

For Immediate Release**TENCENT ANNOUNCES 2020 FOURTH QUARTER AND ANNUAL RESULTS**

Hong Kong, March 24, 2021 – Tencent Holdings Limited (“Tencent” or the “Company”, 00700.HK), a leading provider of Internet value added services in China, today announced the unaudited consolidated results for the fourth quarter of 2020 (“4Q2020”) and the audited consolidated results for the year ended December 31, 2020 (“FY2020”).

4Q2020 Key Highlights

Revenues: +26% YoY, non-IFRS¹ profit attributable to equity holders of the Company: +30% YoY

- **Total revenues** were RMB133,669 million (USD20,486 million²), an increase of 26% over the fourth quarter of 2019 (“YoY”).
- **On a non-IFRS basis**, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:
 - **Operating profit** was RMB38,084 million (USD5,837 million), an increase of 26% YoY. Operating margin was broadly stable at 28%.
 - **Profit for the period** was RMB34,454 million (USD5,280 million), an increase of 29% YoY. Net margin was broadly stable at 26%.
 - **Profit attributable to equity holders of the Company** for the quarter was RMB33,207 million (USD5,089 million), an increase of 30% YoY.
 - **Basic earnings per share** were RMB3.494. **Diluted earnings per share** were RMB3.413.
- **On an IFRS basis**:
 - Operating profit was RMB63,713 million (USD9,765 million), an increase of 123% YoY. Operating margin increased to 48% from 27% last year.
 - Profit for the period was RMB59,369 million (USD9,099 million), an increase of 165% YoY. Net margin increased to 44% from 21% last year.
 - Profit attributable to equity holders of the Company for the quarter was RMB59,302 million (USD9,089 million), an increase of 175% YoY.
 - Basic earnings per share were RMB6.240. Diluted earnings per share were RMB6.112.
- **Total cash** were RMB259,507 million (USD39,772 million) at the end of the quarter.

FY2020 Key Highlights

Revenues: +28%, non-IFRS profit attributable to equity holders of the Company: +30%

- **Total revenues** were RMB482,064 million (USD73,881 million), an increase of 28% over 2019.
- **On a non-IFRS basis**, which is intended to reflect core earnings by excluding certain one-time and/or non-cash items:
 - **Operating profit** was RMB149,404 million (USD22,898 million), an increase of 30% YoY. Operating margin was largely stable at 31%.
 - **Profit for the year** was RMB126,983 million (USD19,461 million), an increase of 30% YoY. Net margin was stable at 26%.
 - **Profit attributable to equity holders of the Company** for the year was RMB122,742 million

¹ Non-IFRS adjustments (formerly referred as non-GAAP) excludes share-based compensation, M&A related impact such as net (gains)/losses from investee companies, amortisation of intangible assets and impairment provision/(reversals), as well as income tax effects.

² Figures stated in USD are based on USD1 to RMB6.5249

(USD18,811 million), an increase of 30% YoY.

- **Basic earnings per share** were RMB12.934. **Diluted earnings per share** were RMB12.689.

- **On an IFRS basis:**

- Operating profit was RMB184,237 million (USD28,236 million), an increase of 55% YoY. Operating margin increased to 38% from 31% last year.
- Profit for the year was RMB160,125 million (USD24,541 million), an increase of 67% YoY. Net margin increased to 33% from 25% last year.
- Profit attributable to equity holders of the Company for the year was RMB159,847 million (USD24,498 million), an increase of 71% YoY.
- Basic earnings per share were RMB16.844. Diluted earnings per share were RMB16.523.
- The Board has recommended a final dividend of HKD1.60 per share for FY2020 (2019: HKD1.20 per share), subject to the approval of the shareholders at the Annual General Meeting.

Mr. Ma Huateng, Chairman and CEO of Tencent, said, " While 2020 was a year of unprecedented challenges, solid results across all our businesses testify to our focus on user value, technology innovation and business sustainability. We extended our leading position in the consumer internet space with enriched content and innovations across our products, while making notable progress in international expansion, starting with games. We also further penetrated into industrial internet with our flagship SaaS products and upgraded cloud infrastructure. We will continue to implement Tech for Good and work with industry partners to bring value-enhancing products and services to users, enterprises and society as a whole."

4Q2020 Financial Review

Revenues from VAS increased by 28% to RMB67.0 billion for the fourth quarter of 2020 on a year-on-year basis. Online games revenues grew by 29% to RMB39.1 billion, among which our international games revenues were RMB9.8 billion, up 43% on a year-on-year basis. The increase primarily reflected revenue contributions from our smart phone games including Peacekeeper Elite, Honour of Kings, PUBG Mobile and recently launched titles such as Moonlight Blade Mobile. Total smart phone games revenues (including smart phone games revenues attributable to our social networks business) were RMB36.7 billion and PC client games revenues were RMB10.2 billion for the fourth quarter of 2020. Social networks revenues increased by 27% to RMB27.9 billion. The increase was mainly driven by revenue growth from digital content services including the consolidation impact of HUYA's live broadcast services, our music and video subscription services, as well as from in-game virtual item sales.

Revenues from Online Advertising increased by 22% to RMB24.7 billion for the fourth quarter of 2020, as a result of rising demand from advertiser categories such as education, eCommerce platforms and fast-moving-consumer-goods, as well as consolidation of Bitauto's advertising revenue. Social and others advertising revenues grew by 25% to RMB20.4 billion. The increase primarily reflected more advertiser demand for Weixin Moments inventory, and for customised in-app advertising solutions offered by our mobile advertising network. Media advertising revenues increased by 8% to RMB4.3 billion. The increase was mainly driven by our music streaming apps, as well as contributions from Tencent Video due to airing of popular drama series.

Revenues from FinTech and Business Services increased by 29% to RMB38.5 billion for the fourth quarter of 2020 on a year-on-year basis. The increase was primarily due to revenue growth from commercial payment and wealth management services resulting from increased volume of transactions and value per transaction. Our Business Services revenues experienced robust year-on-year growth as we deepened our market presence in verticals such as municipal services, financial services and Internet services, and as we began to consolidate Bitauto's Business Services revenue during the fourth quarter of 2020.

Other Key Financial Information for 4Q2020

EBITDA was RMB42,872 million, up 20% YoY. Adjusted EBITDA was RMB46,533 million, up 21% YoY. Capital expenditures were RMB9,659 million, down 43% YoY. Free cash flow* was RMB27,664 million, down 11% YoY.

As at December 31, 2020, net cash position totalled RMB11,063 million. Fair value of our stakes in listed investee companies (excluding subsidiaries) totalled RMB1,204.9 billion, compared to RMB890.7 billion as at September 30, 2020.

** Starting from 2020, free cash flow was adjusted by subtracting payments for media content and lease liabilities, in addition to subtracting payments for capital expenditure from the operating cash flow. Restated free cash flow was RMB16.8 billion in 1Q2019, RMB12.6 billion in 2Q2019, RMB28.1 billion in 3Q2019, and RMB31.3 billion in 4Q2019, respectively.*

Operating Metrics

	As at 31 December 2020	As at 31 December 2019	Year- on-year change	As at 30 September 2020	Quarter- on-quarter change
(in millions, unless specified)					
Combined MAU of Weixin and WeChat	1,225.0	1,164.8	5.2%	1,212.8	1.0%
Smart device MAU of QQ	594.9	647.0	-8.1%	617.4	-3.6%
Fee-based VAS registered subscriptions	219.5	180.1	21.9%	213.4	2.9%

Business Review and Outlook

While 2020 was an unprecedentedly challenging year, we believe our solid operational and financial results testify to our focus on user value and technology innovation. Below are some highlights from our key products and business lines:

Communication and Social

Throughout the past decade, Weixin has evolved from an instant messaging app to a service meeting the digital needs of over 1.2 billion users. Each day, more than 120 million users post in Moments, 360 million users read Official Accounts articles and 400 million users access Mini Programs. SMEs and brands increasingly connect with users via Mini Programs and Weixin Pay, and annual transaction volume generated from Mini Programs more than doubled year-on-year in 2020.

Users are increasingly uploading personal videos, and sharing them with friends, in Weixin Moments and chats. They can now share informative videos publicly through our product innovation - Video Accounts. Video Accounts also enable brands and enterprises to broaden their audience reach and drive transactions, especially via links to Mini Programs.

Within QQ, we focused on enhancing interactive experiences in vertical communities. We increased stickiness among young users by enriching communal experiences such as playing AI-powered social games and watching Tencent Video together in video calls. QQ's video and image feed services, Mini World, increased

its user engagement as we added hashtag feature and initiated trending topics that resonate with Generation Z. We launched joint promotions and celebrity eSports events for our popular games such as Honour of Kings and Call of Duty Mobile. We provided interactive learning experiences such as quiz challenges through partnering with educational institutions.

Looking forward, we will seek to provide lively chat experiences and to facilitate users in sharing content with broader communities. We will enrich interest-based community experiences for young QQ users, while delivering a better social commerce experience within the Weixin ecosystem for consumers, SMEs and brands.

Online Games

We strengthened our global leadership in mobile and PC games via self-developed franchises and IP collaboration with partners and investee companies. Our leadership spans multiple genres, including MOBA, shooter and MMORPG, as well as multiple platforms, including mobile and PC.

Honour of Kings was the top-grossing mobile game worldwide for the second consecutive year and continued as the most popular mobile game in China by MAU. In January 2021, we released the biggest-ever update for Honour of Kings with a new hero, skins and user interface. We upgraded our rendering technology, which enhanced visual effects with minimal performance overhead, enabling more compelling content and game experience in future upgrades.

The launch of Call of Duty Mobile in China drew hardcore players with a fast-paced and competitive first-person-shooting experience, complementing Peacekeeper Elite and CrossFire Mobile within the shooter genre.

The release of Moonlight Blade Mobile demonstrated our capabilities in the MMORPG genre. Aurora Studio extended this IP from PC to mobile while retaining its distinctive oriental style and semi-sandbox open world design. Moonlight Blade Mobile ranked as the top grossing MMORPG on iOS in China during the fourth quarter of 2020.

Our partnership with Nintendo extended our home entertainment offerings to consoles. By the end of 2020, we have distributed over 1 million Switch consoles and published a dozen popular Switch titles in China.

To maintain a healthy gameplay environment for teenagers in China, we made ongoing upgrades to the Healthy Gameplay System, which aims to help parents manage younger users' in-game play time and spending. During the fourth quarter of 2020, minors aged under 18 accounted for 6.0% of our China online game gross receipts. Among which, minors aged under 16 accounted for 3.2% of our China online game gross receipts.

League of Legends attracted over 45 million peak concurrent viewers for its 2020 World Championship Finals, setting a record viewership for a games eSports event. The rollout of League of Legends' mobile version, Wild Rift, further expanded its franchise user base.

PUBG Mobile ranked as the most popular mobile game in international markets by MAU for the second consecutive year, according to App Annie. The PUBG Mobile Global Championship became the most viewed eSports tournament of mobile games.

Digital Content

Our fee-based VAS subscriptions grew 22% year-on-year to 219 million. We are the leader in the long form video industry with 123 million video subscriptions, benefitting from the release of popular anime IPs and drama series. We have extended our IP value across literature, anime, games and long form video services to create appealing content and attract paying users. We are also building vibrant short form video communities to encourage interaction between viewers and creators, and to deliver knowledge-based video content. The mini drama series we showed on Weishi gained great popularity, generating billions of video views and social media posts. We sustained music subscription growth with the pay-for-streaming model. At China Literature, we have sought to enrich free and paid content, community features and an IP-centric ecosystem.

Online Advertising

We integrated our advertising platforms, strengthening our own properties as well as mobile advertising network as preferred choices for advertisers.

In Weixin Moments, we enabled performance-oriented advertisers to link their advertisements to Mini Programs, boosting their sales conversion. Our mobile advertising network offered customised in-app advertising solutions, ramping up in-game advertising revenue from third-party game companies and Internet services providers.

Looking forward, we will continue to strengthen our recommendation algorithms and analytic services to increase user acquisition efficiency and sales conversion for advertisers.

FinTech

The strategic focus for our FinTech business is to work closely with regulators and collaborate with industry partners to deliver compliant and inclusive FinTech products, while prioritising risk management over scale.

As consumption rebounded and payment digitalisation accelerated, our payment transaction volume increased healthily year-on-year, driven by more daily active consumers and higher payment frequency in multiple verticals, such as retail, public services and groceries. Our commercial take rates remained stable. For wealth management service, aggregated customer assets grew robustly year-on-year.

Cloud and Other Business Services

We invested in IaaS technology, including our customised “Star Lake” cloud server solutions and self-developed data centre technology “T-block”, to enhance our Cloud Services’ performance and cost efficiency. We developed a new generation Star Lake SA3 server powered by the latest generation AMD EPYC processors, enhancing AI, security, storage and network capabilities with better energy efficiency.

In the area of SaaS products, Tencent Meeting has become the largest standalone app for cloud conferencing in China. The recently released enterprise version of Tencent Meeting penetrated the energy, healthcare and education industries. We rolled out new conference room solutions, Tencent Meeting Rooms and Connector,

which are compatible with customers' existing audiovisual equipment and facilitate high-quality interactive communication. WeCom, the enterprise version of Weixin, has become an integral communications tool for remote workplaces, serving over 5.5 million enterprise customers, better connecting them internally and to over 400 million Weixin users.

We will continue to invest in cloud computing infrastructure and technology, leverage our communication and productivity strengths while working with partners to upgrade our PaaS and SaaS solutions.

Environmental, Social and Governance ("ESG") Initiatives

Sustainability is vital to the development of the Company's strategy and operations, and we strive to integrate social responsibility into our products and services.

Environmental

We recently announced our commitment in moving towards carbon neutrality to help tackle climate change, and are exploring renewable energy solutions for the operation of our office buildings and data centres. We also leverage our expertise in AI, big data, and cloud computing with the mission of helping manage sustainability problems for the planet, such as smart agriculture solutions. TiMi Studios, the developer of Honour of Kings, has recently joined the Playing for the Planet Alliance, a collective effort initiated by the United Nations Environment Programme to decarbonise and integrate environmental activations into games.

Social

User privacy and data security are top priorities at Tencent. We focus on user experience and adhere to a "privacy by design" approach. We deploy advanced technologies such as data encryption, data masking, de-identification and quantum cryptography, to safeguard users' data security.

We have upgraded our Balanced Online Entertainment System in China to help parents prevent excessive use of online services by minors.

Tencent Health Code has facilitated domestic travel during the COVID-19 period. We also assisted enterprises to maintain business continuity through Weixin Pay, Mini Programs and other digital solutions.

We have built Tencent Charity Platform into an efficient fundraising platform, while also providing technology for the digitalisation of charitable organisations to engage with supporters. In 2020, our flagship charity event, 99 Giving Day, engaged over 18 million users and 10,000 charities, raising over RMB3 billion within three days. Through Weixin and QQ, we bridge the digital divide for the elderly and the disadvantaged. We support rural vitalisation through our WeCounty initiative, connecting over 16,000 villages and 2.5 million villagers.

Governance

We have established stringent risk management and internal controls to maintain the highest standards in corporate governance. Anti-fraud and whistleblowing policies are also in place in order to identify and prevent fraud and corruption. We believe diversity is key to effective governance and are dedicated to enhancing board diversity in gender, background and expertise.

Looking into the future, with our vision “Value for Users, Tech for Good”, we will continue to harness the power of technology in developing innovative products and services, and creating value for all stakeholders.

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



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About Tencent

Tencent uses technology to enrich the lives of Internet users.

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

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

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Non-IFRS Financial Measures

To supplement the consolidated results of the Group prepared in accordance with IFRS, certain additional non-IFRS financial measures (in terms of operating profit, operating margin, profit for the period, net margin, profit attributable to equity holders of the Company, basic EPS and diluted EPS), have been presented in this press release. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

The Company's management believes that the non-IFRS financial measures provide investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain non-cash items and certain impact of M&A transactions. In addition, non-IFRS adjustments include relevant non-IFRS adjustments for the Group's major associates based on available published financials of the relevant major associates, or estimates made by the Company's management based on available information, certain expectations, assumptions and premises.

Forward-Looking Statements

This press release contains forward-looking statements relating to the business outlook, forecast business plans and growth strategies of the Company. These forward-looking statements are based on information currently available to the Company and are stated herein on the basis of the outlook at the time of this press release. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in future. Underlying the forward-looking statements is a lot of risks and uncertainties. Further information regarding these risks and uncertainties is included in our other public disclosure documents on our corporate website.

CONSOLIDATED INCOME STATEMENT

RMB in million, unless specified

	Unaudited		Audited	
	4Q2020	4Q2019	2020	2019
Revenues	133,669	105,767	482,064	377,289
VAS	66,979	52,308	264,212	199,991
Online Advertising	24,655	20,225	82,271	68,377
FinTech and Business Services	38,494	29,920	128,086	101,355
Others	3,541	3,314	7,495	7,566
Cost of revenues	(74,788)	(59,659)	(260,532)	(209,756)
Gross profit	58,881	46,108	221,532	167,533
<i>Gross margin</i>	44%	44%	46%	44%
Interest income	1,708	1,580	6,957	6,314
Other gains, net	32,936	3,630	57,131	19,689
Selling and marketing expenses	(10,033)	(6,712)	(33,758)	(21,396)
General and administrative expenses	(19,779)	(16,002)	(67,625)	(53,446)
Operating profit	63,713	28,604	184,237	118,694
<i>Operating margin</i>	48%	27%	38%	31%
Finance costs, net	(2,253)	(2,767)	(7,887)	(7,613)
Share of profit/(loss) of associates and joint ventures	1,618	(1,328)	3,672	(1,681)
Profit before income tax	63,078	24,509	180,022	109,400
Income tax expense	(3,709)	(2,137)	(19,897)	(13,512)
Profit for the period	59,369	22,372	160,125	95,888
<i>Net margin</i>	44%	21%	33%	25%
Attributable to:				
Equity holders of the Company	59,302	21,582	159,847	93,310
Non-controlling interests	67	790	278	2,578
Non-IFRS profit attributable to equity holders of the Company	33,207	25,484	122,742	94,351
Earnings per share for profit attributable to equity holders of the Company (in RMB per share)				
- basic	6.240	2.278	16.844	9.856
- diluted	6.112	2.248	16.523	9.643

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

RMB in millions, unless specified

		Audited	
		2020	2019
Profit for the year		160,125	95,888
Other comprehensive income, net of tax:			
<i>Items that may be subsequently reclassified to profit or loss</i>			
Share of other comprehensive income of associates and joint ventures	334	125	
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates	(3)	(3)	
Currency translation differences	(7,262)	3,089	
Other fair value losses	(1,552)	(2,139)	
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Net gains from changes in fair value of financial assets at fair value through other comprehensive income	130,525	23,119	
Currency translation differences	(1,285)	-	
Other fair value gains/(losses)	291	(178)	
Total comprehensive income for the year		121,048	24,013
Attributable to:		281,173	119,901
Equity holders of the Company	277,834	116,670	
Non-controlling interests	3,339	3,231	

OTHER FINANCIAL INFORMATION

RMB in millions, unless specified

	Unaudited		Audited	
	4Q2020	4Q2019	2020	2019
EBITDA (a)	42,872	35,675	170,680	137,268
Adjusted EBITDA (a)	46,533	38,572	183,314	147,395
Adjusted EBITDA margin (b)	35%	36%	38%	39%
Interest and related expenses	1,766	2,348	7,449	7,690
Net cash/ (debt) (c)	11,063	(15,552)	11,063	(15,552)
Capital expenditures (d)	9,659	16,869	33,960	32,369

Note:

- (a) EBITDA is calculated as operating profit minus interest income and other gains/losses, net, and adding back depreciation of property, plant and equipment, investment properties as well as right-of-use assets, and amortisation of intangible assets. Adjusted EBITDA is calculated as EBITDA plus equity-settled share-based compensation expenses.
- (b) Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by revenues.
- (c) Net cash/(debt) represents period end balance and is calculated as cash and cash equivalents, plus term deposits and others, minus borrowings and notes payable.
- (d) Capital expenditures consist of additions (excluding business combinations) to property, plant and equipment, construction in progress, investment properties, land use rights and intangible assets (excluding video and music content, game licences and other content).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

RMB in millions, unless specified

	Audited	
	As at December 31	
	2020	2019
ASSETS		
Non-current assets		
Property, plant and equipment	59,843	46,824
Land use rights	16,091	15,609
Right-of-use assets	12,929	10,847
Construction in progress	4,939	3,935
Investment properties	583	855
Intangible assets	159,437	128,860
Investments in associates	297,609	213,614
Investments in joint ventures	7,649	8,280
Financial assets at fair value through profit or loss	165,944	128,822
Financial assets at fair value through other comprehensive income	213,091	81,721
Prepayments, deposits and other assets	24,630	23,442
Other financial assets	4	-
Deferred income tax assets	21,348	18,209
Term deposits	31,681	19,000
	1,015,778	700,018
Current assets		
Inventories	814	718
Accounts receivable	44,981	35,839
Prepayments, deposits and other assets	40,321	27,840
Other financial assets	1,133	375
Financial assets at fair value through profit or loss	6,593	7,114
Term deposits	68,487	46,911
Restricted cash	2,520	2,180
Cash and cash equivalents	152,798	132,991
	317,647	253,968
Total assets	1,333,425	953,986

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

RMB in millions, unless specified

	Audited	
	As at December 31	
	2020	2019
EQUITY		
Equity attributable to equity holders of the Company		
Share capital	-	-
Share premium	48,793	35,271
Shares held for share award schemes	(4,412)	(4,002)
Other reserves	121,139	16,786
Retained earnings	538,464	384,651
	703,984	432,706
Non-controlling interests	74,059	56,118
Total equity	778,043	488,824
LIABILITIES		
Non-current liabilities		
Borrowings	112,145	104,257
Notes payable	122,057	83,327
Long-term payables	9,910	3,577
Other financial liabilities	9,254	5,242
Deferred income tax liabilities	16,061	12,841
Lease liabilities	10,198	8,428
Deferred revenue	6,678	7,334
	286,303	225,006
Current liabilities		
Accounts payable	94,030	80,690
Other payables and accruals	54,308	45,174
Borrowings	14,242	22,695
Notes payable	-	10,534
Current income tax liabilities	12,134	9,733
Other tax liabilities	2,149	1,245
Other financial liabilities	5,567	5,857
Lease liabilities	3,822	3,279
Deferred revenue	82,827	60,949
	269,079	240,156
Total liabilities	555,382	465,162
Total equity and liabilities	1,333,425	953,986

RECONCILIATIONS OF IFRS TO NON-IFRS RESULTS

RMB in million, unless specified	As reported	Adjustments					Non-IFRS
		Share-based compensation (a)	Net (gains)/losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment Provision/(reversals) (d)	Income tax effects (e)	
Year ended December 31, 2020							
Operating profit	184,237	13,745	(63,299)	3,299	11,422	–	149,404
Profit for the year	160,125	17,089	(69,348)	7,723	12,684	(1,290)	126,983
Profit attributable to equity holders	159,847	16,228	(69,473)	6,387	10,673	(920)	122,742
Operating margin	38%						31%
Net margin	33%						26%
Year ended December 31, 2019							
Operating profit	118,694	10,500	(19,650)	1,051	4,006	–	114,601
Profit for the year	95,888	12,774	(20,818)	5,781	5,202	(1,238)	97,589
Profit attributable to equity holders	93,310	12,309	(20,720)	5,362	5,185	(1,095)	94,351
Operating margin	31%						30%
Net margin	25%						26%

Note:

- (a) Including put options granted to employees of investee companies on their shares and shares to be issued under investee companies' share-based incentive plans which can be acquired by the Group, and other incentives
- (b) Including net (gains)/losses on deemed disposals/disposals of investee companies, fair value changes arising from investee companies, and other expenses in relation to equity transactions of investee companies
- (c) Amortisation of intangible assets resulting from acquisitions
- (d) Impairment provisions/(reversals) for associates, joint ventures, goodwill and other intangible assets arising from acquisitions
- (e) Income tax effects of non-IFRS adjustments

RECONCILIATIONS OF IFRS TO NON-IFRS RESULTS

RMB in millions, unless specified	As reported	Adjustments					Non-IFRS
		Share-based compensation (a)	Net (gains)/losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment Provisions/(reversals) (d)	Income tax effects (e)	
Unaudited three months ended December 31, 2020							
Operating profit	63,713	3,744	(34,652)	885	4,394	–	38,084
Profit for the period	59,369	4,896	(36,149)	2,260	4,407	(329)	34,454
Profit attributable to equity holders	59,302	4,735	(36,928)	1,926	4,407	(235)	33,207
Operating margin	48%						28%
Net margin	44%						26%
Unaudited three months ended September 30, 2020							
Operating profit	43,953	3,059	(8,703)	905	(1,098)	–	38,116
Profit for the period	38,899	3,770	(10,099)	2,005	(973)	(277)	33,325
Profit attributable to equity holders	38,542	3,517	(10,133)	1,620	(1,026)	(217)	32,303
Operating margin	35%						30%
Net margin	31%						27%
Unaudited three months ended December 31, 2019							
Operating profit	28,604	3,269	(2,340)	701	72	–	30,306
Profit for the period	22,372	3,965	(1,412)	1,667	140	(93)	26,639
Profit attributable to equity holders	21,582	3,756	(1,403)	1,406	133	10	25,484
Operating margin	27%						29%
Net margin	21%						25%

Note:

- (a) Including put options granted to employees of investee companies on their shares and shares to be issued under investee companies' share-based incentive plans which can be acquired by the Group, and other incentives
- (b) Including net (gains)/losses on deemed disposals/disposals of investee companies, fair value changes arising from investee companies, and other expenses in relation to equity transactions of investee companies
- (c) Amortisation of intangible assets resulting from acquisitions
- (d) Impairment provisions/(reversals) for associates, joint ventures, goodwill and other intangible assets arising from acquisitions
- (e) Income tax effects of non-IFRS adjustments