INTRODUCTION

Tencent uses technology to enrich the lives of Internet users. Every day, hundreds of millions of people communicate, share experiences, consume information and seek entertainment through our integrated platforms. Tencent's diversified services include QQ, Weixin/WeChat for communications; Ozone for social networking; QQ Game Platform for online games; QQ.com and Tencent News for information and Tencent Video for video content.

Tencent seeks to evolve with the Internet by investing in innovation, providing a mutually beneficial environment for partners, and staying close to users.

Connection Strategy

For Merchants
- Access to large user base
- Unified user log-in enables CRM and targeted advertising
- Online payment facilitates transactions

For Users
- Always connected
- Access to rich mix of content, services, and transactions
- Control multiple smart devices

For Tencent
- Deepen user stickiness via broadened product offering
- Increase traffic conversion through transactions and advertising
- Tap into new markets unlocked by mobile Internet

Strengthening Smart Phone Games Franchise
Unlocking Social Advertising Opportunities
Cultivating Premium Content Adoption
Making Life More Convenient via Internet+
**KEY PLATFORMS UPDATE**

- **QQ IM**
  - #1 online community
  - Total MAU at 877m, up 5% YoY
  - Smart devices MAU at 658m, up 9% YoY

- **Weixin & WeChat**
  - #1 smart phone community
  - MAU at 762m, up 39% YoY

- **Qzone**
  - #1 SNS
  - Smart devices MAU at 588m, up 4% YoY

- **Online Games Platform**
  - #1 in multiple genres across PC and Smart Phone

- **News**
  - #1 mobile app
  - #1 PC portal

- **Video**
  - #1 by mobile video views

- **Mobile Security**
  - #1 by MAU

- **Mobile Browser**
  - #1 by MAU

- **App Store**
  - #1 by MAU

---

**OUR BUSINESS MODEL**

**Value Added Services**
- Social Networks: monthly subscription + item purchases
- Online Games: monthly subscription + item purchases

**Online Advertising**
- Brand: CPD + CPM
- Performance: CPC + CPA

**Others**
- Online payment: charge rate

---

Tencent Holdings Ltd

Headquarters address: Tencent Building, Kejizhongyi Avenue, Huaqiang Park, Nanshan District, Shenzhen, 518057, P.R. China

Email: info@tencent.com  Website: www.tencent.com  Weixin Official Account: Tencent_R
Financial Performance

Revenue Breakdown

* Other revenue included eCommerce transactions since 1Q15 and Tencent Cloud since 1Q16.

Non-GAAP Profits andMargins

RMB billion

Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th>RMB million</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>38,747</td>
<td>53,549</td>
<td>95,845</td>
<td>151,440</td>
</tr>
<tr>
<td>Current assets</td>
<td>36,509</td>
<td>53,686</td>
<td>75,321</td>
<td>155,378</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>75,256</strong></td>
<td><strong>107,235</strong></td>
<td><strong>171,166</strong></td>
<td><strong>306,818</strong></td>
</tr>
<tr>
<td>Total equity</td>
<td>42,148</td>
<td>58,463</td>
<td>82,124</td>
<td>122,100</td>
</tr>
<tr>
<td>Non-current liabilities</td>
<td>12,443</td>
<td>15,505</td>
<td>39,007</td>
<td>60,312</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>20,665</td>
<td>33,267</td>
<td>50,035</td>
<td>124,406</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>33,108</strong></td>
<td><strong>48,772</strong></td>
<td><strong>89,042</strong></td>
<td><strong>184,718</strong></td>
</tr>
<tr>
<td><strong>Total liabilities &amp; equity</strong></td>
<td><strong>75,256</strong></td>
<td><strong>107,235</strong></td>
<td><strong>171,166</strong></td>
<td><strong>306,818</strong></td>
</tr>
</tbody>
</table>

CAPEX, FCF and Net Cash

<table>
<thead>
<tr>
<th>RMB million</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating CAPEX</td>
<td>2,688</td>
<td>3,450</td>
<td>2,674</td>
<td>3,917</td>
</tr>
<tr>
<td>Non-operating CAPEX</td>
<td>1,805</td>
<td>2,349</td>
<td>2,044</td>
<td>3,792</td>
</tr>
<tr>
<td><strong>Total CAPEX</strong></td>
<td><strong>4,493</strong></td>
<td><strong>5,799</strong></td>
<td><strong>4,718</strong></td>
<td><strong>7,709</strong></td>
</tr>
<tr>
<td>Free cash flow</td>
<td>15,249</td>
<td>19,250</td>
<td>27,959</td>
<td>36,554</td>
</tr>
<tr>
<td>Net cash</td>
<td>27,381</td>
<td>36,218</td>
<td>22,758</td>
<td>19,114</td>
</tr>
<tr>
<td>Dividends**</td>
<td>1,108</td>
<td>1,468</td>
<td>1,761</td>
<td>2,640</td>
</tr>
</tbody>
</table>

**Dividends paid to the Company's shareholders**
### MILESTONES

**2015**
- Jan: Strategic partnership with Bitauto
- Mar: Moody upgraded credit rating to A2 with stable outlook
- Apr: S&P upgraded credit rating to A with stable outlook
- Jun: Fitch published A+ credit rating with stable outlook
- Sep: Established Tencent Penguin Pictures and Tencent Pictures
- Sep: Mobile payment user accounts bound with bank cards surpassed 200 million

**2014**
- Feb: Strategic partnership with Diapong
- Mar: Strategic partnership in eCommerce business with JD.com
- Mar: Strategic partnership with Netmarble Games
- Mar: Moody upgraded credit rating to A3 with stable outlook
- Apr: QQ IM peak simultaneous online user accounts exceeded 200 million
- Jun: Strategic partnership with 58.com
- Aug: Founded a JV with Wanda Group and Baidu
- Sep: Strategic partnership with DXY
- Oct: Strategic partnership with We Doctor Group

**2013**
- Jan: Weixin & WeChat registered user accounts exceeded 300 million
- Jun: S&P upgraded credit rating to A- and cnAA
- Aug: Launched game centers on Mobile QQ and Weixin
- Sep: Invested and formed strategic cooperation in search area with Sogou

**2012**
- Apr: Strategic investment in Kakao
- Jun: Strategic Investment in Epic Games
- Dec: Weixin & WeChat registered user accounts surpassed 200 million

**2011**
- Mar: QQ IM peak simultaneous online user accounts exceeded 100 million
- Apr: Invested in DST/Mail.ru in Russian speaking markets
- Aug: Invested in Sanook in Thailand

**2010**
- Jan: Launched mobile social communication service — Weixin
- Jan: Established Tencent Collaboration Fund
- Feb: Invested in Riot Games in the United States
- Mar: Launched video portal v.qq.com
- Jun: Launched open platform strategy
- Jul: Invested in Kingsoft and its subsidiary Kingsoft Internet Security Software
- Nov: Moody’s and S&P assigned Baa1 and BBD+ credit ratings

**2008**
- Jun: Became a constituent of Hong Kong’s Hang Seng Index

**2007**
- 2006
- 2005
- 2004
- 2003
- 2002
- 2001
- 2000
- 1999
- 1998