *Weixin* use case and consumption scenarios to increase utility values for users, merchants, advertisers and content providers. We are well positioned to capture business opportunities arising from the structural shift from offline to online through business and industry digitalisation. With our rich experience in empowering the digital transformation of many enterprises, we will continue to build up our vibrant ecosystem and connect users to a wide variety of online and offline content and services.

Leverage Our Technology Expertise and Operational Know-How To Expand Game and Cloud Businesses Internationally

Global expansion has been an important growth engine for us, and is integral to our long-term growth strategy. By leveraging our industry expertise, domestic operational excellence and strategic investments, we have achieved initial success in international expansion. Going forward, we plan to selectively assess and expand our overseas presence in order to capture additional growth opportunities.

We seek to maintain existing partnerships and establish new ones with leading global game companies. We target to release more evergreen games in international markets, utilising our strong in-house game development capabilities, expertise in operating large-scale games and events, as well as our global publishing and operation experience.

Cloud business also plays a pivotal role in our international expansion strategy. By leveraging *Tencent Cloud*'s technological capabilities in cloud computing, big data and AI, we will continue to establish a vast infrastructure network globally and offer reliable services to a wide range of enterprise customers worldwide.

BUSINESS OPERATIONS

Communications and Social Networks

We develop and provide a wide range of easy-to-use instant messaging and social networks, which primarily consist of *Weixin* and *QQ*. Through *Weixin* and *QQ*, we operate the largest communication and social community in China in terms of user base. The basic features of our social network services are generally provided for free. We generate revenues from membership privileges and subscriptions of a diverse and comprehensive range of digital content services such as literature, video and music, as well as from virtual item sales. We intend to improve user activeness and interaction through enhancements in content, functionalities, diversity of third-party applications and online and offline member privileges.

Weixin

Our *Weixin* ecosystem consists of an open platform centered around *Weixin Chat*, extending connectivity with services including *Video Accounts, Mini Shops, Mini Programs*, *Official Accounts, Moments* and *Weixin Search*. As at 30 June 2026, the combined monthly active user accounts of *Weixin* and *WeChat* exceeded 1.4 billion. *Weixin* has increasingly become a hub of mobile connectivity in which we connect our users, enterprises, merchants, advertisers and content providers with access to a wide variety of online and offline content and services. We have integrated AI into *Weixin* and *WeChat* to optimize core features such as information retrieval and analysis, content consumption, video sharing, merchandise recommendation and customer service. To deliver an embedded and context-aware AI experience within *Weixin*, we have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*.

Video Accounts are a separate ID-based, short-form content creation product to enable video uploads and sharing to a public audience of informative and educational content, as well as live streaming, offered to users through enhanced social and algorithmic recommendations and traffic support. *Video Accounts* also enable merchants and content providers to broaden their audience reach and drive transactions, especially via links to *Mini Programs* and *Mini Shops*. We aggregate content providers' digital assets within *Weixin*, supported by *Official Accounts* and *Mini Programs* to reinforce branding and facilitate user engagement and transactions. We also link public and private domains to provide a unique channel for businesses to acquire and manage customers efficiently. By deploying a longer-sequence AI model that captures broader user signals, we have enhanced our video recommendation algorithm to drive higher user engagement and more effective content distribution. In addition, we have introduced the *@Yuanbao* feature in video accounts comment boxes, allowing users to effortlessly generate summaries of content and explore follow-up questions. Total time spent on *Video Accounts* grew over 20% year-on-year in the second quarter of 2026, benefitting from enriched content, upgraded interactive features and introduction of a new multi-variable content ranking system.

Mini Shops is a platform for indexed and standardised merchandise, where merchants can operate virtual shops, while leveraging *Weixin* social interactions, content services and payment capabilities. *Mini Shops* not only enables customisable design and development but also provides a secure and efficient transaction experience. We introduce features on *Mini Shops* to deepen integration with *Weixin*'s ecosystem, such as enabling merchants to port a SKU library from *Mini Programs* and unify loyalty programs across platforms, encouraging users to share products and shops with friends on *Weixin* and *Moments*, and extending the gifting feature from *Mini Shops* to *Mini Programs, Video Accounts* and *Official Accounts*. We also introduced new promotional features to help merchants enhance brand awareness and drive product discovery, and upgraded incentives to support customer retention and lifetime value. We enhanced merchandise recommendation with foundation model capabilities to deepen understanding of user interests based on content consumption within *Weixin* ecosystem, driving higher sales conversions in *Mini Shops*. We monetise via technology services fees collected on *Mini Shops* transactions.

Mini Programs connect online and offline services with users on *Weixin*. Service providers and developers utilise the feature of mini-programs on the *Weixin* platform that cater to their business needs and targeted user demographics. Service providers benefit from the increased traffic arising from integration in *Mini Programs* and conversion of user interactions into transactions and repeat sales. *Mini Programs* provides access to a wide range of use cases embedded to cater to various demands of users, including *Mini Games*. Total GMV facilitated by *Mini Programs* exceeded RMB8 trillion in 2024 and has achieved further growth in 2025. We upgraded *Mini Programs* developer toolkit architecture, so users can better leverage AI plug-ins, such as *CodeBuddy*, to create and debug mini programs more efficiently. We will, over time, enable *Mini Programs* code to evolve into tools or skills for AI agents to use within *Weixin*. *Xiaowei*, our agentic AI prototype in *Weixin*, leverages the unique *Mini Programs* ecosystem to help users discover products, make purchase decisions and place orders, laying the groundwork for agent-to-agent transaction capabilities.

Within *Mini Programs*, *Mini Games* are game features that are embedded in *Weixin* with a large variety of genres. Users may also engage in social interactions, make in-app purchases and share game achievements with friends. *Mini Games* are also an important part of our social networks and marketing services businesses. Powered by technical upgrades such as broader compatibility with advanced game engines, improved image rendering and reduced load times, *Mini Games* bolsters user engagement and contributes to the overall conversion of users interactions into monetisation across the platform. The total gross receipts from *Mini Games* increased 20% year-on-year in the second quarter of 2025.

Official Accounts allow individuals, media and businesses to share original content and engage with readers/customers, which strengthens brand awareness and enhance content management. We introduced AI-powered citation to content, enabling users to activate contextual AI commentary on related information when reading articles on *Official Accounts*. *Weixin Service Accounts* provide companies and organisations with powerful business services and user management capabilities to quickly reach and better serve users. *Weixin Subscription Accounts* provide media and individuals with a new way of posting stories and information, which innovates author-reader interaction and content management.

Moments allow users to share videos, photos and articles and interact with friends. We enabled sharing live streaming to broaden information-sharing channels and facilitate one-to-many user interactions. We also launched *Status* for *Weixin* users to share current emotions and thoughts and connect with like-minded friends.

Weixin Search offers a comprehensive search feature enabling users to seamlessly access personal content, content and services within the *Weixin* ecosystem and across the web. It helps users discover products and services and direct them to eventually complete the transactions in *Mini Programs* or *Mini Shops*. *Weixin Search* has become an increasingly popular search tool, with over 100 million DAU in 2023. *Weixin Search* overall query volume grew at a rapid rate due to AI enhancement to search results, and increased 25% year-on-year in the first quarter of 2026, benefitting from LLM-powered ranking and broadening AI search coverage to include image-based queries.

QQ

QQ is one of our communication and social services and allows users to send and receive instant messages and interact in the *QQ* community. It allows users to meet new friends and establish new social circles based on location and interests. In addition, through the *QQ client*, our users can have access to a variety of our services such as *QQ Mail*, *Qzone, WeGame, QQ Music* and *QQ Reading*.

Digital Content

We operate leading digital content services offering a broad range of high-quality IPs and content. We have curated popular IPs and created appealing content based on these IPs to attract paying users, extending our IP value across various forms, such as video, music, literature and anime. Across our digital content offerings, we utilise AI to enhance production workflow efficiency, generate visually compelling special effects, and distribute media through intelligent content recommendations.

Through *China Literature*, we incubate original IPs from a Chinese language online literature platform, which are subsequently adapted on a range of digital entertainment mediums, including comics, animation, film, TV series, web series, games, short dramas and AI-animated dramas. We offer a wide range of literature content on *China Literature*'s platforms. We create and promote IPs mainly through *QQ Reading* and *Qidian*, as well as our studios, including *New Classics Media*, a renowned film and TV drama series production house in China. We distribute and develop literature content through a variety of self-owned/operated and third-party channels so as to enhance IP value. We operate a freemium model where we typically offer the beginning chapters of a literary work for free and then monetise via a pay-as-you-read and subscriptions model. We are integrating AI into various formats such as audiobooks, radio dramas, animation and videos to further accelerate the development of our IP. We introduced AI-powered tools to support writing, plot development, and

inspiration for content creation, including the *Buddy* series of AI agents purpose-built for the creative content industry. Our AI translation models have accelerated global spread of Chinese literary works through our international reading platform, with over 30,000 AI-translated titles available on *WebNovel*, contributing to our overseas expansion.

We provide self-commissioned and licensed long-form video content from domestic and overseas content providers through *Tencent Video*, including drama series, movies, variety shows, animation and documentaries. Eight of *Tencent Video*'s self-commissioned animated series ranked top ten industry wide by video views in the first quarter of 2026. We operate a freemium model and content sales model, and offer subscription plans which provide users with access to premium content and a range of added features. We have established a huge subscriber base with drama series developed from *China Literature* IPs and produced internally.

Through TME, we offer music streaming services in China. We operate four major music mobile applications, i.e. *QQ Music*, *Kugou Music*, *WeSing* and *Kuwo Music*, through which we provide online music and social entertainment services to address the diverse music entertainment needs of a massive audience in China. The recent acquisition of Ximalaya, a leading online audio company, broadens TME's audio content formats and strengthens the content supply relationship between *China Literature* and Ximalaya, and provides users with new content formats such as audiobooks and podcasts. We licence music content from several domestic and overseas music labels, including Sony Music Group, Universal Music Group and Warner Music Group. We also support independent artists to produce quality music content and enable them to reach an extensive user base. We have created a wide variety of use cases for our users, including listening to streaming music, watching music videos, participating in fan-based activities and games, as well as singing along with the music. We operate a freemium model and content sales model, and also offer subscription plans which provide users with access to premium content and a range of added features. In addition, we enhance user activity and engagement through the sale of virtual items. We are incorporating AI technology across our product offerings to enhance music content creation, production, discovery and recommendation.

Games

We are a leading global game platform offering a wide variety of domestic and international games across multiple channels including mobile, PC and console, covering a variety of popular genres such as MOBA, tactical shooters and role playing games. We have developed and continue to develop multiple evergreen games, which surpassed average quarterly DAU of 5 million for mobile or 2 million for PC, and generated over RMB4 billion annual gross receipts, across different genres. Our flagship evergreen games *Honour of Kings*, *Peacekeeper Elite*, *Delta Force* and *Fight of the Golden Spatula* ranked among the top five games by average quarterly DAU in the first quarter of 2026, according to QuestMobile. We have also achieved proven success in content-driven games such as *Naruto Mobile,* and *Roco Kingdom: World*.

Our games revenues are derived primarily from sales of virtual items, such as avatars and accessories, that enhance gameplay experience, as well as season passes and copy sales. These in-game items primarily allow players to personalise the appearance of a game character. Our game monetisation strategy is also empowered by marketing activities across our e-sports engagement and game communication collaboration. We expand value creation through e-sports tournaments which attract large-scale audience to enhance popularity of our marketing offerings. We collaborate closely with game communities and influencers to drive marketing activities that expand content reach. By leveraging community and influencer partnerships, we extend the lifecycle of our games, stimulate in-game spending and deepen the bond between users and our products and services.

We have strong in-house development capabilities, demonstrated by our highly acclaimed in-house games in a variety of genres such as MOBA (*Honour of Kings, League of Legends, Brawl Stars*), tactical tournament (*PUBG MOBILE* and *Peacekeeper Elite*), tactical shooter (*VALORANT*), extraction shooter (*Delta Force*), real-time strategy (*Clash Royale*) and creature collecting

open-world RPG (*Roco Kingdom: World*). We are also the partner of choice for game publishers due to our leading distribution capabilities in China and globally. We work with other major game developers and operators from China and overseas, and customised and localised their games to suit the culture and needs of the Chinese market.

We also leveraged AI technologies in games to optimise matching experience, improve game balance and facilitate AI coaching for new players, empowering our evergreen games strategy. Our games business is increasingly deploying generative AI to accelerate 3D asset production and animation. We enrich core gameplay experience with AI features such as virtual teammates in PvP games and realistic non-player characters in PvE games. We also use generative AI to facilitate new user acquisition and existing user retention through measures such as targeted ads and personalised daily highlight reels.

Marketing Services

We offer a wide spectrum of marketing services through our social networks, such as *Video Accounts*, *Moments*, *Mini Programs*, *Official Accounts* and *Weixin Search*, as well as our content platforms, such as video, music, news and our games inventories.

In addition to leveraging our own advertising inventories, we also operate a mobile advertising network to help third-party advertisers to reach targeted audience and promote their products and services. We have introduced a content marketing mutual selection platform, *Weixin Creator Marketplace*, where advertisers can collaborate with a large number of KOLs, influencers and content creators to promote their products and services. We also organise eSports tournaments and events which attract large viewers, creating significant opportunities for brand exposure and adding unique value to our marketing services.

Our continued investment in AI technology for marketing services enabled us to enhance our targeting capability and increase our advertising monetisation efficiency, thereby achieving a revenue growth rate which exceeded industry average. We have embedded large model capabilities in our advertising system to enable the analysis of long-sequence user behavior across multiple properties, while improving the advertising ranking mechanism to drive higher engagement and click-through rates. The integration of large language model capabilities further enhanced efficiency by accelerating advertising content approval, improving merchandise categorisation, and better identification of user commercial intent. These advancements also automated and scaled creative production for advertisers, leading to improved targeting accuracy and cost efficiency. In 2025, we scaled up our advertising foundation model and introduced our automated ad campaign solution, *AIM+*, under which advertisers can automate targeting, bidding and placement. In 2026, we further upgraded *AIM+* with end-to-end execution capabilities for advertisers, enabling automated product selection, ad creative generation and dynamic bidding. We also significantly scaled up our ad AI recommendation system to capture user interests with more granularity and improve conversions. *AIM+* powered approximately 30% of total marketing services spending from our advertisers in the first quarter of 2026.

Leveraging our ongoing adtech enhancements, closed-loop marketing solutions within *Weixin* ecosystem, mobile network distribution and innovative content marketing formats, we provide merchants and brands with effective marketing solutions to optimise their return on marketing spending, which in turn help us to generate sustainable revenue growth in marketing services.

FinTech Services

Our FinTech services primarily consist of payment and FinTech products which cover wealth management, consumer loan and other FinTech value-added services. We have spent many years building a solid base for FinTech services in the form of our widely used payment services, with straight adherence to regulatory requirement and careful risk management. We have strengthened our payment ecosystem by improving user security, refining *Mini Programs*-based tools and enhancing the

cross-border transaction experience. Leveraging this solid base, we also provide products and services by collaboration with licensed financial institutions. Furthermore, we utilise lightweight AI models to enhance credit scoring processes and facilitate fraud detection, contributing to us sustaining better than industry nonperforming loan rates.

Payment

We provide support and mobile payment solutions to connect merchants and consumers through *Weixin Pay*, a consumer-facing mobile payment tool with expanding use cases. *Weixin Pay* services are available in 78 markets and support transactions in 36 currencies as at 31 December 2025. Daily average number of commercial payment transactions on *Weixin Pay* exceeds 1 billion since the fourth quarter of 2019. Our *Weixin Pay* platform goes beyond a payment tool, but also serves as a comprehensive solution that supports everyday utilities functions, such as processing fare and utilities bill and other consumer services. As we provide our users with a frictionless experience for completing either online or offline transactions, our commercial payment transaction volume is growing rapidly and diversifying from large merchants to small to mid-sized offline merchants. We collect take rate from merchants on commercial transactions and also cash withdrawal fees and credit card repayment charges collected from users. Our robust payment system provides high-level payment security, service reliability and transaction speed. For commercial payment, the number of transactions grew year-on-year in the second quarter of 2026, while the decline in value per transaction continued to narrow.

Other FinTech Services

We offer a wide spectrum of financial services such as wealth management, consumer loan and other FinTech value-added services. Our *Weixin Pay* provides a channel for financial institutions to distribute FinTech products. For wealth management service, the products are primarily low-risk money market funds. This generates high margin fee income from a large, growing pool of aggregated customer assets. Our consumer lending facilitation services is a distribution channel primarily for licensed financial institutions to originate short-term consumption related loans to our payment service users. Our lightweight FinTech AI models have enhanced credit scoring process to further reduce non-performing loan rates. Our insurance service provider, *WeSure*, has cooperated with licensed financial institutions to offer a range of products covering life, health and auto insurance, among others.

Business Services

We provide enterprises and developers with a suite of cloud services, including IaaS (such as compute, networking and storage), PaaS (such as database, audio and video cloud solutions, security) and SaaS (such as *Tencent Meeting*, *WeCom* and *Tencent Docs*), as well as other enterprise-facing services. Building upon our advanced cloud and AI technologies, top-tier foundation model *Hy*, we have built a holistic ecosystem which offers a comprehensive suite of business products and services.

Cloud Services

Through *Tencent Cloud*, we provide global infrastructure coverage and leading cloud services to games and live broadcast sectors. Combining our advanced security, data analytics and artificial intelligence technologies, we have built an expanding portfolio of cloud products and customised industry solutions, accelerating our expansion in different industries. We charge usage-based billings or services fees on IaaS, PaaS and SaaS and technology solutions from enterprise customers. We have begun to more rapidly add compute capacity and are now making a portion available through Tencent Cloud to paying external customers on a Model-as-a-service basis. Revenue from *Tencent Cloud* increased at a rate of low-twenties percentage year-on-year in the second quarter of 2026, driven by AI-related demand, international expansion, increased usage and pricing for general cloud services.

We embed AI agents across our productivity software to autonomously complete multi-step tasks such as taking notes, summarising concurrent meetings for users, and generating intelligent summaries of customer service histories for merchants. Our enterprise software product *WeCom* was the most popular CRM software by revenue in China and *Tencent Meeting* was the most popular video conferencing software by user time and revenue in China.

The enterprise version of *Tencent Meeting* has gained access to key accounts in the energy, healthcare and education industries. We also offered new conference room solutions via *Tencent Meeting Rooms* and *Connector*, which are compatible with our users' existing equipment and facilitate high-quality, real-time communication. We have deepened the integration between *Weixin* and *WeCom* to facilitate customer management and sales conversion, and millions of enterprises use *WeCom* to support flexible work arrangements. We introduced multiple cooperation models to grow partnerships with OA application vendors and leverage synergies with *Tencent Cloud*. For *Tencent Docs*, we strengthened integration with other software to expand its use cases.

AI TECHNOLOGIES

We apply AI technology across key areas of our businesses to improve user experience and support the growth of enterprise partners. Our proprietary foundation model, *Hy*, launched in 2023, is equipped with strong Chinese creation capabilities, logical reasoning capabilities and reliable task execution capabilities. Since launch, we have continued to iterate and upgrade *Hy*, expanding its context understanding depth and deepening integration with our platforms to deliver higher performance and accuracy. We will continue to invest in our own family of foundation models. With user feedback derived from our applications, especially via productivity AI tools, we have the opportunity for *Hy* family to become one of the leading model families in China in terms of intelligence, delivering context-aware assistance, and drive down the inference cost. With our own model taking an increasing share of the work done in our applications over time, we can reduce reliance on any single third-party model and capture more margin along the value chain.

We have established a fast, cost-efficient model-iteration system that enables us to capture multiple AI revenue-generating opportunities emerging from our applications. Going forward, we will continue to develop much larger models to meet higher-end enterprise needs, including advanced coding capability. We will also focus on enhancing our foundation models with multimodal capabilities to capture demand for vertical use cases, such as 3D and video generation. Furthermore, we will customize lightweight models to further bring down the inference cost, enhancing cost performance to users.

Our productivity AI agent solutions, *WorkBuddy* and *CodeBuddy,* are designed to enhance efficiency across coding and office work scenarios. *WorkBuddy* is a one-stop workspace that coordinates with multiple agents to handle complex tasks end-to-end. Users can control tasks remotely via *Weixin* and *WeCom* or directly via PC, access over 100,000 skills from Tencent Cloud's *SkillHub*, and execute transactions through embedded *Weixin Pay* functionality. *WorkBuddy* and *CodeBuddy* have been experiencing fast user growth with high retention rates and growing paid adoption through subscriptions and token consumption top-ups. *WorkBuddy* ranked first among PC-based AI-native office agents in China by monthly interactions in June 2026, according to Analysys Tencent applications that are already widely used within and by enterprises such as *Weixin*, *WeCom* and *Tencent Meeting*, provide a foundation for *WorkBuddy* to monetise enterprise relationships over time.

Our long-term technology strategy focuses on the development of agentic AI in productivity AI and consumer-facing AI, expanding our foundation model capabilities beyond simple conversational interfaces toward autonomous task execution. These agents are integrated directly into our core communication platforms, *Weixin* and *QQ*, to automate software engineering and complex administrative tasks right where our users interact. According to industry survey, *Weixin* and *WeCom* are the most used gateways for controlling agentic AI. *Weixin* and *WeCom* are gateways of 45% and 36% surveyed Claw users for controlling agentic AI, respectively. We have begun a small-scale prototype test for *Xiaowei*, the agentic AI inside *Weixin*, leveraging Weixin's existing distribution, social graph, and Mini Programs and payment infrastructure. *Xiaowei* is powered by a customised

model, *WeLM*, built for user privacy, *Weixin*-specific use cases and cost efficiency. *Xiaowei* is designed to help users navigate content and services within the *Weixin* ecosystem and leverage *Mini Programs* to help users discover products, make purchase decisions and place orders. We are integrating AI capabilities into *Weixin* on a cost-controlled basis, with the objective of enhancing growth and monetization across the *Weixin* ecosystem.

Hy also serves as the foundation model for our AI chatbot, *Yuanbao*, which offers users capabilities such as intelligent search, content creation, image processing and document summarisation and provides access to proprietary high-quality content from the Tencent ecosystem. We are focused on improving *Yuanbao*'s capabilities and user experience, particularly in search, automatic speech recognition and text-to-speech. Over time, functionalities developed through *Yuanbao* can be applied across other products including *WorkBuddy*, *CodeBuddy* and *Weixin*, while its conversational use cases also generate feedback that contributes to the improvement of *Hy* models. Enterprise customers can utilise *Hy* in our cloud via APIs or MaaS, for functions such as coding, data analysis and customer service automation.

We continue to accelerate the integration of AI across enterprise-facing services by leveraging a full stack of IaaS, PaaS, and SaaS capabilities. On the IaaS level, our *Hyper Computing Cluster* delivers high-performance AI training and inference with low latency and elastic scalability. On the PaaS level, our *TI Platform* supports fine-tuning and inference, and the *Tencent Cloud Agent Development Platform* empowers enterprises to build tailored customer service and coding assistants with proprietary data. Additionally, *Tencent CloudBase* enhances developer productivity by enabling natural language-driven creation of mini programs and mobile apps. On the SaaS level, *Tencent Meeting* now provides AI-powered transcription, recording and automated summaries, and *Tencent Docs* boosts efficiency in documentation and content generation.

CORPORATE OPERATIONS

Intellectual Property

We regard our patents, copyrights, trademarks and other intellectual property as critical to our success. We rely primarily on a combination of patent, trademark, copyright, trade secret and other intellectual property-related laws and contractual restrictions to establish and protect our intellectual property rights. We require that substantially all of our employees enter into agreements requiring them to keep confidential all proprietary and other confidential information relating to our customers, methods, technology, business practices and trade secrets, and such obligations shall survive the expiration or earlier termination of their employment with us. Our employees are required to acknowledge and recognise that all inventions, trade secrets, works of authorship, developments and other processes, whether or not patentable or copyrightable, made by them during their employment are our property. We have independently developed key software used in our business and have registered a number of these software copyrights. As at 30 June 2026, we had over 55,000 issued patents that cover our self-developed key technologies and infrastructure.

Despite our precautions, it may be possible for third parties to obtain and use our intellectual property without our authorisation. Furthermore, the validity, enforceability and scope of protection of intellectual property rights in the Internet and telecommunications-related industries are uncertain and still evolving. Infringement and misappropriation of our intellectual property could materially harm our business. We have been, and may in the future be, subject to intellectual property lawsuits or other legal proceedings and also be involved as an applicant or opposing party in several administrative actions involving trademark disputes.

We have registered domain names, including "*qq*.com" and "tencent.com", with the Internet Corporation for Assigned Names and Numbers and the domain names "tencent.com.cn" and "tencent.cn" with CNNIC, a domain name registration organisation in China. In addition, we have registered over 11,000 domain names with various domain name registration services as at 30 June 2026.

Our "*QQ (stylised)*" mark, the "*penguin*" device, the "*Weixin*" and "*WeChat*" marks and many associated marks have been registered as trademarks in various classes in China, Hong Kong and other jurisdictions. We have also registered our "*QQ (stylised)*" mark and the "*penguin*" device in various classes in jurisdictions including the United States, Japan, Hong Kong, Singapore, India, Malaysia and the European Union. In addition, a series of "*QQ*" marks, the "penguin" device and the "*Weixin*" and "*WeChat*" marks have also been registered as copyrighted artworks in China.

We licence our trademarks from time to time to increase our brand recognition and further penetrate the consumer market in China. We have licenced the *QQ* brand to manufacturers of various products, including electronic and consumer goods products. Our trademarks have also appeared along with trademarks of other corporate entities for joint marketing, co-branding and merchandising initiatives.

Research and Development

We believe that our ability to develop technology and Internet, mobile and online entertainment applications has been a key factor in the success of our business. To maintain and enhance our leadership position, we will need to continue to invest in research and development in order to enhance our services and products. Research and development expenses constituted 11%, 11%, 11%, 11% and 12% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively. Our self-developed technologies include communication technologies, social and other interactive technologies. We also licence some services and technologies from third parties such as database technology and audio/video codec technology. We have established an in-house research institute and an integrated customer research and user experience design centre. We will continue to develop our core technologies in-house and when required, licence technology from third parties.

Our R&D strategy continues to be supported by the rebuilding of our large language model team, alongside a comprehensive redesign of our pre-training and reinforcement learning frameworks from the ground up to optimize our infrastructure. In 2026, these efforts culminated in the launch of the *Hy3* preview large language model, followed by the full *Hy3* production version, which has quickly become a leading reasoning model in China and top-ranked on OpenRouter token measure for its cost-efficiency and utility in real-world deployment. Moving forward, our R&D efforts are focused on scaling toward larger parameter models, utilizing higher-quality datasets and advanced reinforcement learning to continuously enhance context understanding and agentic capabilities across our ecosystem.

Sales and Marketing

We believe that our large *Weixin* and *QQ* user base in themselves are key drivers of our business growth, as many Internet users in China seek to join an established and vibrant online community. We market our value-added services primarily through our products and portals. In our online community, "word of mouth" is important as positive feedback from users can be quickly communicated by various channels, including *QQ* and *Weixin*. Selling and marketing expenses constituted 6%, 6%, 6%, 5% and 6% of our total revenues for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

Our sales and marketing efforts are supported by a network of sales and marketing teams throughout China. We conduct a variety of online and offline marketing and promotion activities, including joint marketing activities with telecommunications operators and device manufacturers, in-game promotional events, marketing and advertisements on our portals. Going forward, we will further enhance our position as a mainstream digital content service provider in China. For sales and marketing in the international market, we will also utilise both online and offline marketing and promotional activities to enhance our brand awareness.

Employees

The number of employees employed by us varies from time to time, depending on needs. Our employee count was approximately 116,000 as at 30 June 2026. Most of our employees are based in China.

The remuneration policy and package of our employees is 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. Our total remuneration costs were RMB107,675 million, RMB112,826 million, RMB130,699 million, RMB64,979 million and RMB64,518 million (US$9,509 million) for the years ended 31 December 2023, 2024 and 2025, and the six months ended 30 June 2025 and 2026, respectively.

All of our management and key executives, and substantially all of our other employees, have entered into employment agreements with us, which contain confidentiality and non-competition provisions.

Insurance Coverage

Insurance companies in China offer limited business insurance products and do not, to our knowledge, offer business liability insurance. While business interruption insurance is available to a limited extent in China, we have determined that the risks of disruption, cost of such insurance and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to subscribe for such insurance. As a result, we do not have any business liability, disruption or litigation insurance coverage for our operations in China. Any business disruption or litigation, or any liability or damage to, or caused by, our facilities or our personnel may result in our incurring substantial costs and the diversion of resources. We carry mandatory automobile liability insurance and property insurance.

Competition

The competitive landscape of the technology industry is dynamic. Our competitors for providing value-added services are mainly Internet companies that offer various social, video, live streaming, games and other online entertainment, communications and eCommerce services. We also compete with other companies that provide marketing services through display, search and content advertising as well as advertising networks. As we expand our FinTech and Business Services, we also face competition from other technology or financial service providers. With the advent of disruptive technology, we also face potential competition from AI native companies, including players in generative and agentic AI, foundation models and AI native applications. We aim to compete by continuing to invest in talent and technologies that bring quality products and services to improve our user experiences.

Legal Proceedings

From time to time, we have become and may in the future become a party to various legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property claims, breach of contract claims, unfair competitive practice claims, labour and employment claims and other matters. Internet media companies are frequently involved in litigation based on allegations of infringement or other violations of intellectual property rights and other allegations based on the content available on their website or services they provide.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") INITIATIVES

Sustainability is vital to the development of our strategy and operations, and we strive to integrate social responsibility into our products and services. We execute our Environmental, Social and Governance strategy through our corporate risk management process, which manages existing ESG issues and monitors emerging risks, while integrating sustainable social value creation into our daily operations and product development.

Environmental

Driven by enhanced energy efficiency, accelerated transition to green electricity and supply chain decarbonisation, we stay firmly on course to meet our carbon targets. Year-over-year, we enhanced the Power Usage Effectiveness performance of owned data centres from 1.257 to 1.246. The share of green electricity consumption increased from 49.8% to 82.9% in owned data centres and from 3.8% to 21.4% in leased data centres. These initiatives enabled us to maintain our decarbonisation progress despite rising AI-related power demand, with carbon intensity in 2025 reduced by 24.4% against the 2021 base year.

With the application of AI in species identification, we enabled field researchers to improve the efficiency and accuracy of data collection while facilitating public participation in urban ecological observation. These efforts were recognised as one of the 2025 Exemplary Cases for Business Biodiversity Conservation by the Centre for Environmental Education and Communications of China's Ministry of Ecology and Environment.

Social

We are committed to advancing technological inclusivity. Beyond physical accessibility, we expanded our scope to cognitive health with our new, clinically validated training software. Within the *Nearby Jobs* Mini Program, we have introduced a dedicated section for people with disabilities, integrating approximately 3,000 job openings certified by China Disabled Persons' Federation Employment Service Platform.

We supported social innovation and philanthropic initiatives to advance the United Nations Sustainable Development Goals. The Xplorer Prize and the New Cornerstone Investigator Program have provided long-term and stable funding to over 430 outstanding scientists. In 2025, our annual Giving for Good initiative generated 530 million engagements in philanthropic activities.

Governance

We formalised our commitment to Responsible AI principles, which are anchored in our Tech for Good mission and govern the ethical development and deployment of AI across our businesses and operations. *Tencent Cloud* obtained additional security certifications in key markets and attained ISO 42001 AI management systems certification. We further strengthened privacy governance by establishing a group-level Personal Information Protection Committee.

In business ethics, our anti-fraud and compliance management systems received international and Chinese certifications. We joined the Sustainable Value Chain Leaders Alliance initiated by the United Nations Global Compact and launched an ESG training course on our supplier portal.

In 2025, our efforts in sustainability development were recognised with inclusion in major ESG indices, improvements in ESG ratings, such as an MSCI rating upgrade from BBB to A, and ESG awards.

The sub-section entitled "*General Regulation on Internet and Telecommunications Industries — Regulations Relating to Intellectual Property*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Copyright

The Copyright Law of the PRC (著作權法), adopted in 1991 and revised in 2001, 2010 and 2020, together with its implementing rules (著作權法實施條例), promulgated in 2002 and revised in 2011 and 2013, protects copyright and explicitly covers computer software copyrights. On 20 December 2001, the State Council promulgated the new Regulations on Computer Software Protection (計算機軟件保護條例), which became effective from 1 January 2002 and were revised in 2011 and 2013, which are intended to protect the rights and interests of computer software copyright holders and encourage the development of the software industry and information economy. The Provisional Measures on Voluntary Registration of Works (作品自願登記試行辦法), promulgated by National Copyright Administration of the PRC on 31 December 1994 and effective on 1 January 1995, further provide for a voluntary registration system to be administered by the National Copyright Administration and its local branches. In the PRC, software developed by PRC citizens, legal persons or other organisations is automatically protected by copyright immediately after its development without an application or approval. The Copyright Protection Centre of China may provide a certificate of registration to registrants, which may serve as preliminary evidence of the ownership of the copyright and other registered matters. On 20 February 2002, the National Copyright Administration of the PRC introduced the Measures on Computer Software Copyright Registration (計算機軟件著作權登記辦法), as amended in 2004, which outlines the application procedures for software copyright registration, licence contract registration and transfer contract registration.

On 18 May 2006, the State Council promulgated the Regulations on Protection of the Right of Dissemination through Information Networks (信息網絡傳播權保護條例) ("**Protection Regulations**"), which became effective on 1 July 2006 and were amended on 30 January 2013 and further became effective on 1 March 2013. The Protection Regulations require that any organisation or individual who disseminates a third party's work, performance, audio or visual recording products to the public through information networks shall obtain permission from and pay compensation to the legitimate copyright owner of such products, unless otherwise provided under relevant laws and regulations. The legitimate copyright owner may take technical measures to protect his or her right to disseminate through information networks and any organisation or individual shall not intentionally avoid, destroy or otherwise assist others in avoiding or destroying such protective measures unless permissible under law.

On 17 December 2012, the PRC Supreme People's Court promulgated the Provisions of the PRC Supreme People's Court on Several Issues Concerning the Application of Law in Hearing Civil Dispute Cases Involving Infringement of the Right of Communication to the Public on Information Networks (最高人民法院關於審理侵害信息網絡傳播權民事糾紛案件適用法律若干問題的規定), which took effect on 1 January 2013, and were further amended on 29 December 2020 and became effective on 1 January 2021. This judicial interpretation aims to solve disputes in connection with the infringement of the right of communication through the Internet and protect lawful rights in this respect. This rule places the burden on Internet service providers to take necessary measures to remove not only links or contents that have been specifically mentioned in the notices of infringement and preliminary evidence of infringement from rights holders, but also links or contents that they "should have known" link to infringing content. The interpretation further provides that where an Internet service provider has directly obtained economic benefits from any contents made available by an Internet user, it has a higher duty of care with respect to Internet users' infringement of third-party copyrights.

On 4 November 2016, SAPPRFT issued the Circular on Strengthening the Copyright Administration of Internet Literary Works (關於加強網絡文學作品版權管理的通知), which became effective on the same day. Pursuant to the circular, Internet service providers who provide literary works through information networks and render relevant network services shall: (i) strengthen the copyright supervision and administration, establish a sound infringing works handling mechanism, and fulfil the obligation to protect the copyright of Internet literary works according to the law; (ii) establish a copyright complaint mechanism, actively accept complaints from right holders and resolve the legitimate demands of rights holders in a timely manner according to the law; and (iii) delete infringing works and disconnect the relevant links within 24 hours after receipt of such notices and complaints from rights holders.

On 29 April 2005, GAPP and MIIT issued the Measures on Administrative Protection of Internet Copyright (互聯網著作權行政保護辦法) which became effective on 30 May 2005. Pursuant to the measures, if an Internet information service provider clearly knows of an Internet content provider's tortious act of infringing upon other's copyright through Internet, or fails to take measures to remove relevant contents after receipt of the copyright owner's notice although it does not know it clearly, and meanwhile such tortious act damages public benefits, the copyright administration department may order the service provider to stop the tortious act, and may impose the following administrative penalties: (i) confiscation of the illegal proceeds; and (ii) imposing a fine of not more than 3 times the illegal business amount; if the illegal business amount is difficult to be calculated, a fine of not more than RMB100,000 may be imposed.

On 17 April 2015, SAPPRFT issued the Circular on Regulating the Order of Internet Reproduction of Copyrighted Works (關於規範網絡轉載版權秩序的通知), which became effective on the same day. Pursuant to the circular: (i) Internet media shall comply with the relevant provisions of copyright laws and regulations, and must acquire permission from and pay remuneration to the copyright owners, and shall indicate the name of the author, as well as the name and the source of the work, except as otherwise provided by laws and regulations; (ii) Internet media shall not make any substantial revision to the contents of the works when reproducing other people's works; (iii) SAPPRFT shall encourage press and Internet media to establish a cooperation mechanism for Internet reproduction; and (iv) the copyright administrative departments at various levels shall strengthen the supervision of copyrights of Internet media.

On 19 August 2026, the PRC Supreme People's Court issued the Interpretation of the Supreme People's Court on Several Issues Concerning the Application of Law in the Trial of Copyright Civil Dispute Cases (《最高人民法院關於審理著作權民事糾紛案件適用法律若干問題的解釋》), which took effect on 1 September 2026. The amendments: (i) further clarify the standard for determining "making available to the public" by removing the requirement that publication be made "by the copyright owner or with the copyright owner's permission", thereby confirming that works disclosed due to infringement also constitute publication; (ii) refine the rules for fair use by expanding the scope of "public places" from "outdoor public places" to "public places" (consistent with the 2020 Copyright Law amendment) while adding a proviso that the person who copies, draws, photographs or video-records artworks in public places may re-use their results in a reasonable manner and scope, but may not set up, display or publicly disseminate the works in the same manner without the copyright owner's permission; and (iii) clarify the scope of statutory licence for periodical reprinting by specifying that "newspapers and periodicals" refer to paper newspapers and periodicals approved for publication by the competent authorities and their digitised versions with identical content and layout, and that mutual reprinting between newspapers/periodicals and Internet information service providers, or among Internet information service providers, does not fall within the scope of statutory licence and requires the copyright owner's permission and payment of remuneration.

Patent

The SCNPC adopted the Patent Law (專利法) in 1984, and amended it in 1992, 2000, 2008 and 2020. To further enforce the Patent Law, the State Council promulgated the Implementing Rules of the

Patent Law (專利法實施細則) in 2001, as amended in 2002, 2010 and 2023. The purpose of the Patent Law together with its implementing rules is to protect the lawful interests of patent holders, encourage invention, foster applications of invention, enhance innovative capabilities and promote the development of science and technology. Patentable inventions can be divided into three categories: invention, utility models and designs. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, substances obtained by means of nuclear transformation or a design which identifies the patterns or colors or a combination of both patterns and colors of graphic print products.

The Patent Office, under the China National Intellectual Property Administration (CNIPA), is responsible for receiving, examining and approving patent applications. The amended Patent Law provides for a term of twenty years for invention patents, fifteen years for design patents (extended from ten years by the 2020 amendment), and ten years for utility models. A third-party user must obtain consent or a proper licence from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights.

Trademark

The Trademark Law of the PRC (商標法), adopted in 1982 and revised in 1993, 2001, 2013 and 2019, together with its implementing rules (商標法實施條例), promulgated in 2002 and amended in 2014, protects registered trademarks. The China National Intellectual Property Administration (CNIPA) is responsible for trademark registrations. The Trademark Law has adopted a "first-to-file" principle with respect to trademark registration. Upon the registration of a trademark, the applicant will have the right to exclusive use of the trademark for ten years. Registered trademark licence agreements must be recorded with CNIPA. The newly revised Trademark Law, adopted on 26 June 2026 and will take effect on 1 January 2027, strengthens regulations against malicious trademark registration, trademark squatting and hoarding, and increases penalties for trademark agencies that assist in bad faith trademark filings.

Domain Name

Internet domain name registration and related matters are primarily regulated by Implementation Rules of National Top Level Domain Name Registration (國家頂級域名註冊實施細則) issued by CNNIC on 18 June 2019 which replaced the Implementing Rules on Registration of Domain Names (域名註冊實施細則), which became effective on 5 June 2009, as amended on 28 May 2012, and the Measures on National Top Level Domain Name Disputes Resolution (國家頂級域名爭議解決辦法) issued by CNNIC on 18 June 2019, which became effective on the same day. These regulations provide that domain name registrations will be handled through domain name service agencies and that applicants become domain name holders upon successful domain name registration. In July 2001, the PRC Supreme People's Court issued the Judicial Interpretation on Certain Issues Concerning the Application of Laws in the Trial of Cases Involving Civil Disputes over Computer Network Domain Names (最高人民法院關於審理涉及計算機網絡域名民事糾紛案件適用法律若干問題的解釋) as further amended on 29 December 2020 and effective on 1 January 2021 to clarify certain issues involved in civil disputes in registration and use of computer network domain names. On 24 August 2017, MIIT promulgated Measures on Administration of Domain Names (互聯網域名管理辦法), which took effect on 1 November 2017. Pursuant to Measures on Administration of Domain Names, MIIT shall supervise the domain names services nationwide and publicise PRC's domain name system. Furthermore, Measures on Administration of Domain Names adopts a "first-to-file" rule to allocate domain names to applicants.

The section entitled "*Description of Other Material Indebtedness*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

DESCRIPTION OF OTHER MATERIAL INDEBTEDNESS

The following summary of the principal terms of the instruments governing our material indebtedness does not purport to be a complete description of all of the terms of these instruments and may not contain all of the information that may be important to prospective investors. Investors should read the consolidated financial statements included elsewhere in this Offering Circular for additional information about our indebtedness.

As at 30 June 2026, our borrowings and notes payable included in current liabilities were RMB86,292 million (US$12,718 million) and nil, respectively, and borrowings and notes payable included in non-current liabilities were RMB212,650 million (US$31,341 million) and RMB154,021 million (US$22,700 million), respectively. As at 30 June 2026, our total borrowings included in current liabilities and non-current liabilities both comprised RMB bank borrowings, EUR bank borrowings, JPY bank borrowings, HKD bank borrowings, as well as U.S. dollar bank borrowings. As at 30 June 2026, our notes payable comprised the 2028 Notes, the 2029 Notes, the 2030 Notes, the TME 2030 Notes, the September 2030 Notes, the 2031 Notes, the 2035 Notes, the September 2035 Notes, the 2036 USD Notes, the 2036 CNY Notes, the 2038 Notes, the 2041 Notes, the 2046 USD Notes, the 2049 Notes, the 2050 Notes, the 2051 Notes, the September 2055 Notes, the 2056 CNY Notes, the 2060 Notes and the 2061 Notes.

U.S. Dollar Bank Borrowings, JPY Bank Borrowings, EUR Bank Borrowings, HKD Bank Borrowings and RMB Bank Borrowings

The aggregate principal amounts of short-term USD, HKD and RMB bank borrowings as at 30 June 2026 were US$30 million, HKD15,980 million and RMB70,731 million, respectively. Applicable interest rates are at 3.70% for USD bank borrowings, HIBOR + 0.08% ~ 0.10% for HKD bank borrowings, and 0.75% ~ 3.50% and 1-year LPR - 0.70% ~ - 0.30% for RMB bank borrowings per annum.

The aggregate principal amounts of long-term USD, JPY, EUR, HKD and RMB bank borrowings as at 30 June 2026 were US$6,900 million, JPY193 million, EUR2,080 million, HKD12,402 million and RMB140,506 million, respectively. Applicable interest rates are at SOFR + CAS + 0.80% for USD bank borrowings, 0.60% ~ 1.36% and TIBOR + 1.70% for JPY bank borrowings, EURIBOR + 0.70%~ 0.75% for EUR bank borrowings, HIBOR + 0.25% ~ 0.60% for HKD bank borrowings, 2.52% ~ 3.10%, 1-year LPR - 0.65% ~ + 0.15%, and 5-year LPR - 0.85% for RMB bank borrowings per annum.

These USD, JPY, EUR and HKD bank borrowings were entered into by certain offshore subsidiaries as borrowers, under which they have agreed to certain customary covenants relating to, among other things, securities over their assets, disposals of their assets and mergers and acquisitions. These bank borrowings contain certain customary events of default, including breaches of terms of the facilities agreement, any events or circumstances that result in a materially adverse change in the business or financial condition of the borrower, borrower's dissolution and insolvency, misleading statements or material omissions, cessation of all or a material part of the borrower's business, change in ownership of the borrower and cross defaults under other loans. The banks are entitled to demand immediate repayment of all or part of the outstanding loans and any accrued interest upon the occurrence of an event of default.

These USD, EUR and HKD bank borrowings are generally guaranteed by the Company.

2028 Notes

On 19 January 2018, we issued the 3.595% Senior Notes due 2028 in an aggregate principal amount of US$2,500 million for general corporate purposes under the Programme. The 2028 Notes were issued at a price of 99.975% of the aggregate principal amount. Interest on the 2028 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2028 Notes will mature on 19 January 2028. The 2028 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2028 Notes are set forth in the relevant pricing supplement.

2029 Notes

On 11 April 2019, we issued the 3.975% Senior Notes due 2029 in an aggregate principal amount of US$3,000 million for general corporate purposes under the Programme. The 2029 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2029 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2029 Notes will mature on 11 April 2029. The 2029 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2029 Notes are set forth in the relevant pricing supplement.

2030 Notes

On 3 June 2020, we issued the 2.390% Senior Notes due 2030 in an aggregate principal amount of US$2,250 million for refinancing and general corporate purposes under the Programme. The 2030 Notes were issued at a price of 99.973% of the aggregate principal amount. Interest on the 2030 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2030 Notes will mature on 3 June 2030. The 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2030 Notes are set forth in the relevant pricing supplement.

TME 2030 Notes

On 3 September 2020, TME issued the 2.000% Notes due 2030 in an aggregate principal amount of US$500 million for general corporate purposes. The TME 2030 Notes were issued at a price of 99.595% of the aggregate principal amount. Interest on the TME 2030 Notes will be payable semi-annually in arrears on 3 March and 3 September of each year. The TME 2030 Notes will mature on 3 September 2030. The TME 2030 Notes are constituted by, are subject to and have the benefit of an indenture dated 3 September 2020.

September 2030 Notes

On 23 September 2025, we issued the 2.10% Senior Notes due 2030 in an aggregate principal amount of CNY2,000 million for general corporate purposes under the Programme. The September 2030 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2030 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2030 Notes will mature on 23 September 2030. The September 2030 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2030 Notes are set forth in the relevant pricing supplement.

2031 Notes

On 22 April 2021, we issued the 2.880% Senior Notes due 2031 in an aggregate principal amount of US$500 million for refinancing and general corporate purposes under the Programme. The 2031 Notes were issued at a price of 99.991% of the aggregate principal amount. Interest on the 2031 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2031 Notes will mature on 22 April 2031. The 2031 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2031 Notes are set forth in the relevant pricing supplement.

2035 Notes

On 15 July 2015, we issued the 4.700% Senior Notes due 2035 in an aggregate principal amount of US$100 million for general corporate purposes under the Programme. The 2035 Notes were issued at a price of 99.359% of the aggregate principal amount. Interest on the 2035 Notes will be payable semi-annually in arrears on 15 January and 15 July of each year. The 2035 Notes will mature on 15 July 2035. The 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2035 Notes are set forth in the relevant pricing supplement.

September 2035 Notes

On 23 September 2025, we issued the 2.50% Senior Notes due 2035 in an aggregate principal amount of CNY6,000 million for general corporate purposes under the Programme. The September 2035 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2035 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2035 Notes will mature on 23 September 2035. The September 2035 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2035 Notes are set forth in the relevant pricing supplement.

2036 USD Notes

On 16 June 2026, we issued the 5.00% Senior Notes due 2036 in an aggregate principal amount of US$1,750 million for general corporate purposes under the Programme. The 2036 USD Notes were issued at a price of 99.689% of the aggregate principal amount. Interest on the 2036 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2036 USD Notes will mature on 16 June 2036. The 2036 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 USD Notes are set forth in the relevant pricing supplement.

2036 CNY Notes

On 16 June 2026, we issued the 2.50% Senior Notes due 2036 in an aggregate principal amount of CNY11,000 million for general corporate purposes under the Programme. The 2036 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2036 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2036 CNY Notes will mature on 16 June 2036. The 2036 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2036 CNY Notes are set forth in the relevant pricing supplement.

2038 Notes

On 19 January 2018, we issued the 3.925% Senior Notes due 2038 in an aggregate principal amount of US$1,000 million for general corporate purposes under the Programme. The 2038 Notes were issued at a price of 99.959% of the aggregate principal amount. Interest on the 2038 Notes will be payable semi-annually in arrears on 19 January and 19 July of each year. The 2038 Notes will mature on 19 January 2038. The 2038 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 24 April 2015 in connection with the Programme. The terms and conditions applicable to the 2038 Notes are set forth in the relevant pricing supplement.

2041 Notes

On 22 April 2021, we issued the 3.680% Senior Notes due 2041 in an aggregate principal amount of US$900 million for refinancing and general corporate purposes under the Programme. The 2041 Notes were issued at a price of 99.972% of the aggregate principal amount. Interest on the 2041 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2041 Notes will mature on 22 April 2041. The 2041 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2041 Notes are set forth in the relevant pricing supplement.

2046 USD Notes

On 16 June 2026, we issued the 5.60% Senior Notes due 2046 in an aggregate principal amount of US$700 million for general corporate purposes under the Programme. The 2046 USD Notes were issued at a price of 99.571% of the aggregate principal amount. Interest on the 2046 USD Notes will be payable semi-annually in arrears on 16 June and 16 December of each year. The 2046 USD Notes will mature on 16 June 2046. The 2046 USD Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2046 USD Notes are set forth in the relevant pricing supplement.

2049 Notes

On 11 April 2019, we issued the 4.525% Senior Notes due 2049 in an aggregate principal amount of US$500 million for general corporate purposes under the Programme. The 2049 Notes were issued at a price of 99.967% of the aggregate principal amount. Interest on the 2049 Notes will be payable semi-annually in arrears on 11 April and 11 October of each year. The 2049 Notes will mature on 11 April 2049. The 2049 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 1 April 2019 in connection with the Programme. The terms and conditions applicable to the 2049 Notes are set forth in the relevant pricing supplement.

2050 Notes

On 3 June 2020, we issued the 3.240% Senior Notes due 2050 in an aggregate principal amount of US$2,000 million for refinancing and general corporate purposes under the Programme. The 2050 Notes were issued at a price of 99.943% of the aggregate principal amount. Interest on the 2050 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2050 Notes will mature on 3 June 2050. The 2050 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2050 Notes are set forth in the relevant pricing supplement.

2051 Notes

On 22 April 2021, we issued the 3.840% Senior Notes due 2051 in an aggregate principal amount of US$1,750 million for refinancing and general corporate purposes under the Programme. The 2051 Notes were issued at a price of 99.965% of the aggregate principal amount. Interest on the 2051 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2051 Notes will mature on 22 April 2051. The 2051 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2051 Notes are set forth in the relevant pricing supplement.

September 2055 Notes

On 23 September 2025, we issued the 3.10% Senior Notes due 2055 in an aggregate principal amount of CNY1,000 million for general corporate purposes under the Programme. The September 2055 Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the September 2055 Notes will be payable semi-annually in arrears on 23 March and 23 September of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The September 2055 Notes will mature on 23 September 2055. The September 2055 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the September 2055 Notes are set forth in the relevant pricing supplement.

2056 CNY Notes

On 16 June 2026, we issued the 3.10% Senior Notes due 2056 in an aggregate principal amount of CNY4,000 million for general corporate purposes under the Programme. The 2056 CNY Notes were issued at a price of 100.00% of the aggregate principal amount. Interest on the 2056 CNY Notes will be payable semi-annually in arrears on 16 June and 16 December of each year, subject to adjustment in accordance with the Modified Following Business Day Convention. The 2056 CNY Notes will mature on 16 June 2056. The 2056 CNY Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 15 September 2025 in connection with the Programme. The terms and conditions applicable to the 2056 CNY Notes are set forth in the relevant pricing supplement.

2060 Notes

On 3 June 2020, we issued the 3.290% Senior Notes due 2060 in an aggregate principal amount of US$750 million for refinancing and general corporate purposes under the Programme. The 2060 Notes were issued at a price of 99.934% of the aggregate principal amount. Interest on the 2060 Notes will be payable semi-annually in arrears on 3 June and 3 December of each year. The 2060 Notes will mature on 3 June 2060. The 2060 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2060 Notes are set forth in the relevant pricing supplement.

2061 Notes

On 22 April 2021, we issued the 3.940% Senior Notes due 2061 in an aggregate principal amount of US$1,000 million for refinancing and general corporate purposes under the Programme. The 2061 Notes were issued at a price of 99.960% of the aggregate principal amount. Interest on the 2061 Notes will be payable semi-annually in arrears on 22 April and 22 October of each year. The 2061 Notes will mature on 22 April 2061. The 2061 Notes are constituted by, are subject to and have the benefit of an amended and restated trust deed dated 25 May 2020 in connection with the Programme. The terms and conditions applicable to the 2061 Notes are set forth in the relevant pricing supplement.

The section entitled "*General Information*" of the Offering Circular shall be replaced with the following and the defined terms herein shall have the same meaning as in the Offering Circular:

GENERAL INFORMATION

1. Listing

Application has been made to the SEHK for the listing of the Programme under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of the Offering Circular. The issue price of Notes listed on the SEHK will be expressed as a percentage of their nominal amount. Notes to be listed on the SEHK are required to have a denomination of at least HK$500,000 (or equivalent in other currencies).

2. Authorisation

The establishment and the update of the Programme and the issue of the Notes thereunder were authorised by resolutions of the board of directors of the Issuer passed on 28 March 2014, 21 April 2015, 21 March 2018, 28 March 2021 and the committee resolutions dated 11 September 2025, 25 May 2026 and 23 September 2026 duly passed by all members of a committee of the board of directors of the Issuer (established by the board of directors of the Issuer pursuant to the written resolutions passed by the board of directors of the Issuer dated 28 March 2021). The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

3. Auditor

The Issuer's audited consolidated financial statements as at and for the years ended 31 December 2024 and 2025, which are included elsewhere in this Offering Circular, have been audited by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board ("**IAASB**") as stated in its reports appearing herein.

The Issuer's unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026, which are incorporated by reference into this Offering Circular, have been reviewed by PricewaterhouseCoopers, Certified Public Accountants, the independent auditor of the Issuer, in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the IAASB.

4. No Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the business of the Group since 30 June 2026.

5. Documents on Display

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Issuer at Tencent Binhai Towers, No. 33 Haitian 2nd Road, Nanshan District, Shenzhen, 518054, the PRC and the specified office of the Principal Paying Agent at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for so long as the Notes are capable of being issued under the Programme:

(i) the memorandum and articles of association of the Issuer;

(ii) the audited consolidated financial statements of the Group for the years ended 31 December 2024 and 2025;

(iii) the unaudited interim condensed consolidated financial information as at and for the six months ended 30 June 2026;

(iv) copies of the latest annual report and audited annual consolidated financial statements, and any unaudited interim condensed consolidated financial statements published subsequently to such audited annual financial statements, of the Group;

(v) each Pricing Supplement (save that a Pricing Supplement relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area and the United Kingdom nor offered in the European Economic Area or in the United Kingdom in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or the POATRs will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and identity);

(vi) a copy of this Offering Circular together with any supplement to this Offering Circular;

(vii) the amended and restated Trust Deed dated 15 September 2025 (which contain the forms of the Notes in global and definitive form);

(viii) the amended and restated Issue and Paying Agency Agreement dated 15 September 2025;

(ix) the amended and restated Dealer Agreement dated 8 June 2026; and

(x) the Programme Manual.

6. Clearing of the Notes

The Notes have been accepted for clearance through the Euroclear and Clearstream systems (which are the entities in charge of keeping the records). We may also apply to have Notes accepted for clearance through the CMU Service. The relevant CMU instrument number will be set out in the relevant Pricing Supplement. In addition, we may make an application for any Restricted Notes or DTC Unrestricted Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Notes will be confirmed in the relevant Notes. The relevant ISIN, the Common Code, the Committee on the Uniform Security Identification Procedure ("**CUSIP**") number and (where applicable) the identification number for any other relevant clearing system for each series of Notes will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be set out in the relevant Pricing Supplement.

7. Cayman Islands Data Protection

The Issuer has certain duties under the Data Protection Act (As Revised) of the Cayman Islands (the "**DPA**") based on internationally accepted principles of data privacy.

Prospective investors should note that, by virtue of making investments in the Notes and the associated interactions with the Issuer and its affiliates and/or delegates, or by virtue of providing the Issuer with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Issuer and its affiliates and/or delegates with certain personal information which constitutes personal data within the meaning of the DPA. The Issuer shall act as a data controller in respect of this personal data and its affiliates and/or delegates, may act as data processors (or data controllers in their own right in some circumstances).

By investing in the Notes, the Noteholders shall be deemed to acknowledge that they have read in detail and understood the Privacy Notice set out below and that such Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Notes.

Oversight of the DPA is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPA by the Issuer could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Privacy Notice Introduction

The purpose of this notice is to provide Noteholders with information on the Issuer's use of their personal data in accordance with the DPA.

In the following discussion, "Issuer" refers to the Issuer and its affiliates and/or delegates, except where the context requires otherwise.

Investor Data

By virtue of making an investment in the Issuer and a Noteholder's associated interactions with the Issuer (including any subscription (whether past, present of future), including the recording of electronic communications or phone calls where applicable) or by virtue of a Noteholder otherwise providing the Issuer with personal information on individuals connected with the Noteholder as an investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents), the Noteholder will provide the Issuer with certain personal information which constitutes personal data within the meaning of the DPA ("**Investor Data**"). The Issuer may also obtain Investor Data from other public sources. Investor Data includes, without limitation, the following information relating to a Noteholder and/or any individuals connected with a Noteholder as an investor: name, residential address, email address, contact details, corporate contact information, signature, nationality, place of birth, date of birth, tax identification, credit history, correspondence records, passport number, bank account details, source of funds details and details relating to the Noteholder's investment activity.

In the Issuer's use of Investor Data, the Issuer will be characterised as a "data controller" for the purposes of the DPA. The Issuer's affiliates and delegates may act as "data processors" for the purposes of the DPA.

Who this Affects

If a Noteholder is a natural person, this will affect such Noteholder directly. If a Noteholder is a corporate investor (including, for these purposes, legal arrangements such as trusts or exempted limited partnerships) that provides the Issuer with Investor Data on individuals connected to such Noteholder for any reason in relation to such Noteholder's investment with the Issuer, this will be relevant for those individuals and such Noteholder should transmit the content of this Privacy Notice to such individuals or otherwise advise them of its content.

How the Issuer May Use a Noteholder's Personal Data

The Issuer, as the data controller, may collect, store and use Investor Data for lawful purposes, including, in particular:

(i) where this is necessary for the performance of the Issuer's rights and obligations under any subscription agreements or purchase agreements;

(ii) where this is necessary for compliance with a legal and regulatory obligation to which the Issuer is subject (such as compliance with anti-money laundering, beneficial ownership transparency or FATCA or the Common Reporting Standard requirements); and/or

(iii) where this is necessary for the purposes of the Issuer's legitimate interests and such interests are not overridden by the Noteholder's interests, fundamental rights or freedoms.

Should the Issuer wish to use Investor Data for other specific purposes (including, if applicable, any purpose that requires a Noteholder's consent), the Issuer will contact the applicable Noteholders.

Why the Issuer May Transfer a Noteholder's Personal Data

In certain circumstances the Issuer and/or its authorised affiliates or delegates may be legally obliged to share Investor Data and other information with respect to a Noteholder's interest in the Issuer with the relevant regulatory authorities such as the Cayman Islands Monetary Authority, the competent authority for purposes of the Beneficial Ownership Transparency Act (As Revised) of the Cayman Islands or the Tax Information Authority. They, in turn, may exchange this information with foreign authorities, including tax authorities.

The Issuer anticipates disclosing Investor Data to others who provide services to the Issuer and their respective affiliates (which may include certain entities located outside the Cayman Islands or the European Economic Area), who will process a Noteholder's personal data on the Issuer's behalf.

The Data Protection Measures the Issuer Takes

Any transfer of Investor Data by the Issuer or its duly authorised affiliates and/or delegates outside of the Cayman Islands shall be in accordance with the requirements of the DPA.

The Issuer and its duly authorised affiliates and/or delegates shall apply appropriate technical and organisational information security measures designed to protect against unauthorised or unlawful processing of Investor Data, and against accidental loss or destruction of, or damage to, Investor Data.

The Issuer shall notify a Noteholder of any Investor Data breach that is reasonably likely to result in a risk to the interests, fundamental rights or freedoms of either such Noteholder or those data subjects to whom the relevant Investor Data relates.