Supplemental Listing Document

If you are in any doubt about this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser. The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made or opinions or reports expressed in this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of Macquarie Bank Limited, the Company (defined below) or the Warrants.

Non-collateralised warrants
14,000,000 European Style Cash Settled Call Warrants
relating to the ordinary shares of Tencent Holdings Limited
issued by

Macquarie Bank Limited
(ABN 46 008 583 542)
(Incorporated under the laws of Australia)

Issue Price: SGD 0.200 per Warrant

This document is published for the purpose of obtaining a listing of all the above warrants (the "**Warrants**") to be issued by Macquarie Bank Limited (the "**Issuer**") and is supplemental to and should be read in conjunction with a base listing document published on 15 July 2022 (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer and the Warrants. Information relating to Tencent Holdings Limited (the "**Company**") is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Warrants or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration Warrants or other securities of the Issuer. Restrictions have been imposed on offers and sales of the Warrants and on distributions of documents relating thereto in Singapore, the United States, the United Kingdom, Hong Kong and Australia (see Base Listing Document).

Investors are warned that the price of the Warrants may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the risk factors set out in this document before they invest in the Warrants.

The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and of no other person, including those in respect of deposits, but excluding any debts for the time being preferred by law and any subordinated obligations and if you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the Company.

The Issuer is regulated as an authorised deposit taking institution by the Australian Prudential Regulation Authority ("APRA"). The Issuer, acting through its Singapore branch is authorised and licensed by the Monetary Authority of Singapore to carry on wholesale banking business in Singapore pursuant to the Banking Act 1970 of Singapore and therefore is subject to the supervision of the Monetary Authority of Singapore.

28 July 2022

Application has been made to the SGX-ST for permission to deal in and for quotation of the Warrants and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Warrants. It is expected that dealings in the Warrants will commence on 29 July 2022.

Warrants are complex instruments and are not suitable for inexperienced investors. Investors should also have sufficient financial resources and liquidity to bear all of the risks of an investment in the Warrants. Prospective purchasers should not invest in Warrants which are complex financial instruments unless they have the expertise (either alone or with a financial adviser) to evaluate how the Warrants will perform under changing conditions, the resulting effects on the value of the Warrants and the impact this investment will have on the potential investor's overall investment portfolio.

Subject as set out below, the Issuer accepts full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to itself and the Warrants. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which it accepts responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and is not limited by anything likely to affect the import of such information. The information contained herein with regard to the Company consists of extracts from information released publicly. The Issuer accepts responsibility for accurately reproducing such extracts but accept no further or other responsibility in respect of such information.

Neither the delivery of this document nor any sale made hereunder shall create any implication that there has been no change in the affairs of the Issuer, and its subsidiaries and affiliates since the date hereof. No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the offering of the Warrants, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer.

This document does not constitute an offer or invitation by or on behalf of the Issuer to purchase or subscribe for any of the Warrants. The distribution of this document and the offering of the Warrants may, in certain jurisdictions, be restricted by law. The Issuer requires persons into whose possession this document comes to inform themselves of and observe all such restrictions.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Warrants, or interests therein, may not at any time be offered, sold, resold or delivered within the United States or to, or for the account or benefit of, U.S. persons and any offer, sale, resale or delivery made within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Warrants and distribution of this document is given in the section headed "Sales Restrictions" in the Base Listing Document.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the merits of investing in the Warrants, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer or its affiliates may repurchase Warrants at any time and any Warrant which is repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer. Investors should not therefore make any assumption as to the number of Warrants in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Call Warrants contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

TERMS AND CONDITIONS OF THE WARRANTS

*The following are the terms and conditions of the Warrants and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the base listing document dated 15 July 2022 (the "**Base Listing Document**").*

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Call Warrants" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Warrants:	14,000,000 European Style Cash Settled Call Warrants relating to the ordinary shares ("**Shares**") of the Company
Company:	Tencent Holdings Limited (Reuters Instrument Code: 0700.HK)
Conversion Ratio (number of Shares per Warrant):	0.015385 (i.e. every 65 Warrants initially relate to 1 Share)
Underlying Price[1] and Source:	HKD 325.000 (out of the money) (Reuters/Bloomberg)
Exercise Price:	HKD 380.000
Gearing[1]:	4.4x
Premium[1]:	39.5%
Volatility[1]:	Implied: 85% Historical: 36%
Launch Date:	25 July 2022
Closing Date:	28 July 2022
Dealing Commencement Date:	29 July 2022
Last Trading Date:	The 5th Business Day immediately preceding the Expiry Date, provided that if such day is not a day on which The Stock Exchange of Hong Kong Limited ("**HKEX**") is open for dealings during its normal trading hours ("HK Business Day"), the Business Day immediately preceding such day which is also a HK Business Day, currently being 28 March 2023
Expiry Date:	04 April 2023
Board Lot:	100 Warrants

[1] These figures are calculated as at, and based on information available to the Issuer on or about, the date of the termsheet in respect of the Warrants. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after the date of the termsheet in respect of the Warrants.

Valuation Date:	Each of the five Exchange Business Days immediately preceding the Expiry Date (subject to Market Disruption Events as set out in the Conditions of the Warrants)
Exercise:	Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
Cash Settlement Amount:	In respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Exchange Rate multiplied by: (A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date LESS (ii) the Exercise Price MULTIPLIED by (B) the Conversion Ratio In certain circumstances, the Conversion Ratio and the Exercise Price will be adjusted as set out in Condition 6 of the Warrants.
Exchange Rate:	The rate of exchange for the conversion of the Reference Currency to the Settlement Currency as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.
Reference Currency:	Hong Kong dollars
Settlement Currency:	Singapore dollars The Shares are traded in Hong Kong dollars on HKEX. However, the Warrants will be issued and traded in Singapore dollars on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Exercise Expenses:	Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants.
Relevant Stock Exchange:	HKEX
Clearing System:	The Central Depository (Pte) Limited ("**CDP**")
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Warrants on the SGX-ST.

In addition, the Conditions have been modified as follows:

Reference to "Business Day" in Condition 2 shall be replaced by "Exchange Business Day".

"**Exchange Business Day**" shall be a day on which the HKEX is open for dealings in Hong Kong during its normal trading hours.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Call Warrants" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Warrants.

TERMS AND CONDITIONS OF THE EUROPEAN STYLE CASH SETTLED CALL WARRANTS

1. Form, Status, Transfer and Title

(a) *Form*. The Warrants (which expression shall, unless the context otherwise requires, include any further warrants issued pursuant to Condition 11) are issued subject to and with the benefit of:

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 15 July 2022, made by Macquarie Bank Limited (the "**Issuer**"); and

(ii) a master warrant agent agreement (the "**Warrant Agent Agreement**") dated 26 November 2004 and such other Warrant Agent Agreement as may be in force from time to time, made between the Issuer and the Warrant Agent for the Warrants.

Copies of the Master Instrument and the Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The Warrantholders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Warrant Agent Agreement.

(b) *Status*. The Warrants constitute direct, general and unsecured contractual obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Warrants provide for cash settlement on exercise.

(c) *Transfer*. The Warrants are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Warrants in definitive form will not be issued. Transfers of Warrants may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants shall be treated by the Issuer and the Warrant Agent as the holder and absolute owner of such number of Warrants, notwithstanding any notice to the contrary. The expression "**Warrantholder**" shall be construed accordingly.

2. Warrant Rights and Exercise Expenses

(a) *Warrant Rights*. Every Warrant entitles each Warrantholder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to:

(A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the relevant stock exchange on which the Shares related to the Warrants are traded ("**Relevant Stock Exchange**") (as specified in the relevant Supplemental Listing Document), subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date (as defined below) LESS (ii) the Exercise Price for the time being MULTIPLIED by (B) the Conversion Ratio,

and multiplied by the applicable exchange rate if the Reference Currency is different from the Settlement Currency.

If the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event (as defined below) has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day (as defined below) on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the two Business Days immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date. In that case:

(A) that second Business Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and

(B) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on that second Business Day but for the Market Disruption Event.

If the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then (1) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (2) the Issuer shall determine the closing price on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

"**Conversion Ratio**" means the ratio (expressed as the number of Shares to which one Warrant relates) specified by the Issuer, subject to adjustments in accordance with these Conditions.

"**Market Disruption Event**" means the occurrence or existence on any Valuation Date of (i) any suspension of trading on the Relevant Stock Exchange of the Shares requested by the Company if that suspension, is in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Shares if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption, is in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion, terrorism or otherwise.

"**Valuation Date**" means, with respect to the exercise of Warrants, and subject as provided above in relation to a Market Disruption Event, each of the five Business Days immediately preceding the Expiry Date relating to such exercise.

(b) *Exercise Expenses*. Warrantholders will be required to pay all charges (including any taxes if applicable) which are incurred in respect of the exercise of the Warrants (the " **Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Warrantholders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Warrantholders in accordance with Condition 4.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Warrants shall be deemed to expire at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day).

4. Exercise of Warrants

(a) *Exercise*. Warrants may only be exercised on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) in accordance with Condition 4(b).

(b) *Automatic Exercise*. Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.

(c) *Settlement*. In respect of Warrants which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Warrantholder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Last Valuation Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Warrantholder only (or, in the case of joint Warrantholders, the first-named Warrantholder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the

Warrantholder and posted to the Warrantholder's address appearing in the records maintained by CDP (or, in the case of joint Warrantholders, to the address of the first-named Warrantholder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable.* CDP shall not be liable to any Warrantholder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Warrants or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Warrants are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Warrantholders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Warrantholders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Warrantholders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Shares are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation or reclassification of the Shares (excluding a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Shares that are not fully paid;

(v) a repurchase by the Company of the Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Shares.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Shares, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Shares traded on that options exchange;

(ii) cancel the Warrants by giving notice to the Warrantholders in accordance with Condition 9. If the Warrants are so cancelled, the Issuer will pay an amount to each Warrantholder in respect of each Warrant held by such Warrantholder which amount shall be the fair market value of a Warrant taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Shares on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Shares are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Warrantholders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Warrantholders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Shares of that Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date or, if there is more than one Valuation Date, the Last Valuation Date. "**Nationalisation**" means that all the Shares or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Condition 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment provided that such adjustment is considered by the Issuer not to be materially prejudicial to the Warrantholders generally (without considering the circumstances of any individual Warrantholder or the tax or other consequences of such adjustment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Warrantholders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer or its related corporations may at any time purchase Warrants at any price in the open market or by tender or by private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Warrantholders; Modification

(a) *Meetings of Warrantholders*. The Warrant Agent Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Warrant Agent Agreement) of a modification of the provisions of the Warrants or of the Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Warrantholders. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than ten per cent. of the Warrants for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Warrantholders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Warrantholders, effect (i) any modification of the provisions of the Warrants or the Master Instrument which is not materially prejudicial to the interests of the Warrantholders or (ii) any modification of the provisions of the Warrants or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Warrantholders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents*. All cheques and other documents required or permitted by these Conditions to be sent to a Warrantholder or to which a Warrantholder is entitled or which the Issuer shall have agreed to deliver to a Warrantholder may be delivered by hand or sent by post addressed to the Warrantholder at his address appearing in the records maintained by CDP or, in the case of joint Warrantholders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Warrantholder.

(b) *Notices*. All notices to Warrantholders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Warrant, give notice of the date of expiry of such Warrant in the manner prescribed above, provided that if the tenure of the Warrant is less than one month, the Issuer shall publish the expiry notice as soon as practicable after the listing of the Warrant.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Warrantholders, to create and issue further warrants so as to form a single series with the Warrants.

12. De-Listing

(a) *De-Listing*. If at any time, any Shares cease to be listed, traded or publicly quoted on the Relevant Stock Exchange for any reason and are not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Issuer ("**De-Listing**"), the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants (including terminating the Warrants early) as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Warrantholders generally are not materially prejudiced as a consequence of such De-Listing (without considering the individual circumstances of any Warrantholder or the tax or other consequences that may result in any particular jurisdiction).

(b) *Adjustments*. Without prejudice to the generality of Condition 12(a), where the Shares are, or, upon the De-Listing, become, listed on any other stock exchange, these Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Relevant Stock Exchange and the Issuer may, without the consent of the Warrantholders, make such adjustments to the entitlements of Warrantholders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the Settlement Currency) as may be appropriate in the circumstances.

(c) *Issuer's Determination*. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Warrantholders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Warrantholders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination for Illegality and Force Majeure, etc.

(a) *Illegality and Force Majeure, etc*. If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Warrants has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Warrants for any reason, the Issuer may at its discretion and without obligation terminate the Warrants early by giving notice to the Warrantholders in accordance with Condition 9.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

(b) *Termination*. If the Issuer terminates the Warrants early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant held by such holder equal to the fair market value of a Warrant notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 9.

14. Governing Law

The Warrants, the Master Instrument and the Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and each Warrantholder (by its purchase of the Warrants) shall be deemed to have submitted for all purposes in connection with the Warrants, the Master Instrument and the Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore.

15. Prescription

Claims against the Issuer for payment of any amount in respect of the Warrants will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Warrants shall be forfeited and shall revert to the Issuer.

16. Contracts (Rights of Third Parties) Act 2001 Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act 2001 Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	Macquarie Bank Limited
Company:	Tencent Holdings Limited
The Warrants:	European Style Cash Settled Call Warrants relating to the Shares
Number:	14,000,000 Warrants
Form:	The Warrants will be issued subject to, and with the benefit of, an instrument by way of deed poll dated 15 July 2022 (the "**Master Instrument**") and executed by the Issuer and a master warrant agent agreement dated 26 November 2004 (the "**Warrant Agent Agreement**") and made between the Issuer and the Warrant Agent.
Conversion Ratio (number of Shares per Warrant):	0.015385 (i.e. every 65 Warrants initially relate to 1 Share)
Cash Settlement Amount:	In respect of each Warrant, shall be an amount (if positive) payable in the Settlement Currency equal to the Exchange Rate multiplied by: (A) (i) the arithmetic mean of the closing prices of one Share (as derived from the daily publications of the Relevant Stock Exchange, subject to any adjustments to such closing prices determined by the Issuer to be necessary to reflect any capitalisation, rights issue, distribution or the like) for each Valuation Date LESS (ii) the Exercise Price MULTIPLIED by (B) the Conversion Ratio In certain circumstances, the Conversion Ratio and the Exercise Price will be adjusted as set out in Condition 6 of the Warrants.
Exchange Rate:	The rate of exchange for the conversion of HKD to SGD as at 5:00 p.m. (Singapore time) on the Expiry Date as shown on Bloomberg provided that if the Bloomberg service ceases to display such information, such page as displays such information on such other services as may be selected by the Issuer.
Denominations:	Warrants are represented by a global warrant in respect of all the Warrants.
Exercise:	Warrantholders shall not be required to deliver an exercise notice. Exercise of Warrants shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Warrants shall be deemed to have been automatically exercised at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day). The Cash

	Settlement Amount less the Exercise Expenses in respect of the Warrants shall be paid in the manner set out in Condition 4(c) of the Warrants. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero or negative, all Warrants shall be deemed to have expired at 12:00 noon (Singapore time) on the Expiry Date (or if the Expiry Date is not a Business Day, the immediately preceding Business Day) and Warrantholders shall not be entitled to receive any payment from the Issuer in respect of the Warrants.
Trading Currency:	Singapore dollars
Transfers of Warrants:	Warrants may only be transferred in Board Lots (or integral multiples thereof). All transfers in Warrants, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Warrants and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Warrants. Issue of the Warrants is conditional on such listing being granted. It is expected that dealings in the Warrants on the SGX-ST will commence on or about 29 July 2022.
Governing Law:	The laws of Singapore
Warrant Agent:	Macquarie Capital Securities (Singapore) Pte. Limited
Further Issues:	Further issues which will form a single series with the Warrants will be permitted.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

RISK FACTORS

The following risk factors are relevant to the Warrants:

(a) investment in Warrants involves substantial risks including market risk, liquidity risk, and the risk that the Issuer will be unable to satisfy its obligations under the Warrants. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Warrants. You should consider carefully whether Warrants are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Warrants are not suitable for inexperienced investors;

(b) the Warrants constitute direct, general and unsecured contractual obligations of the Issuer and no other person and will rank pari passu with the Issuer's other unsecured contractual obligations and with the Issuer's unsecured and unsubordinated debt other than indebtedness preferred by mandatory provisions of law. The Warrants are not secured by any collateral.
Section 13A(3) of the Banking Act of 1959 of Australia provides that, in the event of the Issuer becoming unable to meet its obligations or suspends payments, the assets of the Issuer in Australia are to be available to satisfy specified liabilities in priority to all other liabilities of the Issuer (including the obligations of the Issuer under the Warrants). The specified liabilities include first, certain obligations of the Issuer to APRA in respect of amounts payable by APRA to holders of protected accounts, and then as the next priority obligations of the Issuer in respect of APRA's costs of administration, then other liabilities of the Issuer in Australia in relation to protected accounts that account-holders keep with the Issuer, following this any debts that the Authorised Deposit-taking Institution owes to the Reserve Bank of Australia and any liabilities under an industry support contract (certified under section 11CB of the Banking Act) and then, any other liabilities, in order of their priority. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against any other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Warrants, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Warrants you are relying upon the creditworthiness of the Issuer and have no rights under the Warrants against the company which has issued the underlying shares. The Issuer is not a fiduciary of Warrantholders (as defined in the Conditions) and has substantially no obligation to a Warrantholder other than to pay amounts in accordance with the terms thereof as set forth herein and in the Base Listing Document. The Issuer does not in any respect underwrite or guarantee the performance of any Warrant. Any profit or loss realised by a Warrantholder in respect of a Warrant upon exercise or otherwise due to changes in the value of such Warrant, or the underlying shares, is solely for the account of such Warrantholder. In addition, the Issuer shall have the absolute discretion to put in place any hedging transaction or arrangement which it deems appropriate in connection with any Warrant or the underlying shares. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by any one of its rating agencies could result in a reduction in the trading value of the Warrants;

(c) the price of the Warrants may fall in value as rapidly as it may rise and Warrantholders may sustain a total loss of their investment. The risk of losing all or any part of the purchase price of a Warrant upon the expiry of the Warrants means that, in order to recover and realise a return on investment, investors in Warrants must generally anticipate correctly the direction, timing and magnitude of any change in the value of the shares of the underlying company. Changes in the price of the shares of the underlying company can be unpredictable, sudden and large and such changes may result in the price of such shares moving in a direction which will negatively impact upon the return on an investment. In the case of Warrants relating to shares, certain events relating to such shares or the underlying company may cause adverse movements in the value and price of the underlying shares, as a result of which, the Warrantholders may, in certain circumstances, sustain a total loss of their investment if, for the Warrants, the average closing price of the underlying shares on the valuation dates falls below or is equal to the exercise price;

(d) due to their nature, the Warrants can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Warrants may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the underlying shares, dividends, interest rate, volatility, foreign exchange rates, the time remaining to expiry and the creditworthiness of the Issuer;

(e) before exercising or selling the Warrants, the holders of Warrants should carefully consider, among other things, (i) the trading price of the Warrants; (ii) the value and volatility of the reference security; (iii) the time remaining to expiration; (iv) the probable range of Cash Settlement Amounts; (v) any change(s) in interim interest rates and dividend yields; (vi) any change(s) in currency exchange rates; (vii) the depth of the market or liquidity of the reference security; (viii) any related transaction costs; and (ix) the creditworthiness of the Issuer;

(f) fluctuations in the price of the underlying shares will affect the price of the Warrants but not necessarily in the same magnitude and direction, therefore, prospective investors intending to purchase Warrants to hedge their market risk associated with investing in the underlying shares, should recognise the complexities of utilising the Warrants in this manner;

(g) the settlement amount of Warrants at any time prior to the expiry of the Warrants may be less than the trading price of such Warrants at that time. The difference between the trading price and the settlement amount as the case may be, will reflect, among other things, a "time value" for the Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to the expiry date of the Warrants and expectations concerning the value of the shares of the underlying company;

(h) investors should note that an investment in the Warrants involves valuation risks in relation to the underlying asset. The value of the underlying asset may vary over time and may increase or decrease by reference to various factors, which may include corporate actions, macro economic factors and market trends. Certain events relating to the underlying shares require or permit the Issuer to make certain adjustments or amendments to the Conditions (for example, adjusting the Exercise Price and the Conversion Ratio). However, the Issuer is not required to make an adjustment for every event that affects the underlying asset. If an event occurs that does not require the Issuer to adjust the Conversion Ratio or any other part of the Conditions, the market price of the Warrants and the return upon the exercise of the Warrants may be affected;

(i) as indicated in the Conditions, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise. Thus, Warrantholders with fewer than the specified minimum number of Warrants in a particular series will either have to sell their Warrants or purchase additional Warrants, incurring transactions costs in each case, in order to realise their investment;

(j) unless otherwise specified in the Conditions, in the case of any exercise of the Warrants, there may be a time lag between the date on which the Warrants are exercised and the time the applicable settlement amount relating to such an event is determined. Any such delay between the time of exercise and the determination of the settlement amount will be specified in the Conditions. However such delay could be significantly longer, particularly in the case of a delay in the exercise of the Warrants arising from, a determination by the Issuer that a Market Disruption Event has occurred at any relevant time or that adjustments are required in accordance with the Conditions. That applicable settlement amount, may change significantly during any such period, and such movement or movements could decrease or modify the settlement amount of the Warrants;

(k) if, whilst the Warrants remain unexercised, trading in the underlying shares on the relevant stock exchange is suspended, trading in the Warrants may be suspended for a similar period;

(l) in the case of the Warrants, certain events relating to the shares of the underlying company require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions, and investors have limited anti-dilution protection under the Conditions. The Issuer may at its sole discretion adjust the entitlement upon exercise or valuation of the Warrants for events such as, amongst others, subdivision of the shares of the underlying company and dividend in specie, however the Issuer is not required to make an adjustment for every event that may affect the shares of the underlying company;

(m) the Warrants are only exercisable on their expiry date and may not be exercised by Warrantholders prior to such expiry date. Accordingly, if on such expiry date the Cash Settlement Amount (where applicable) is zero or negative, a Warrantholder will lose the value of his investment;

(n) investors should note that it is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. A decrease in the liquidity of the Warrants or the underlying shares, futures, derivatives or other security related to the Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants. The Issuer may, but is not obligated to, at any time, purchase Warrants at any price in the open market or by tender or private agreement. Any Warrants so purchased may be held or resold or surrendered for cancellation. As the Warrants are only exercisable on the expiry date, an investor will not be able to exercise his warrants to realize value in the event that the relevant issue becomes illiquid;

(o) in the event of any delisting of the Warrants from the SGX-ST (other than at expiry), the Issuer will use all reasonable efforts to list the Warrants on another exchange. If the Warrants are not listed or traded on any exchange, pricing information for the Warrants may be difficult to obtain and the liquidity of the Warrants may be adversely affected;

(p) two or more risk factors may simultaneously have an effect on the value of a Warrant such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Warrant;

(q) in the ordinary course of their business, including without limitation in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer and any of its respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the underlying shares or related derivatives. In addition, in connection with the offering of any Warrants, the Issuer and any of its respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the underlying shares or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and any of its respective subsidiaries and its affiliates, the Issuer and any of its respective subsidiaries and affiliates may enter into transactions in the underlying shares or related derivatives which may affect the market price, liquidity or value of the Warrants and which may affect the interests of Warrantholders;

(r) if the Issuer determines in good faith that the performance of its obligations under the Conditions has become unlawful or impractical in whole or in part, the Issuer may at its sole and absolute discretion and without obligation, terminate the Warrants prior to the expiry date, in which event the Issuer to the extent permitted by any relevant applicable law, will pay to each Warrantholder an amount as determined by the Issuer, in its sole and absolute discretion, in accordance with the Conditions. If the Issuer terminates the Warrants prior to the expiry date, the Issuer will, if and to the extent permitted by any relevant applicable law, pay each Warrantholder an amount to be determined by the Issuer, in its sole and absolute discretion, to be the fair market value of the Warrants immediately prior to such termination or otherwise determined as specified in the Conditions, notwithstanding the illegality or impracticality;

(s) the Issuer may enter into discount, commission or fee arrangements with brokers and/or any of its affiliates with respect to the primary or secondary market in the Warrants and such arrangement may present certain conflicts of interest for the brokers. The arrangements may or may not result in the benefit to investors in Warrants buying and selling Warrants through nominated brokers. Investors in the Warrants should note that any brokers with whom the Issuer has a commission arrangement does not, and cannot be expected to deal, exclusively in the Warrants, therefore any broker and/or its subsidiaries or affiliates may from time to time engage in transactions involving the shares in the underlying company and/or structured products of other issuers over the same shares in the same underlying company as the Warrants for their proprietary accounts and/or accounts of their clients. The fact that the same broker may deal simultaneously for different clients in competing products in the market place may affect the value of the Warrants and present certain conflicts of interests;

(t) Third party individuals may comment on the Warrants on social media or other platforms from time to time. None of these third party individuals, whether sponsored by the Issuer or not, is an agent of the Issuer and such commentary is not the Issuer's advice or recommendation to invest in the Warrants. The Issuer is not responsible for any statements or comments made by such third party individuals. To the extent a fee is paid by the Issuer, such fee arrangement may present potential conflicts of interest for the individual;

(u) changes in Singapore tax law and/or policy may adversely affect Warrantholders. Warrantholders who are in any doubt as to the effects of any such changes should consult their stockbrokers, bank managers, accountants, solicitors or other professional advisers;

(v) as the Warrants are represented by a global warrant certificate which will be deposited with the CDP:

    (i) investors should note that no definitive certificate will be issued in relation to the Warrants;

    (ii) there will be no register of Warrantholders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Warrants by way of interest (to the extent of such number) in the global warrant certificate in respect of those Warrants represented thereby shall be treated as the holder of such number of Warrants;

    (iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Warrants; and

    (iv) notices to such Warrantholders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices; and

(w) the value of the Warrants depends upon, amongst other things, the ability of Issuer to fulfil its obligations under the terms which, in turn is primarily dependent on the financial prospects of the Issuer; and

(x) Foreign Account Tax Compliance withholding may affect payments on the Warrants

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") impose a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution.

"Passthru payments" means any withholdable payment and any "foreign passthru payment," which is currently not defined. The current proposed FATCA regulations ("**Proposed Regulations**") state that the Internal Revenue Service and the U.S. Treasury have determined, that withholding on "foreign passthru payments" is not required, pending further guidance and analysis. The Proposed Regulations provide that such withholding will not be effective before the date that is two years after the publication of final regulations defining the term "foreign pass-thru payment".

While the Warrants are in dematerialised form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. An Issuer's obligations under the Warrants are discharged once it has paid the clearing systems and an Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

(y) our business and results of operation have been and may, in the future, be adversely affected by financial markets, global credit and other economic conditions generally.

Macquarie Group Limited (ABN 94 122 169 279) ("MGL") and its controlled entities (" **Macquarie Group**") businesses operate in or depend on the operation of global markets, including through exposures in securities, loans, derivatives and other activities. In particular, uncertainty and volatility in global credit markets, liquidity constraints, increased funding costs, the level and volatility of interest rates, constrained access to funding, fluctuations or other significant changes in both equity and capital market activity, supply chain disruptions and labor shortages have adversely affected and may again affect transaction flow in a range of industry sectors.

Additionally, global markets may be adversely affected by the current or anticipated impact of climate change, extreme weather events or natural disasters, the emergence or continuation of widespread health emergencies or pandemics, cyberattacks or campaigns, military conduct, including escalating military tension between Russia and Ukraine, terrorism or other geopolitical events. The dynamic and rapidly evolving sanctions environment, including the volume and nature of sanctions during the Russia-Ukraine conflict, Western sanction programs against China and Chinese reaction and sanctions in relation to human rights issues, continues to drive heightened sanctions compliance risk and complexity in applying control frameworks across the market. Moreover, actions by Russia, and any further measures taken by the U.S. or its allies, could have negative impacts on regional and financial markets and economic conditions. The actions of market participants in response to the Russia-Ukraine conflict, including growing concerns about energy availability, have also resulted in substantial volatility in the global commodity markets. Given that global energy security poses a threat to financial stability, a disorderly transition from Russian oil and gas supplies may magnify risks to the financial system.

Actions taken by central banks, including changes to official interest rate targets, balance sheet management and government-sponsored lending facilities are beyond the MBL Group's control and difficult to predict. Sudden changes in monetary policy, for example in response to high inflation, could lead to financial market volatility and are likely to affect market interest rates and the value of financial instruments and other assets and liabilities, and can impact our customers.

The commercial soundness of many financial institutions may be closely interrelated as a result of credit, trading, clearing or other relationships among financial institutions. Concerns about, or a default by, one or more institutions or by a sovereign could lead to market-wide liquidity problems, losses or defaults by other institutions, financial instruments losing their value and liquidity, and interruptions to capital markets that may further affect us. This is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, hedge funds and exchanges that we interact with on a daily basis. If any of our counterpart financial institutions fail, our financial exposures to that institution may lose some or all of their value. Any of these events would have a serious adverse effect on our liquidity, profitability and value;

(z) many of our businesses are highly regulated and we could be adversely affected by temporary and permanent changes in regulations and regulatory policy.

We operate various kinds of businesses across multiple jurisdictions or sectors, which are regulated by more than one regulator. Additionally, some members of the Macquarie Group own or manage assets and businesses that are regulated. Our businesses include an Authorised Deposit-taking Institution ("**ADI**") in Australia (regulated by APRA), a credit institution in Ireland and bank branches in the United Kingdom, the Dubai International Finance Centre and Singapore. The regulations vary from country to country but generally are designed to protect depositors and the banking system as a whole, not holders of the Issuer's securities or creditors. In addition, as a diversified financial institution, many of our businesses are subject to financial services regulation other than prudential banking regulation, as well as laws, regulations and oversight specific to the industries applicable to our businesses and assets.

Regulatory agencies and governments frequently review and revise banking and financial services laws, security and competition laws, fiscal laws and other laws, regulations and policies, including fiscal policies. Changes to laws, regulations or policies, including changes in interpretation or implementation of laws, regulations or policies, could substantially affect us or our businesses, the products and services we offer or the value of our assets, or have unintended consequences across our business. These may include changing required levels of liquidity and capital adequacy, increasing tax burdens generally or on financial institutions or transactions, limiting the type of financial services and products that can be offered and/or increasing the ability of other providers to offer competing financial services and products, as well as changes to prudential regulatory requirements. Global economic conditions and increased scrutiny of the culture in the banking sector have led to increased supervision and regulation, as well as changes in regulation in markets in which we operate, particularly for financial institutions, and may lead to further significant changes of this kind. Health, safety and environmental laws and regulations can also change rapidly and significantly. The occurrence of any adverse health, safety or environmental event, or any changes, additions to, or more rigorous enforcement of, health, safety and environmental standards could have a significant impact on operations and/or result in material expenditures

In some countries in which we do business or may in the future do business, in particular in emerging markets, the laws and regulations applicable to the financial services industry are uncertain and evolving, and it may be difficult for us to determine the requirements of local laws in every market. Our inability to remain in compliance with local laws in a particular market could have a significant and negative effect not only on our businesses in that market but also on our reputation generally. In addition, regulation is becoming increasingly extensive and complex and some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation.

APRA may introduce new prudential regulations or modify existing regulations, including those that apply to the Issuer as an ADI. Any such event could result in changes to the organisational structure of Macquarie Group and adversely affect MBL and/or its controlled entities (the "**MBL Group**").

We are also subject in our operations worldwide to rules and regulations relating to corrupt and illegal payments, counter-terrorism financing, anti-bribery and corruption and adherence to anti-money laundering obligations, as well as laws, sanctions and economic trade restrictions relating to doing business with certain individuals, groups and countries (" **AML/CTF laws**"). The geographical diversity of our business increases the risk that we may be found in violation of such rules or regulations. Emerging technologies, such as cryptocurrencies, could limit our ability to track the movement of funds thereby heightening the risk of our breaching AML/CTF laws. Additionally, as a result of the ongoing Russia-Ukraine conflict, the current sanctions environment remains dynamic and rapidly evolving. sanctions and export controls could adversely affect our business activities and investments in sanctioned jurisdictions, as well as expose us to compliance risk and reputational harm. Our ability to comply with these laws is dependent on our ability to improve detection and reporting capabilities and reduce variation in control processes and oversight accountability;

(aa) we may be adversely affected by increased governmental and regulatory scrutiny or negative publicity

The political and public sentiment regarding financial institutions have resulted in a significant amount of adverse press coverage, as well as adverse statements or charges by regulators or other government officials, and in some cases, to increased regulatory scrutiny, enforcement actions and litigation. Investigations, inquiries, penalties and fines sought by regulatory authorities have increased substantially over the last several years, with regulators exercising their enhanced enforcement powers in commencing enforcement actions or with advancing or supporting legislation targeted at the financial services industry. If we are subject to adverse regulatory findings, the financial penalties could have a material adverse effect on our results of operations. Adverse publicity, governmental scrutiny and legal and enforcement proceedings can also have a negative impact on our reputation with clients and on the morale and performance of our employees;

(ab) changes and increased volatility in currency exchange rates may adversely impact our financial results and our financial and regulatory capital positions.

While our consolidated financial statements are presented in Australian dollars, a significant portion of our operating income is derived, and operating expenses are incurred, from our offshore business activities, which are conducted in a broad range of currencies. Changes in the rate at which the Australian dollar is translated from other currencies can impact our financial statements and the economics of our business. Insofar as we are unable to hedge or have not completely hedged our exposure to currencies other than Australian dollar, our reported profit and foreign currency translation reserve would be affected.

In addition, because MBL Group's regulatory capital position is assessed in Australian dollars, our capital ratios may be adversely impacted by a depreciating Australian dollar, which increases the capital requirement for assets denominated in currencies other than Australian dollars;

(ac) our business may be adversely affected by our failure to adequately manage the risks associated with strategic opportunities and new businesses, including acquisitions, and the exiting or restructuring of existing businesses

We are continually evaluating strategic opportunities and undertaking acquisitions of businesses, some of which may be material to our operations. Our completed and prospective acquisitions and growth initiatives may cause us to become subject to unknown liabilities of the acquired or new business and additional or different regulations.

Future growth, including through acquisitions, mergers and other corporate transactions, may also place significant demands on our legal, accounting, IT, risk management and operational infrastructure and result in increased expenses. A number of our recent and planned business initiatives and further expansions of existing businesses may also expose us to new and enhanced risks, including reputational concerns arising from dealing with a range of new counterparties and investors, actual or perceived conflicts of interest, regulatory scrutiny of these activities, potential political pressure, increased credit-related and operational risks, including risks arising from IT systems and reputational concerns with the manner in which these businesses are being operated or conducted.

We may be exposed to a number of risks in acquiring new businesses and in outsourcing, exiting or restructuring existing businesses. Where our acquisitions are in foreign jurisdictions, or are in emerging or growth economies in particular, we may be exposed to heightened levels of regulatory scrutiny and political, social or economic disruption and sovereign risk in emerging and growth markets;

(ad) our business depends on our brand and reputation

We believe our reputation in the financial services markets and the recognition of the Macquarie brand by our customers are important contributors to our business. Many companies in Macquarie Group and many of the funds managed by entities owned, in whole or in part, by MBL and MGL use the Macquarie name. We do not control those entities that are not in MBL Group, but their actions may reflect directly on our reputation.

Our business may be adversely affected by negative publicity or poor financial performance in relation to any of the entities using the Macquarie name, including any Macquarie-managed fund or funds that Macquarie has promoted or is associated with. If funds that use the Macquarie name or are otherwise associated with Macquarie-managed assets are perceived to be managed inappropriately, those managing entities could be subject to criticism and negative publicity, harming our reputation and the reputation of other entities that use the Macquarie name;

(ae) competitive pressure, both in the financial services industry as well as in the other industries in which we operate, could adversely impact our business

We face significant competition from local and international competitors, which compete vigorously in the markets and sectors across which we operate. In addition, the use of digital channels by customers to conduct their banking continues to rise and emerging competitors are increasingly utilizing new technologies and seeking to disrupt existing business models, including in relation to digital payment services and open data banking, that challenge, and could potentially disrupt, traditional financial services. We face competition from established providers of financial services as well as from businesses developed by non-financial services companies. We believe that we will continue to experience pricing pressures in the future as some of our competitors seek to obtain or increase market share.

Any consolidation in the global financial services industry may create stronger competitors with broader ranges of product and service offerings, increased access to capital, and greater efficiency and pricing power which may enhance the competitive position of Macquarie's competitors. The effect of competitive market conditions, especially in our main markets, products and services, may lead to an erosion in our market share or margins;

(af) our ability to retain and attract qualified employees is critical to the success of our business and the failure to do so may materially adversely affect our performance

Our employees are our most important resource, and our performance largely depends on the talents and efforts of highly skilled individuals. Our continued ability to compete effectively in our businesses and to expand into new business areas and geographic regions depends on our ability to retain and motivate our existing employees and attract new employees. Competition from within the financial services industry and from businesses outside the financial services industry for qualified employees has historically been intense. Recent employment conditions associated with the pandemic have made the competition to hire and retain qualified employees significantly more challenging.

In order to attract and retain qualified employees, we must compensate such employees at or above market levels. As a regulated entity, we may be subject to limitations on remuneration practices. These limitations may require us to further alter our remuneration practices in ways that could adversely affect our ability to attract and retain qualified and talented employees;

Current and future laws (including laws relating to immigration and outsourcing) may restrict our ability to move responsibilities or personnel from one jurisdiction to another. This may impact our ability to take advantage of business and growth opportunities or potential efficiencies;

(ag) our business is subject to the risk of loss associated with price volatility in the equity and other markets in which we operate.

We are exposed to changes in the value of financial instruments and other financial assets that are carried at fair market value, as well as changes to the level of our advisory and other fees, due to changes in interest rates, exchange rates, equity and commodity prices and credit spreads and other market risks. These changes may result from changes in economic conditions, monetary and fiscal policies, market liquidity, availability and cost of capital, international and regional political events, acts of war or terrorism, corporate, political or other scandals that reduce investor confidence in capital markets, natural disasters or pandemics or a combination of these or other factors.

We trade in foreign exchange, interest rate, commodity, bullion, energy, securities and other markets and are an active price maker in the derivatives market. Certain financial instruments that we hold and contracts to which we are a party are complex and these complex structured products often do not have readily available markets to access in times of liquidity stress. We may incur losses as a result of volatility in market prices for products we trade, which decreases the valuation of our trading and investment positions, including our interest rate and credit products, currency, commodity and equity positions. In addition, reductions in equity market prices or increases in interest rates may reduce the value of our clients' portfolios, which in turn may reduce the fees we earn for managing assets in certain parts of our business. Increases in interest rates or attractive prices for other investments could cause our clients to transfer their assets out of our funds or other products.

Interest rate benchmarks around the world (for example, the London Interbank Offered Rate or LIBOR) have been subject to regulatory scrutiny and are subject to change.

Interest rate risk arises from a variety of sources including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates can affect earnings or the value of the Macquarie Group;

(ah) failure of third parties to honor their commitments in connection with our trading, lending and other activities may adversely impact our business

We are exposed to the potential for credit-related losses as a result of an individual, counterparty or issuer being unable or unwilling to honor its contractual obligations. We are also exposed to potential concentration risk arising from large individual exposures or groups of exposures. Like any financial services organization, we assume counterparty risk in connection with our lending, trading, derivatives and other businesses where we rely on the ability of third parties to satisfy their financial obligations to us on a timely basis. Our recovery of the value of the resulting credit exposure may be adversely affected by a number of factors, including declines in the financial condition of the counterparty, the value of property we may hold as collateral and the market value of the counterparty instruments and obligations we hold. Credit losses can and have resulted in financial services organizations realizing significant losses and in some cases failing altogether. To the extent our credit exposure increases, it could have an adverse effect on our business and profitability if material unexpected credit losses occur;

(ai) failure to maintain our credit ratings and those of our subsidiaries could adversely affect our cost of funds, liquidity, competitive position and access to capital markets

The credit ratings assigned to us and certain of our subsidiaries by rating agencies are based on an evaluation of a number of factors, including our ability to maintain a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, funding stability and security, disciplined liquidity management and our key operating environments, including the availability of systemic support in Australia. In addition, a credit rating downgrade could be driven by the occurrence of one or more of the other risks identified in this section or by other events that are not related to the MBL Group.

If we fail to maintain our current credit ratings, this could (i) adversely affect our cost of funds and related margins, liquidity, competitive position, the willingness of counterparties to transact with us and our ability to access capital markets or (ii) trigger our obligations under certain bilateral provisions in some of our trading and collateralized financing contracts. Under these provisions, counterparties could be permitted to terminate contracts with us or require us to post additional collateral, which could cause us to sustain losses and impair our liquidity by requiring us to find other sources of financing or to make significant cash payments or securities movements;

(aj) our business operations expose us to potential tax liabilities that could have an adverse impact on our results of operations and our reputation

We are exposed to risks arising from the manner in which the Australian and international tax regimes may be applied and enforced, both in terms of our own tax compliance and the tax aspects of transactions on which we work with clients and other third parties. Our international, multi-jurisdictional platform increases our tax risks. Any actual or alleged failure to comply with or any change in the interpretation, application or enforcement of applicable tax laws and regulations could adversely affect our reputation and affected business areas, significantly increase our own tax liability and expose us to legal, regulatory and other actions;

(ak) we may incur financial loss, adverse regulatory consequences or reputational damage due to inadequate or failure in internal or external operational systems and risk infrastructure, people and processes.

Our businesses depend on our ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. While we employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, we may, in the course of our activities, incur losses. There can be no assurance that the risk management processes and strategies that we have developed will adequately anticipate or be effective in addressing market stress or unforeseen circumstances. We face the risk of operational failure, termination or capacity constraints of any of the counterparties, clearing agents, exchanges, clearing houses or other financial intermediaries we use to facilitate our securities or derivatives transactions, and as our interconnectivity with our clients and counterparties grows, the risk to us of failures in our clients' and counterparties' systems also grows. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control.

We are subject to laws, rules and regulations regarding compliance with our privacy policies and the disclosure, collection, use, sharing and safeguarding of personally identifiable information, the violation of which could result in litigation, regulatory fines and enforcement actions. Furthermore, a breach, failure or other disruption of our data management systems and technology, or those of our third party service providers, could lead to the unauthorized or unintended release, misuse, loss or destruction of personal or confidential data about our customers, employees or other third parties in our possession, which could materially damage our reputation and expose us to liability for violations of privacy and data protection laws.

We are exposed to the risk of loss resulting from the failure of our internal or external processes and systems, such as from the disruption or failure of our IT systems, or from external suppliers and service providers including cloud-based outsourced technology platforms, or external events.

We are also exposed to the risk of loss resulting from the actions or inactions of our employees, contractors and external service providers. It is not always possible to deter or prevent employee misconduct and the precautions we take to prevent and detect this activity may not be effective in all cases, which could result in financial losses, regulatory intervention and reputational damage.

(al) a cyber attack, information or security breach, or a technology failure could adversely affect our ability to conduct our business, manage our exposure to risk or expand our businesses, result in the disclosure or misuse of confidential or proprietary information, and increase our costs.

Our businesses depend on the security and efficacy of our data management systems and technology, as well as those of third parties with whom we interact or on whom we rely. While we seek to operate in a control environment that limits the likelihood of a cyber and information security incident, and to ensure that the impact of a cyber and information security incident can be minimized by information security capability and incident response, there can be no assurances that our security control will provide absolute security against a changing external threat environment.

Cyber and information security risks for financial institutions have increased in recent years, in part because of the proliferation of new technologies, the use of internet and telecommunications technology and the increased sophistication and activities of attackers.

Despite efforts to protect the integrity of our systems and implement protective measures, we may not be able to anticipate all security breaches or implement preventive measures against such security breaches.

As a result of increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including us. Any third-party technology failure, cyber attack or other information or security breach, termination or constraint could adversely affect our businesses.

Cyber attacks or other information or security breaches, whether directed at us or third parties, may result in a material loss or have adverse consequences for MBL Group;

(am) we could suffer losses due to hostile, catastrophic or unforeseen events, including due to environmental and social factors.

Our businesses and assets are subject to the risk of unforeseen, hostile or catastrophic events, many of which are outside of our control, including natural disasters, extreme weather events, occurrence of diseases, leaks, spills, explosions, release of toxic substances, fires, accidents on land or at sea, terrorist attacks , military conflict including the current conflict between Russia and Ukraine, or other hostile or catastrophic events.

Any significant environmental change or external event (including increased frequency and severity of storms, floods and other catastrophic events such as earthquake, pandemic (such as COVID-19), other widespread health emergencies, civil unrest, geopolitical or terrorism events) has the potential to disrupt business activities, impact our operations or reputation, increase credit risk and other credit exposures, damage property and otherwise affect the value of assets held in the affected locations and our ability to recover amounts owing to us. In addition, we may implement measures to provide short term financial assistance to customers who are facing financial difficulties as a consequence of such environmental or social factors and may be unable to pay amounts due to us.

The occurrence of any such events may prevent us from performing under our agreements with clients, may disrupt our business activities, impair our operations or financial results, affect the value of assets held in the affected locations, and may result in litigation, regulatory action, negative publicity or other reputational harm. We may also not be able to obtain insurance to cover some of these risks and the insurance that we have may be inadequate to cover our losses.

Any such long-term, adverse environmental consequences could prompt us to exit certain businesses altogether. Such an event or environmental change (as the case may be) could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets.

We also face increasing public scrutiny, laws and regulations related to environmental and social factors. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as diversity and inclusion, environmental stewardship, support for local communities, corporate governance and transparency and considering environmental and social factors in our investment and procurement processes. Failure to effectively manage these risks may result in breaches of our statutory obligations and could adversely affect our business, prospects, reputation, financial performance or financial condition;

(an) we could suffer losses due to climate change.

Our businesses could also suffer losses due to climate change. Climate change is systemic in nature and is a significant long-term driver of both financial and non-financial risks. Climate change related impacts include physical risks from changing climatic conditions which could result from increased frequency and/or severity of adverse weather events. Such disasters could disrupt our operations or the operations of customers or third parties on which we rely. Additionally, climate change could result in transition risks such as changes to laws and regulations, technology development and disruptions and changes in consumer and market preferences. towards a low carbon economy. These factors could restrict the scope of our existing businesses, limit our ability to pursue certain business activities and offer certain products and services, amplify credit and market risks, negatively impact asset values and/or otherwise adversely impact us, our business or our customers. Our response to climate change, our climate strategies, policies and disclosure, and/or our ability to achieve our climate-related goals and commitments may affect MBL Group's performance and could have wide-ranging impacts for the MBL Group. These include, but are not limited to, impacts on the probability of default and losses arising from defaults, asset valuations and collateral, may result in litigation, regulatory scrutiny and/or action, negative publicity or other reputational harm or could prompt us to exit certain businesses altogether. Failure to effectively manage these risks could adversely affect our business, prospects, reputation, financial performance or financial condition.

(ao) conflicts of interest could limit our current and future business opportunities.

As we expand our businesses and our client base, we increasingly have to address potential or perceived conflicts of interest, including situations where our services to a particular client conflict with, or are perceived to conflict with, our own proprietary investments or other interests or with the interests of another client, as well as situations where one or more of our businesses have access to material non-public information that may not be shared with other businesses within the Macquarie Group. While we believe we have adequate procedures and controls in place to address conflicts of interest, including those designed to prevent the improper sharing of information among our businesses, appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged and the willingness of clients or counterparties to enter into transactions may be adversely affected if we fail, or appear to fail, to deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to claims by and liabilities to clients, litigation or enforcement actions;

(ap) litigation and regulatory actions may adversely impact our results of operations

We may, from time to time, be subject to material litigation and regulatory actions, for example, as a result of inappropriate documentation of contractual relationships, class actions or regulatory breaches, which, if they crystallize, may adversely impact upon our results of operations and financial condition in future periods or our reputation. We regularly obtain legal advice and make provisions, as deemed necessary. There is a risk that any losses may be larger than anticipated or provided for or that additional litigation, regulatory actions or other contingent liabilities may arise. Furthermore, even where monetary damages may be relatively small, an adverse finding in a regulatory or litigation matter could harm our reputation or brand, thereby adversely affecting our business;

(aq) we are subject to global economic, market and business risks with respect to the COVID-19 pandemic.

The COVID-19 pandemic caused, and will likely continue to cause, severe impacts on global, regional and national economies and disruption to international trade and business activity. Governments worldwide, enacted emergency measures to combat the spread of the virus, including wide ranging restrictions on, suspensions of, or advice against, regional and international travel, gatherings of groups of people, as well as prolonged closures of workplaces and many other normal activities, all of which have had, and may continue to have, a substantial negative impact on economic and business activity due to a range of factors. While financial markets have rebounded from the significant declines that occurred early in the pandemic certain circumstances that arose or became more pronounced after the onset of the COVID-19 pandemic have persisted, including (i) relatively weak consumer confidence; (ii) elevated levels of market volatility; (iii) yields on government bonds which, at times, were near zero; (iv) ongoing heightened credit risk with regard to industries that have been most severely impacted by the pandemic; (v) higher cyber security, information security and operational risks as a result of hybrid work arrangements; and (vi) interruptions in the supply chain that have adversely affected many businesses and have contributed to higher rates of inflation. This may in turn reduce the level of activity in sectors in which certain of our businesses operate and thus have a negative impact on such businesses' ability to generate revenues or profits.

Governments and central banks around the world have taken increased measures to stabilize the financial markets and support economic growth. If the COVID-19 pandemic is prolonged and/or actions of governments and central banks are unsuccessful in mitigating the economic disruption, the negative impact on global growth and global financial markets could be amplified, and may lead to recessions in national, regional or global economies.

We continue to closely monitor the pandemic and related risks as they evolve globally and domestically. The impact of COVID-19 on the economy and our personnel and operations is highly uncertain and cannot be predicted and will depend on the magnitude and duration of the pandemic, the emergence and spread of variants of COVID-19, the prevalence of escalating rates of infection in various jurisdictions, the availability, adoption and efficacy of treatments and vaccines, future actions taken by government authorities, central banks and other third parties in response to the pandemic. All these factors may lead to further reduced client activity and demand for our products and services, higher credit and valuation losses in our loan and investment portfolios, impairments of financial assets, trading losses and other negative impacts on our financial position, including possible constraints on capital and liquidity, as well as higher costs of capital, and possible changes or downgrades to our credit ratings. If conditions deteriorate or remain uncertain for a prolonged period, our funding costs may increase and our ability to replace maturing liabilities may be limited, which could adversely affect our ability to fund and grow our business. This may adversely impact our results of operations and financial condition.

(ar) we may not manage risks associated with the replacement of benchmark indices effectively.

LIBOR and other interest rate benchmarks (collectively, the "**IBORs**") have been the subject of ongoing national and international regulatory scrutiny and reform. The transition away from and discontinuance of LIBOR or any other benchmark rate and the adoption of alternative reference rates ("**ARR**") by the market introduce a number of risks for us, our clients, and the financial services industry more widely. These include, but are not limited to:

(i) Conduct risks – where, by undertaking actions to transition away from using the IBORs, we face conduct risks which may lead to client complaints, regulatory sanctions or reputational impact if the MBL Group is (1) considered to be undertaking market activities that are manipulative or create a false or misleading impression; (2) misusing sensitive information or not identifying or appropriately managing or mitigating conflicts of interest; (3) not taking an appropriate or consistent response to remediation activity or customer complaints; or (4) providing regulators with inaccurate regulatory reporting.

(ii) Legal and execution risks – relating to documentation changes required for new ARR products and for the transition of legacy contracts to ARRs, which transition will, in turn, depend, to a certain extent, on the availability of ARR products and on the participation of customers and third-party market participants in the transition process; legal proceedings or other actions regarding the interpretation and enforceability of provisions in IBOR-based contracts; and regulatory investigations or reviews in respect of our preparation and readiness for the replacement of IBOR with alternative reference rates.

(iii) Financial risks and pricing risks – arising from: (1) any changes in the pricing mechanisms of financial instruments linked to IBOR or ARRs which could impact the valuations of these instruments; and (2) the implementation of the International Swaps and Derivatives Association's protocol for the transition of derivatives contracts, and similar guidance for cash products which could cause earnings volatility depending on the nature of contract modifications and changes in hedge accounting.

(iv) Operational risks – due to the potential need for us, our clients and the market to adapt technology systems, operational processes and controls to accommodate one or more ARRs for a large volume of trades.

Any of these factors may have a material adverse effect on MBL Group's business, results of operations, financial condition and prospects.

(as) Investors should note that they are exposed to an exchange rate risk as the Warrants will be issued and traded in Singapore dollars while the underlying shares are traded in Hong Kong dollars and the Cash Settlement Amount is converted from a foreign currency into Singapore dollars. The value of the Warrants may therefore be affected by, amongst other factors, the relative exchange rates of the Singapore dollar and the Hong Kong dollars. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Warrants. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies

(at) The price of the Share is published during the trading hours of the Relevant Stock Exchange. The trading days and hours of the Relevant Stock Exchange are different from that of the SGX-ST. In assessing the price of the Warrants, you should be aware of the differences in the time zone and the actual trading days and hours of the relevant exchanges in Singapore and Hong Kong. For example, the price of the Share may be volatile during which the Stock SGX-ST is not open for trading of the Warrants. There may also be certain period of time during the trading hours of the SGX-ST when the prices of the Shares are not available. The market maker will not be able to provide liquidity for the Warrants during such times.

INFORMATION RELATING TO THE COMPANY

All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information. The Issuer has not independently verified any of such information.

Tencent Holdings Limited (the "**Company**") operates as a holding company. The Company, through its subsidiaries, provides social networking, music, web portals, e-commerce, mobile games, Internet services, payment systems, entertainment, artificial intelligence, and technology solutions. Tencent Holdings serves customers worldwide.

The information set out in Appendix I of this document relates to the unaudited consolidated financial statements of the Company and its subsidiaries for the three months ended 31 March 2022 and has been extracted and reproduced from an announcement by the Company dated 18 May 2022 in relation to the same. Further information relating to the Company may be located on the Company's web-site at http://www.tencent.com/.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Macquarie Capital Securities (Singapore) Pte. Limited ("**MCSSP**") has been appointed the designated market maker ("**DMM**") for the Warrants. The DMM will provide competitive buy and sell quotes for the Warrants continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	10 times the minimum permitted price movement in the Warrants in accordance with the rules of the SGX-ST or SGD 0.20, whichever is the greater
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Warrants
(c)	Last Trading Day for Market Making	:	The date falling five Business Days immediately preceding the Expiry Date, provided that if such day is not a day on which HKEX is open for dealings during its normal trading hours ("HK Business Day"), the Business Day immediately preceding such day which is also a HK Business Day

Quotations will/may however not be provided by the DMM in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Warrant is valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) when trading in the Shares is suspended or limited in a material way (including price quote limits activated by the relevant exchange or otherwise); for the avoidance of doubt, the DMM is not obliged to provide quotations for the Warrants at any time when the shares or securities relating to or constituting the Index are not traded for any reason;

(iv) when the Issuer or DMM faces technical problems affecting the ability of the DMM to provide the bid and offer prices;

(v) when the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions. The Issuer will inform the SGX-ST of its inability to do so as soon as practicable;

(vi) in cases where the Issuer has no Warrants to sell, the DMM will only provide the bid price;

(vii) when the stock market experiences exceptional price movements and volatility; and

(viii) when it is a public holiday in Singapore or Hong Kong and the SGX-ST or HKEX is not open for dealings.

History and Business

MCSSP holds a Capital Markets Services License issued by the Monetary Authority of Singapore and is a trading member of SGX-ST as well as a Clearing Member of the CDP. Under the Capital Markets

Services License, MCSSP is permitted to deal in securities and provide custodial services as well as act as an exempt financial adviser. Its principal activities are those relating to the provision of stock and share broking services, prescribed under the rules and regulations of the SGX-ST, and related securities research services. MCSSP is a wholly owned subsidiary of Macquarie Group Holdings (Singapore) Pte. Limited and its ultimate holding company is Macquarie Group Limited.

SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Warrants or possession or distribution of any offering material in relation to the Warrants in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Warrants, or distribution of any offering material relating to the Warrants may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

European Economic Area

Please note that in relation to EEA states, additional selling restrictions may apply in respect of any specific EEA state.

The Warrants are not offered, sold or otherwise made available and will not be offered, sold, or otherwise made available under this document to any retail investor in the European Economic Area. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Warrants or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Warrants or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPS Regulation. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   (ii) a customer within the meaning of Directive 2016/97/EU (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 and superseded the "**Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe the Warrants.

United Kingdom

Each dealer has represented and agreed, and each further dealer appointed in respect of the Warrants will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Warrants which are the subject of the offering contemplated by this Base Listing Document to any retail investor in the United Kingdom.

For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as 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 EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants.

Each dealer has represented and agreed, and each further dealer appointed in respect of the Warrants will be required to represent and agree, that:

(a) in respect of Warrants having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Warrants other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Warrants would otherwise constitute a contravention of Section 19 of the FSMA, by us;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Warrants in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Warrants in, from or otherwise involving the United Kingdom.

United States of America

The Warrants have not been, and will not be, registered under the Securities Act. Subject to certain exceptions, Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offering, sale or resale in the United States or to any such U.S. person. Offers and sales of Warrants, or interests therein, in the United States or to U.S. persons would constitute a violation of United States securities laws unless made in compliance with registration requirements of the Securities Act or pursuant to an exemption therefrom. As used herein, "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and "**U.S. person**" means any citizen or resident of the United States, including any corporation, partnership or other entity created or organised in or under the laws of the United States or of any political subdivision thereof, any estate or trust the income of which is subject to United States income taxation regardless of its source, and any other "**U.S. person**" as such term is defined in Regulation S under the Securities Act.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Warrants may not be circulated or distributed, nor may Warrants be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act 2001 of Singapore.

Hong Kong

Each distributor, purchaser or subscriber of the Warrants has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Warrants, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Warrants which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Commonwealth of Australia

This document is not a prospectus, product disclosure statement or any other disclosure document for the purposes of the Corporations Act 2001 (Cth) (the "**Act**"). This document has not been, and will not be, lodged with the Australian Securities and Investments Commission, ASX Limited or any other government agency in Australia. Each Warrantholder will be required to represent and agree that, unless the applicable final terms otherwise provides, it:

(a) has not offered or invited applications, and will not make any offer, or invite applications, for the issue, sale or purchase of any Warrant in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this document, any addendum to the Base Listing Document and this document or any other offering material or advertisement relating to any Warrant in Australia,

Unless:

(a) the offeree or invitee is a "wholesale client", "sophisticated investor" or "professional investor" (as defined in the Act);

(b) the minimum aggregate consideration payable by each offeree or invitee is at least A$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates); or

(c) the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Act.

Section 708(19) of the Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Act if the issuer is an Australian ADI. As at the date of this document, the Issuer is an ADI.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 121 of the Base Listing Document.

1. Settlement of trades done on a normal "ready basis" on the SGX-ST generally takes place on the second Business Day following the transaction. Dealing in the Warrants will take place in Board Lots in Singapore dollars. For further details on the transfer of Warrants and their exercise, please refer to the section headed "Summary of the Issue" above.

2. It is not the current intention of the Issuer to apply for a listing of the Warrants on any stock exchange other than the SGX-ST.

3. The Issuer is an indirect subsidiary of Macquarie Group Limited. Macquarie Group Limited, with its controlled entities ("**Macquarie Group**"), is a large diversified Australian-based financial institution with a long and successful history. Like any financial institution, Macquarie Group has been subject to lawsuits.

   There are no, nor have there been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which Macquarie Bank or the Macquarie Group is aware) in the 12 month period prior to the date of this document which may have or have had a significant effect on the financial position or profitability of Macquarie Bank.

4. To the best of the Issuer's knowledge, there has been no adverse change, material in the context of the issue of the Warrants, in the financial position of the Issuer since 31 March 2022.

5. The following contracts, relating to the issue of the Warrants, have been or will be entered into by the Issuer and may be material to the issue of the Warrants:

   (a) the Master Instrument; and

   (b) the Warrant Agent Agreement.

   None of the directors of the Issuer has any direct or indirect interest in any of the above contracts.

6. The Warrants are not fully covered by Shares held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Warrants.

7. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the office of Macquarie Capital Securities (Singapore) Pte. Limited at 9 Straits View, #21-07 Marina One West Tower, Singapore 018937, until the expiry of the Warrants:

   (a) the Constitution of the Issuer;

   (b) the annual reports for the financial years ended 31 March 2021 and 31 March 2022 of the issuer;

   (c) the Master Instrument;

   (d) the Warrant Agent Agreement; and

   (e) the Base Listing Document.

APPENDIX I

REPRODUCTION OF THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2022 OF TENCENT HOLDINGS LIMITED AND ITS SUBSIDIARIES

The information set out below is a reproduction of the unaudited consolidated financial statements of the Company and its subsidiaries for the three months ended 31 March 2022 and has been extracted and reproduced from an announcement by the Company dated 18 May 2022 in relation to the same.

Tencent 腾讯

TENCENT HOLDINGS LIMITED
騰 訊 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 700)

ANNOUNCEMENT OF THE RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2022

The Board is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2022. These interim results have been reviewed by the Auditor in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board, and by the Audit Committee.

FINANCIAL PERFORMANCE HIGHLIGHTS

	Unaudited Three months ended				
	31 March 2022	31 March 2021	Year-on-year change	31 December 2021	Quarter-on-quarter change
	(RMB in millions, unless specified)				
Revenues	**135,471**	135,303	0%	144,188	-6%
Gross profit	**57,074**	62,635	-9%	57,817	-1%
Operating profit	**37,217**	56,273	-34%	109,723	-66%
Profit for the period	**23,733**	49,008	-52%	95,705	-75%
Profit attributable to equity holders of the Company	**23,413**	47,767	-51%	94,958	-75%
EPS (RMB per share)					
– basic	**2.455**	5.020	-51%	9.957	-75%
– diluted	**2.404**	4.917	-51%	9.788	-75%
Non-IFRS operating profit	**36,538**	42,758	-15%	33,151	10%
Non-IFRS profit attributable to equity holders of the Company	**25,545**	33,118	-23%	24,880	3%
Non-IFRS EPS (RMB per share)					
– basic	**2.678**	3.481	-23%	2.609	3%
– diluted	**2.620**	3.415	-23%	2.547	3%

OPERATING INFORMATION

	As at 31 March 2022	As at 31 March 2021	Year-on-year change	As at 31 December 2021	Quarter-on-quarter change
		(in millions, unless specified)			
Combined MAU of Weixin and WeChat	**1,288.3**	1,241.6	3.8%	1,268.2	1.6%
Mobile device MAU of QQ	**563.8**	606.4	-7.0%	552.1	2.1%
Fee-based VAS registered subscriptions	**239.1**	225.7	5.9%	236.3	1.2%

BUSINESS REVIEW AND OUTLOOK

During the challenging first quarter of 2022, we implemented cost control initiatives and rationalised certain non-core businesses, which would enable us to achieve a more optimised cost structure going forward. We utilised tools such as Mini Programs, Tencent Meeting, and WeCom to help enterprises and consumers weather the resurgence of COVID-19 in China, and continued investing in strategic growth areas including enterprise software, Video Accounts and international games. Looking forward, we will sharpen our focus and sustain our innovation through challenges and cycles, and continue to create value for our users, partners, and society. Below are some highlights from our key products and business lines during the reporting quarter:

Communication and Social

Within Weixin, Video Accounts continued to gain user traction with significant year-on-year growth in video views and time spent, bolstered by expansion in news, knowledge-based and entertainment content, as well as enhanced recommendation technologies. Mini Programs exceeded 500 million DAU and sustained rapid growth in gross merchandise value with deepened penetration in retail, dining and municipal services.

For QQ, we are enriching features for young users to better create, share and connect with each other. We provide avatar tools for users to create short videos featuring their customised Super QQ Show characters. Through Status update, users can choose to let their contacts see what videos or music they are consuming, so that their friends can access and stream the same content within QQ via Mini Programs.

Digital Content

Our fee-based VAS subscriptions increased 6% year-on-year to 239 million. We extended our market leadership in the long-form video streaming market with 124 million subscribers, leveraging IP adaptations of successful comics and novels. For music, subscription counts increased to 80 million, driven by high quality content as well as increased consumer willingness to subscribe for music services.

Domestic Games

Among our most popular and longer-established games, Honour of Kings, the top-ranked mobile game by DAU in China[1], released fewer commercially successful items during the Chinese New Year holiday period than in prior years, but its adult user base remained engaged. With the release of popular items inspired by the Chinese floral festival, Honour of Kings resumed year-on-year growth in its grossing receipts in March 2022. Peacekeeper Elite, the second-most popular mobile game by DAU in China[1], released its third anniversary update in April 2022, enhancing user engagement. We are also successfully expanding our presence in other key genres of games. Fight of The Golden Spatula, an auto battler genre game we released in August 2021, added new champions and game mechanics, and was the sixth most popular mobile game by DAU in China[1]. Return to Empire, a real-time strategy mobile game we launched in March 2022, became China's second most successful game in its genre by grossing receipts in April 2022[2].

International Games

We believe that the mobile game industry outside China generally underwent a post COVID-19 normalisation downward in terms of user activities and spending in early 2022. PUBG Mobile experienced this pattern with a year-on-year revenue decline in the first quarter of 2022. However, our PC game VALORANT continued its robust performance with a growing user base and higher paying propensity. We also released titles in other key genres which generated favorable critical response. For example, Dune: Spice Wars, a real-time strategy PC game based on the popular sci-fi IP Dune and published by our subsidiary Funcom, entered into Early Access in April 2022. We and Electronic Arts have jointly developed Apex Legends Mobile, a hero shooter battle royale game based on one of the most successful new PC/console IPs in recent years, which was launched in May 2022.

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1 Source: QuestMobile, 1Q22

2 Source: data.ai

Online Advertising

For 2022 second quarter-to-date, overall advertising sentiment remained weak as advertisers in categories such as FMCG, eCommerce and travel have reduced their spending significantly. Amid the difficult market environment, we continue to invest in our advertising system and are upgrading our machine learning infrastructure to process data more efficiently. The upgrade should enable us to deliver better targeting and conversion rates for advertisers.

FinTech

Commercial payment activities have been weak since mid March 2022, due to the resurgence of COVID-19 in several cities in China, which negatively affected payment volume growth in categories such as transportation, dining services and apparel.

Cloud and Other Business Services

As we re-focused on healthy growth for Business Services, we scaled back loss-making activities, and concentrated resources on our PaaS solutions in areas such as video cloud and cybersecurity. Taking advantage of our accumulated experience in providing in-house interactive entertainment and video chat services, and our low-latency network infrastructure, we are increasingly migrating our clients from basic CDN services to sophisticated video-on-demand, live streaming and real-time communication solutions. According to Gartner, Tencent ranked first in China by CPaaS revenues[3]. In cybersecurity, we expanded our client base across network, endpoint and business operation security solutions, fulfilling enterprises' growing needs for protection against cyber-attacks, and for cybersecurity compliance.

[3] Source: Gartner's "Market Share: All Software, Markets, Worldwide, 2021"

MANAGEMENT DISCUSSION AND ANALYSIS

First Quarter of 2022 Compared to First Quarter of 2021

The following table sets forth the comparative figures for the first quarter of 2022 and the first quarter of 2021:

	Unaudited Three months ended	
	31 March 2022	31 March 2021
	(RMB in millions)	
Revenues	**135,471**	135,303
Cost of revenues	**(78,397)**	(72,668)
Gross profit	**57,074**	62,635
Interest income	**1,737**	1,614
Other gains, net	**13,133**	19,521
Selling and marketing expenses	**(8,058)**	(8,530)
General and administrative expenses	**(26,669)**	(18,967)
Operating profit	**37,217**	56,273
Finance costs, net	**(1,935)**	(1,367)
Share of (loss)/profit of associates and joint ventures, net	**(6,280)**	1,348
Profit before income tax	**29,002**	56,254
Income tax expense	**(5,269)**	(7,246)
Profit for the period	**23,733**	49,008
Attributable to:		
Equity holders of the Company	**23,413**	47,767
Non-controlling interests	**320**	1,241
	23,733	49,008
Non-IFRS operating profit	**36,538**	42,758
Non-IFRS profit attributable to equity holders of the Company	**25,545**	33,118

Revenues. Revenues were RMB135.5 billion for the first quarter of 2022, broadly stable compared to the first quarter of 2021. The following table sets forth our revenues by line of business for the first quarter of 2022 and the first quarter of 2021:

	Unaudited Three months ended			
	31 March 2022		31 March 2021	
	Amount	**% of total revenues**	Amount	% of total revenues
	(RMB in millions, unless specified)			
VAS	**72,738**	**54%**	72,443	54%
Online Advertising	**17,988**	**13%**	21,820	16%
FinTech and Business Services	**42,768**	**32%**	39,028	29%
Others	**1,977**	**1%**	2,012	1%
Total revenues	**135,471**	**100%**	135,303	100%

– Revenues from VAS[4] were RMB72.7 billion for the first quarter of 2022, broadly stable compared to the first quarter of 2021. Domestic Games revenues decreased by 1% to RMB33.0 billion, as direct and indirect effects of the minor protection measures impacted active user and paying user counts. During the quarter, the incremental revenues generated by recently launched games, such as League of Legends: Wild Rift and Fight of The Golden Spatula, were largely offset by the decrease in revenues from games such as Moonlight Blade Mobile and Call of Duty Mobile. International Games revenues grew by 4% to RMB10.6 billion, or 8% in constant currency terms, reflecting an increase in revenues from games including VALORANT and Clash of Clans, partly offset by a decrease in revenues from PUBG Mobile as user spending normalised post-COVID. Social Networks revenues grew by 1% to RMB29.1 billion, reflecting increased revenue from our Video Accounts live streaming service, largely offset by decreased revenues from music- and games-related live streaming services.

4 Mobile games VAS revenues (including mobile games revenues attributable to our Social Networks business) decreased by 3% year-on-year to RMB40.3 billion, while PC client games revenues grew by 2% year-on-year to RMB12.1 billion for the first quarter of 2022.

– Revenues from Online Advertising decreased by 18% to RMB18.0 billion for the first quarter of 2022 on a year-on-year basis, reflecting weak demand from advertiser categories including education, Internet services and eCommerce, plus regulatory changes impacting the online advertising industry itself, partly offset by solid demand from the FMCG category, as well as our consolidation of Sogou's advertising revenue. Social and Others Advertising revenues decreased by 15% to RMB15.7 billion, primarily due to sharply lower advertising revenues from our mobile advertising network, which was particularly affected by the regulatory changes, partly offset by greater advertising revenues from Official Accounts, driven by the popularity of notification feeds ads. Media Advertising revenues decreased by 30% to RMB2.3 billion, reflecting lower advertising revenues from our media platforms including Tencent News and Tencent Video, partly offset by advertising revenue contribution from the Beijing 2022 Winter Olympics.

– Revenues from FinTech and Business Services increased by 10% to RMB42.8 billion for the first quarter of 2022 on a year-on-year basis. FinTech Services year-on-year revenue growth moderated as COVID-19 resurgence in March 2022 impacted commercial payment volume. Business Services revenue recorded a mild year-on-year decrease, as we repositioned our IaaS service from revenue scale-up at all costs to self-sustained growth, and proactively reduced loss-making contracts.

Cost of revenues. Cost of revenues increased by 8% to RMB78.4 billion for the first quarter of 2022 on a year-on-year basis, primarily driven by higher server and bandwidth costs, higher transaction costs to handle greater payment-related transaction volumes, as well as higher content costs, partly offset by decreased channel and distribution costs. As a percentage of revenues, cost of revenues increased to 58% for the first quarter of 2022 from 54% for the first quarter of 2021, reflecting costs growing while revenues were stable or declined in certain businesses, and our continued investments in key strategic areas. The following table sets forth our cost of revenues by line of business for the first quarter of 2022 and the first quarter of 2021:

	Unaudited Three months ended			
	31 March 2022		31 March 2021	
	Amount	**% of segment revenues**	Amount	% of segment revenues
	(RMB in millions, unless specified)			
VAS	**36,055**	**50%**	32,533	45%
Online Advertising	**11,394**	**63%**	11,986	55%
FinTech and Business Services	**29,269**	**68%**	26,430	68%
Others	**1,679**	**85%**	1,719	85%
Total cost of revenues	**78,397**		72,668	

– Cost of revenues for VAS increased by 11% to RMB36.1 billion for the first quarter of 2022 on a year-on-year basis, primarily driven by increased revenue sharing costs associated with our Video Accounts live streaming service, content costs for games, as well as server and bandwidth costs.

– Cost of revenues for Online Advertising decreased by 5% to RMB11.4 billion for the first quarter of 2022 on a year-on-year basis, reflecting decreased channel and distribution costs, partly offset by increased server and bandwidth costs including those associated with our Video Accounts, as well as content costs associated with the Beijing 2022 Winter Olympics.

– Cost of revenues for FinTech and Business Services increased by 11% to RMB29.3 billion for the first quarter of 2022 on a year-on-year basis, reflecting increased transaction costs due to payment volume growth, as well as increased server and bandwidth costs.

Other gains, net. We recorded net other gains of RMB13.1 billion for the first quarter of 2022, which were primarily non-IFRS adjustment items such as net gains on deemed disposals and disposals of certain investee companies (including a RMB18.5 billion gain arising from our partial divestment of Sea Limited), partly offset by impairment provisions against certain investee companies in verticals such as transportation services and online media.

Selling and marketing expenses. Selling and marketing expenses decreased by 6% to RMB8.1 billion for the first quarter of 2022 on a year-on-year basis, primarily due to reduced marketing spending as part of our expense optimisation measures. As a percentage of revenues, selling and marketing expenses was 6% for the first quarter of 2022, broadly stable compared to the first quarter of 2021.

General and administrative expenses. General and administrative expenses increased by 41% to RMB26.7 billion for the first quarter of 2022 on a year-on-year basis, driven by higher share-based compensation expenses, R&D expenses and staff costs reflecting our headcount increase due to on-going investments in key strategic areas, greater expenses incurred by our overseas subsidiaries, as well as expenses from recently acquired subsidiaries.

Finance costs, net. Net finance costs increased by 42% to RMB1.9 billion for the first quarter of 2022 on a year-on-year basis, reflecting greater interest expenses as a result of increased indebtedness, and lower foreign exchange gains.

Share of loss/profit of associates and joint ventures, net. We recorded share of losses of associates and joint ventures of RMB6.3 billion for the first quarter of 2022, compared to share of profits of RMB1.3 billion for the first quarter of 2021. Non-IFRS share of losses of associates and joint ventures were RMB2.2 billion for the first quarter of 2022, compared to non-IFRS share of profits of RMB0.5 billion for the first quarter of 2021, primarily reflecting revenue declines at certain overseas associates in the games industry due to post-COVID normalisation in user spending, the impact from JD.com ceasing to be an associate, and losses recognised from associates in the transportation services vertical.

Income tax expense. Income tax expense decreased by 27% to RMB5.3 billion for the first quarter of 2022 on a year-on-year basis.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company decreased by 51% to RMB23.4 billion for the first quarter of 2022 on a year-on-year basis. Non-IFRS profit attributable to equity holders of the Company decreased by 23% to RMB25.5 billion for the first quarter of 2022 on a year-on-year basis, as costs and expenses generally increased faster than revenues, and as net associate contributions moved from profits to losses.

First Quarter of 2022 Compared to Fourth Quarter of 2021

The following table sets forth the comparative figures for the first quarter of 2022 and the fourth quarter of 2021:

	Unaudited Three months ended 31 March 2022	31 December 2021
	(RMB in millions)	
Revenues	**135,471**	144,188
Cost of revenues	**(78,397)**	(86,371)
Gross profit	**57,074**	57,817
Interest income	**1,737**	1,703
Other gains, net	**13,133**	86,199
Selling and marketing expenses	**(8,058)**	(11,616)
General and administrative expenses	**(26,669)**	(24,380)
Operating profit	**37,217**	109,723
Finance costs, net	**(1,935)**	(1,863)
Share of losses of associates and joint ventures, net	**(6,280)**	(8,267)
Profit before income tax	**29,002**	99,593
Income tax expense	**(5,269)**	(3,888)
Profit for the period	**23,733**	95,705
Attributable to:		
Equity holders of the Company	**23,413**	94,958
Non-controlling interests	**320**	747
	23,733	95,705
Non-IFRS operating profit	**36,538**	33,151
Non-IFRS profit attributable to equity holders of the Company	**25,545**	24,880

Revenues. Revenues decreased by 6% to RMB135.5 billion for the first quarter of 2022 on a quarter-on-quarter basis.

– Revenues from VAS increased by 1% to RMB72.7 billion for the first quarter of 2022. Domestic Games revenues increased by 11% to RMB33.0 billion, due to a seasonal upturn in revenues from games including Honour of Kings, CrossFire Mobile and DnF. International Games revenues decreased by 20% to RMB10.6 billion, reflecting a decrease in revenues from games such as PUBG Mobile, and the high-base effect of Supercell's revenue true-up adjustment recorded in the fourth quarter of 2021. Social Networks revenues were RMB29.1 billion, broadly stable compared to the fourth quarter of 2021, as the increase in revenues from in-game item sales and our Video Accounts live streaming service was largely offset by the decrease in revenues from music- and games-related live streaming services.

– Revenues from Online Advertising decreased by 16% to RMB18.0 billion for the first quarter of 2022, reflecting negative seasonality and weak advertising demand due to regulatory and macroeconomic headwinds. Social and Others Advertising revenues decreased by 15% to RMB15.7 billion, reflecting lower advertising revenues across many of our properties, and in particular our mobile advertising network. Media Advertising revenues decreased by 27% to RMB2.3 billion, reflecting lower advertising revenues from Tencent Video and Tencent News services.

– Revenues from FinTech and Business Services decreased by 11% to RMB42.8 billion for the first quarter of 2022. The FinTech Services revenue decrease reflected a seasonal downturn in social payment volume during the Chinese New Year period, and weak commercial payment volume in March due to domestic COVID-19 resurgence. Business Services revenues dropped sequentially, reflecting seasonally fewer cloud project deployments as well as our recent initiatives to reduce loss-making contracts.

Cost of revenues. Cost of revenues decreased by 9% to RMB78.4 billion for the first quarter of 2022 on a quarter-on-quarter basis, primarily reflecting decreased cloud project deployment costs, content costs, transaction costs of FinTech services, as well as channel and distribution costs. As a percentage of revenues, cost of revenues decreased to 58% for the first quarter of 2022 from 60% for the fourth quarter of 2021.

– Cost of revenues for VAS decreased by 2% to RMB36.1 billion for the first quarter of 2022, primarily reflecting reduced revenue sharing costs associated with live streaming services due to seasonally lower live streaming revenues, and decreased content costs due to fewer eSports events.

– Cost of revenues for Online Advertising decreased by 8% to RMB11.4 billion for the first quarter of 2022, reflecting decreased channel and distribution costs as well as content costs.

– Cost of revenues for FinTech and Business Services decreased by 16% to RMB29.3 billion for the first quarter of 2022, reflecting decreased cloud project deployment costs as well as reduced bank charges for payment services due to lower payment volume.

Selling and marketing expenses. Selling and marketing expenses decreased by 31% to RMB8.1 billion for the first quarter of 2022 on a quarter-on-quarter basis, reflecting lower marketing spending on games and Business Services due to both seasonality and expense optimisation measures.

General and administrative expenses. General and administrative expenses increased by 9% to RMB26.7 billion for the first quarter of 2022 on a quarter-on-quarter basis, reflecting higher share-based compensation expenses and staff costs.

Share of losses of associates and joint ventures, net. We recorded share of losses of associates and joint ventures of RMB6.3 billion for the first quarter of 2022, compared to share of losses of RMB8.3 billion for the fourth quarter of 2021. Non-IFRS share of losses of associates and joint ventures were RMB2.2 billion for the first quarter of 2022, compared to non-IFRS share of losses of RMB0.8 billion for the fourth quarter of 2021, reflecting seasonal revenue declines at certain overseas associates in the games industry, as well as the impact from JD.com ceasing to be an associate.

Profit attributable to equity holders of the Company. Profit attributable to equity holders of the Company decreased by 75% to RMB23.4 billion for the first quarter of 2022 on a quarter-on-quarter basis. Non-IFRS profit attributable to equity holders of the Company increased by 3% to RMB25.5 billion for the first quarter of 2022, reflecting our optimisation measures to reduce marketing spending, partly offset by widened share of losses from associates.

Other Financial Information

	Unaudited		
	Three months ended		
	31 March 2022	31 December 2021	31 March 2021
	(RMB in millions, unless specified)		
EBITDA (a)	**38,283**	36,568	49,355
Adjusted EBITDA (a)	**46,102**	42,267	52,927
Adjusted EBITDA margin (b)	**34%**	29%	39%
Interest and related expenses	**2,103**	2,188	1,726
Net (debt)/cash (c)	**(11,035)**	(20,243)	5,581
Capital expenditures (d)	**6,971**	11,661	7,734

Note:

(a) EBITDA is calculated as operating profit minus interest income and other gains/losses, net, and adding back depreciation of property, plant and equipment, investment properties as well as right-of-use assets, and amortisation of intangible assets and land use rights. Adjusted EBITDA is calculated as EBITDA plus equity-settled share-based compensation expenses.

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

(c) Net (debt)/cash 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).

The following table reconciles our operating profit to our EBITDA and Adjusted EBITDA for the periods presented:

	Unaudited		
	Three months ended		
	31 March 2022	31 December 2021	31 March 2021
	(RMB in millions, unless specified)		
Operating profit	**37,217**	109,723	56,273
Adjustments:			
Interest income	**(1,737)**	(1,703)	(1,614)
Other gains, net	**(13,133)**	(86,199)	(19,521)
Depreciation of property, plant and equipment and investment properties	**5,686**	5,466	5,303
Depreciation of right-of-use assets	**1,636**	1,376	1,055
Amortisation of intangible assets and land use rights	**8,614**	7,905	7,859
EBITDA	**38,283**	36,568	49,355
Equity-settled share-based compensation	**7,819**	5,699	3,572
Adjusted EBITDA	**46,102**	42,267	52,927

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 announcement. 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.

The following tables set forth the reconciliations of the Group's non-IFRS financial measures for the first quarter of 2022 and 2021, the fourth quarter of 2021 to the nearest measures prepared in accordance with IFRS:

	Unaudited three months ended 31 March 2022								
		Adjustments							
	As reported	**Share-based compensation**	**Net (gains)/ losses from investee companies**	**Amortisation of intangible assets**	**Impairment provisions/ (reversals)**	**SSV& CPP**	**Others**	**Income tax effects**	**Non-IFRS**
		(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	
	(RMB in millions, unless specified)								
Operating profit	**37,217**	**8,136**	**(18,559)**	**1,388**	**7,003**	**1,348**	**5**	**–**	**36,538**
Profit for the period	**23,733**	**9,635**	**(18,552)**	**3,163**	**7,832**	**1,348**	**5**	**(868)**	**26,296**
Profit attributable to equity holders	**23,413**	**9,452**	**(18,542)**	**2,857**	**7,827**	**1,348**	**5**	**(815)**	**25,545**
EPS (RMB per share)									
– basic	**2.455**								**2.678**
– diluted	**2.404**								**2.620**
Operating margin	**27%**								**27%**
Net margin	**18%**								**19%**

	Unaudited three months ended 31 December 2021								
		Adjustments							
	As reported	Share-based compensation	Net (gains)/ losses from investee companies	Amortisation of intangible assets	Impairment provisions/ (reversals)	SSV& CPP	Others	Income tax effects	Non-IFRS
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	
	(RMB in millions, unless specified)								
Operating profit	109,723	5,664	(100,349)	1,316	15,217	604	976	–	33,151
Profit for the period	95,705	7,880	(98,046)	3,340	15,573	604	1,568	(866)	25,758
Profit attributable to equity holders	94,958	7,776	(97,804)	3,010	15,573	604	1,567	(804)	24,880
EPS (RMB per share)									
– basic	9.957								2.609
– diluted	9.788								2.547
Operating margin	76%								23%
Net margin	66%								18%

	Unaudited three months ended 31 March 2021						
		Adjustments					
	As reported	Share-based compensation (a)	Net (gains)/ losses from investee companies (b)	Amortisation of intangible assets (c)	Impairment provisions/ (reversals) (d)	Income tax effects (g)	Non-IFRS
	(RMB in millions, unless specified)						
Operating profit	56,273	3,704	(18,331)	1,062	50	–	42,758
Profit for the period	49,008	5,036	(22,231)	2,699	178	(187)	34,503
Profit attributable to equity holders	47,767	4,855	(21,829)	2,352	178	(205)	33,118
EPS (RMB per share)							
– basic	5.020						3.481
– diluted	4.917						3.415
Operating margin	42%						32%
Net margin	36%						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) Mainly including donations and expenses incurred for the Group's SSV & CPP initiatives (excluding share-based compensation expenses)

(f) Mainly including expenses incurred for regulatory fines in the Mainland of China and certain litigation settlements

(g) Income tax effects of non-IFRS adjustments

Liquidity and Financial Resources

Our cash and debt positions as at 31 March 2022 and 31 December 2021 were as follows:

	Unaudited 31 March 2022	Audited 31 December 2021
	(RMB in millions)	
Cash and cash equivalents	**188,826**	167,966
Term deposits and others	**115,242**	113,320
	304,068	281,286
Borrowings	**(170,123)**	(155,939)
Notes payable	**(144,980)**	(145,590)
Net debt	**(11,035)**	(20,243)

As at 31 March 2022, the Group had net debt of RMB11.0 billion, compared to net debt of RMB20.2 billion as at 31 December 2021. The sequential improvement was mainly due to free cash flow generation and on-market divestitures of certain listed securities, partly offset by our strategic investments in other companies.

For the first quarter of 2022, the Group had free cash flow of RMB15.2 billion. This was a result of net cash flow generated from operating activities of RMB33.8 billion, offset by payments for capital expenditures of RMB8.2 billion, payments for media content of RMB8.9 billion, and payments for lease liabilities of RMB1.5 billion.

As at 31 March 2022, the fair value of our shareholdings[5] in listed investee companies (excluding subsidiaries) was RMB606.0 billion.

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

FINANCIAL INFORMATION

CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Note	**Unaudited Three months ended 31 March 2022 RMB'Million**	2021 RMB'Million
Revenues			
Value-added Services		**72,738**	72,443
Online Advertising		**17,988**	21,820
FinTech and Business Services		**42,768**	39,028
Others		**1,977**	2,012
	2	**135,471**	135,303
Cost of revenues	4	**(78,397)**	(72,668)
Gross profit		**57,074**	62,635
Interest income		**1,737**	1,614
Other gains, net	3	**13,133**	19,521
Selling and marketing expenses	4	**(8,058)**	(8,530)
General and administrative expenses	4	**(26,669)**	(18,967)
Operating profit		**37,217**	56,273
Finance costs, net		**(1,935)**	(1,367)
Share of (loss)/profit of associates and joint ventures, net		**(6,280)**	1,348
Profit before income tax		**29,002**	56,254
Income tax expense	5	**(5,269)**	(7,246)
Profit for the period		**23,733**	49,008
Attributable to:			
Equity holders of the Company		**23,413**	47,767
Non-controlling interests		**320**	1,241
		23,733	49,008
Earnings per share for profit attributable to equity holders of the Company (in RMB per share)			
– basic	6(a)	**2.455**	5.020
– diluted	6(b)	**2.404**	4.917

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Unaudited Three months ended 31 March	
	2022	2021
	RMB'Million	RMB'Million
Profit for the period	**23,733**	49,008
Other comprehensive income, net of tax:		
Items that may be subsequently reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures	**(50)**	288
Transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	**–**	(3)
Net losses from changes in fair value of financial assets at fair value through other comprehensive income	**(16)**	–
Currency translation differences	**(4,461)**	(5,908)
Other fair value gains	**3,217**	1,163
Items that will not be subsequently reclassified to profit or loss		
Share of other comprehensive income of associates and joint ventures	**187**	381
Loss from changes in fair value of assets held for distribution	**(17,130)**	–
Net (losses)/gains from changes in fair value of financial assets at fair value through other comprehensive income	**(58,850)**	18,483
Currency translation differences	**(142)**	207
	(77,245)	14,611
Total comprehensive income for the period	**(53,512)**	63,619
Attributable to:		
Equity holders of the Company	**(52,277)**	63,756
Non-controlling interests	**(1,235)**	(137)
	(53,512)	63,619

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	**Unaudited 31 March 2022 RMB'Million**	Audited 31 December 2021 RMB'Million
ASSETS			
Non-current assets			
Property, plant and equipment		**61,560**	61,914
Land use rights		**18,451**	17,728
Right-of-use assets		**22,091**	20,468
Construction in progress		**6,529**	5,923
Investment properties		**589**	517
Intangible assets		**178,712**	171,376
Investments in associates	8	**309,630**	316,574
Investments in joint ventures		**6,509**	6,614
Financial assets at fair value through profit or loss	9	**197,161**	192,184
Financial assets at fair value through other comprehensive income	10	**189,993**	250,257
Prepayments, deposits and other assets		**37,093**	37,177
Other financial assets		**4,222**	1,261
Deferred income tax assets		**27,616**	26,068
Term deposits		**21,124**	19,491
		1,081,280	1,127,552
Current assets			
Inventories		**2,712**	1,063
Accounts receivable	11	**52,774**	49,331
Prepayments, deposits and other assets		**69,961**	65,390
Other financial assets		**1,568**	1,749
Financial assets at fair value through profit or loss	9	**11,742**	10,573
Term deposits		**82,604**	83,813
Restricted cash		**2,691**	2,476
Cash and cash equivalents		**188,826**	167,966
Assets held for distribution		**–**	102,451
		412,878	484,812
Total assets		**1,494,158**	1,612,364

	Note	**Unaudited 31 March 2022 RMB'Million**	Audited 31 December 2021 RMB'Million
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**–**	–
Share premium		**71,817**	67,330
Treasury shares		**(1,222)**	–
Shares held for share award schemes		**(4,686)**	(4,843)
Other reserves		**9,094**	73,901
Retained earnings		**702,856**	669,911
		777,859	806,299
Non-controlling interests		**67,418**	70,394
Total equity		**845,277**	876,693
LIABILITIES			
Non-current liabilities			
Borrowings	14	**148,467**	136,936
Notes payable	15	**135,465**	145,590
Long-term payables		**9,377**	9,966
Other financial liabilities		**5,783**	5,912
Deferred income tax liabilities		**12,524**	13,142
Lease liabilities		**17,981**	16,501
Deferred revenue		**4,562**	4,526
		334,159	332,573
Current liabilities			
Accounts payable	13	**112,512**	109,470
Other payables and accruals		**48,437**	60,582
Borrowings	14	**21,656**	19,003
Notes payable	15	**9,515**	–
Current income tax liabilities		**13,968**	12,506
Other tax liabilities		**2,456**	2,240
Other financial liabilities		**3,326**	3,554
Lease liabilities		**5,927**	5,446
Deferred revenue		**96,925**	87,846
Dividends payable for distribution in specie	7(b)	**–**	102,451
		314,722	403,098
Total liabilities		**648,881**	735,671
Total equity and liabilities		**1,494,158**	1,612,364

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Unaudited								
	Attributable to equity holders of the Company								
	Share capital RMB'Million	Share premium RMB'Million	Treasury shares RMB'Million	Shares held for share award schemes RMB'Million	Other reserves RMB'Million	Retained earnings RMB'Million	Total RMB'Million	Non-controlling interests RMB'Million	Total equity RMB'Million
Balance at 1 January 2022	–	67,330	–	(4,843)	73,901	669,911	806,299	70,394	876,693
Comprehensive income									
Profit for the period	–	–	–	–	–	23,413	23,413	320	23,733
Other comprehensive income, net of tax:									
– share of other comprehensive income of associates and joint ventures	–	–	–	–	106	–	106	31	137
– loss from changes in fair value of assets held for distribution	–	–	–	–	(17,130)	–	(17,130)	–	(17,130)
– net losses from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	–	(57,681)	–	(57,681)	(1,185)	(58,866)
– currency translation differences	–	–	–	–	(4,137)	–	(4,137)	(466)	(4,603)
– other fair value gains, net	–	–	–	–	3,152	–	3,152	65	3,217
Total comprehensive income for the period	–	–	–	–	(75,690)	23,413	(52,277)	(1,235)	(53,512)
Transfer of losses on disposal and deemed disposal of financial instruments to retained earnings	–	–	–	–	8,264	(8,264)	–	–	–
Share of other changes in net assets of associates and joint ventures	–	–	–	–	1,444	–	1,444	–	1,444
Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal	–	–	–	–	(282)	–	(282)	–	(282)
Transactions with equity holders									
Capital injection	–	–	–	–	–	–	–	3	3
Employee share option schemes:									
– value of employee services	–	552	–	–	14	–	566	14	580
– proceeds from shares issued	–	167	–	–	–	–	167	–	167
Employee share award schemes:									
– value of employee services	–	6,707	–	–	327	–	7,034	109	7,143
– shares withheld for share award schemes	–	–	–	(983)	–	–	(983)	–	(983)
– vesting of awarded shares	–	(1,140)	–	1,140	–	–	–	–	–
Tax benefit from share-based payments	–	–	–	–	4	–	4	–	4
Profit appropriations to statutory reserves	–	–	–	–	13	(13)	–	–	–
Repurchase and cancellation of shares	–	(1,799)	–	–	–	–	(1,799)	–	(1,799)
Repurchase of shares (not yet cancelled)	–	–	(1,222)	–	–	–	(1,222)	–	(1,222)
Cash dividends	–	–	–	–	–	–	–	(208)	(208)
Dividends distribution in specie (Note 7(b))	–	–	–	–	–	17,809	17,809	–	17,809
Non-controlling interests arising from business combinations	–	–	–	–	–	–	–	228	228
Acquisition of additional equity interests in non wholly-owned subsidiaries	–	–	–	–	(129)	–	(129)	(388)	(517)
Dilution of interests in subsidiaries	–	–	–	–	(124)	–	(124)	50	(74)
Changes in put option liabilities in respect of non-controlling interests	–	–	–	–	(22)	–	(22)	–	(22)
Recognition of put option liabilities arising from business combinations	–	–	–	–	(175)	–	(175)	–	(175)
Transfer of equity interests of subsidiaries to non-controlling interests	–	–	–	–	1,549	–	1,549	(1,549)	–
Total transactions with equity holders at their capacity as equity holders for the period	–	4,487	(1,222)	157	1,457	17,796	22,675	(1,741)	20,934
Balance at 31 March 2022	–	71,817	(1,222)	(4,686)	9,094	702,856	777,859	67,418	845,277

	Unaudited							
	Attributable to equity holders of the Company							
	Share capital RMB'Million	Share premium RMB'Million	Shares held for share award schemes RMB'Million	Other reserves RMB'Million	Retained earnings RMB'Million	Total RMB'Million	Non-controlling interests RMB'Million	Total equity RMB'Million
Balance at 1 January 2021	–	48,793	(4,412)	121,139	538,464	703,984	74,059	778,043
Comprehensive income								
Profit for the period	–	–	–	–	47,767	47,767	1,241	49,008
Other comprehensive income, net of tax:								
– share of other comprehensive income of associates and joint ventures	–	–	–	679	–	679	(10)	669
– transfer of share of other comprehensive income to profit or loss upon disposal and deemed disposal of associates and joint ventures	–	–	–	(3)	–	(3)	–	(3)
– net gains/(losses) from changes in fair value of financial assets at fair value through other comprehensive income	–	–	–	19,199	–	19,199	(716)	18,483
– currency translation differences	–	–	–	(4,996)	–	(4,996)	(705)	(5,701)
– other fair value gains, net	–	–	–	1,110	–	1,110	53	1,163
Total comprehensive income for the period	–	–	–	15,989	47,767	63,756	(137)	63,619
Transfer of gains on disposal of financial instruments to retained earnings	–	–	–	(4,024)	4,024	–	–	–
Share of other changes in net assets of associates and joint ventures	–	–	–	1,195	–	1,195	1	1,196
Transfer of share of other changes in net assets of associates and joint ventures to profit or loss upon disposal and deemed disposal	–	–	–	(1)	–	(1)	5	4
Transactions with equity holders								
Capital injection	–	–	–	–	–	–	130	130
Employee share option schemes:								
– value of employee services	–	396	–	13	–	409	14	423
– proceeds from shares issued	–	202	–	–	–	202	–	202
Employee share award schemes:								
– value of employee services	–	2,865	–	175	–	3,040	127	3,167
– shares withheld for share award schemes	–	–	(738)	–	–	(738)	–	(738)
– vesting of awarded shares	–	(403)	403	–	–	–	–	–
Tax benefit from share-based payments	–	–	–	104	–	104	–	104
Profit appropriations to statutory reserves	–	–	–	36	(36)	–	–	–
Dividends	–	–	–	–	–	–	(88)	(88)
Distributions from a non wholly-owned subsidiary	–	–	–	–	–	–	(1,401)	(1,401)
Non-controlling interests arising from business combinations	–	–	–	–	–	–	256	256
Acquisition of additional equity interests in non wholly-owned subsidiaries	–	–	–	(181)	–	(181)	(226)	(407)
Dilution of interests in subsidiaries	–	–	–	156	–	156	359	515
Changes in put option liabilities in respect of non-controlling interests	–	–	–	174	–	174	52	226
Recognition of put option liabilities arising from business combinations	–	–	–	(105)	–	(105)	–	(105)
Transfer of equity interests of subsidiaries to non-controlling interests	–	–	–	(10,183)	–	(10,183)	10,183	–
Total transactions with equity holders at their capacity as equity holders for the period	–	3,060	(335)	(9,811)	(36)	(7,122)	9,406	2,284
Balance at 31 March 2021	–	51,853	(4,747)	124,487	590,219	761,812	83,334	845,146

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	Unaudited	
	Three months ended 31 March	
	2022	2021
	RMB'Million	RMB'Million
Net cash flows generated from operating activities	**33,822**	51,004
Net cash flows used in investing activities	**(20,105)**	(55,036)
Net cash flows generated from/(used in) financing activities	**7,597**	(487)
Net increase/(decrease) in cash and cash equivalents	**21,314**	(4,519)
Cash and cash equivalents at beginning of the period	**167,966**	152,798
Exchange (losses)/gains on cash and cash equivalents	**(454)**	342
Cash and cash equivalents at end of the period	**188,826**	148,621

Note:

1 General information, basis of preparation and presentation

The Company was incorporated in the Cayman Islands with limited liability. The shares of the Company have been listed on the Main Board of the Stock Exchange since 16 June 2004.

The Company is an investment holding company. The Group is principally engaged in the provision of VAS, Online Advertising services and FinTech and Business Services.

The condensed consolidated interim financial information comprises the consolidated statement of financial position as at 31 March 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory information (the "Interim Financial Information"). The Interim Financial Information is presented in RMB, unless otherwise stated.

The Interim Financial Information has not been audited but has been reviewed by the external auditor of the Company.

The Interim Financial Information has been prepared in accordance with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2021, which have been prepared in accordance with IFRS, as set out in the 2021 annual report of the Company dated 23 March 2022 (the "2021 Financial Statements").

Except as described below, the accounting policies and method of computation used in the preparation of the Interim Financial Information are generally consistent with those used in the 2021 Financial Statements in all material aspects, which have been prepared in accordance with IFRS under the historical cost convention, as modified by the revaluation of FVPL, FVOCI, dividends payable for distribution in specie, certain other financial assets and liabilities, which are carried at fair values.

Taxes on income for the interim period are accrued using the estimated tax rates that would be applicable to expected total annual assessable profit.

The following amendments to standards have been adopted by the Group for the financial year beginning on 1 January 2022:

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to IFRS 3	Reference to the Conceptual Framework
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018–2020 Cycle

The adoption of these amended standards does not have significant impact on the consolidated financial statements of the Group.

2 Segment information

The Group has the following reportable segments for the three months ended 31 March 2022 and 2021:

– VAS;

– Online Advertising;

– FinTech and Business Services; and

– Others.

The "Others" business segment consists of the financials of investment in, production of and distribution of, films and television programmes for third parties, copyrights licensing, merchandise sales and various other activities.

There were no material inter-segment sales during the three months ended 31 March 2022 and 2021. The revenues from external customers reported to the chief operating decision-makers are measured in a manner consistent with that applied in the consolidated income statement.

The segment information provided to the chief operating decision-makers for the reportable segments for the three months ended 31 March 2022 and 2021 is as follows:

	Unaudited Three months ended 31 March 2022				
	VAS RMB'Million	**Online Advertising RMB'Million**	**FinTech and Business Services RMB'Million**	**Others RMB'Million**	**Total RMB'Million**
Segment revenues	**72,738**	**17,988**	**42,768**	**1,977**	**135,471**
Gross profit	**36,683**	**6,594**	**13,499**	**298**	**57,074**
Cost of revenues					
Depreciation	**1,714**	**1,558**	**2,501**	**27**	**5,800**
Amortisation	**4,946**	**2,359**	**64**	**448**	**7,817**

	Unaudited Three months ended 31 March 2021				
	VAS RMB'Million	Online Advertising RMB'Million	FinTech and Business Services RMB'Million	Others RMB'Million	Total RMB'Million
Segment revenues	72,443	21,820	39,028	2,012	135,303
Gross profit	39,910	9,834	12,598	293	62,635
Cost of revenues					
Depreciation	1,414	1,225	2,634	23	5,296
Amortisation	4,685	1,892	13	607	7,197

3 Other gains, net

	Unaudited Three months ended 31 March 2022 RMB'Million	2021 RMB'Million
Net gains on disposals and deemed disposals of investee companies (a)	**18,892**	3,484
Net fair value (losses)/gains on FVPL ((b) and Note 9)	**(355)**	14,740
Impairment provision for investee companies, goodwill and other intangible assets arising from acquisitions (c)	**(7,003)**	(50)
Subsidies and tax rebates	**2,920**	2,530
Net fair value gains on other financial instruments	**75**	109
Donations (d)	**(1,273)**	(1,600)
Dividend income	**43**	150
Others (e)	**(166)**	158
	13,133	19,521

Note:

(a) The disposal and deemed disposal gains of approximately RMB18,892 million recognised during the three months ended 31 March 2022 mainly comprised the following:

- gain of approximately RMB18,481 million arising from partial divestment of Sea Limited (NYSE: SE), an existing associate of the Group, details of which are explained in Note 8(b); and

- aggregate net gains of approximately RMB715 million (three months ended 31 March 2021: RMB1,580 million) on disposals, partial disposals or deemed disposals of various investments of the Group, and net losses of approximately RMB304 million (net gains during three months ended 31 March 2021: RMB1,904 million) on dilution of the Group's equity interests in certain associates due to new equity interests being issued by these associates (Note 8). These investee companies are principally engaged in online video-sharing platform, games developing and Internet-related businesses.

(b) During the three months ended 31 March 2022, the net fair value losses on FVPL comprised net losses of approximately RMB408 million as a result of decrease in valuations of certain investee companies, and net gains of approximately RMB53 million associated with treasury investments (net gains during three months ended 31 March 2021: RMB14,738 million and RMB2 million, respectively).

(c) The impairment provision for investee companies, goodwill and other intangible assets arising from acquisitions mainly comprised the following:

	Unaudited	
	Three months ended 31 March	
	2022	2021
	RMB'Million	RMB'Million
Investments in associates (Note 8(c))	**(7,000)**	–
Investments in joint ventures and others	**(3)**	–
Goodwill and other intangible assets arising from acquisitions	**–**	(50)
	(7,003)	(50)

(d) The donations mainly included RMB1,253 million for SSV & CPP.

(e) During the three months ended 31 March 2022, expenses incurred for regulatory fines in the Mainland of China and certain litigation settlements were approximately RMB5 million (three months ended 31 March 2021: nil).

4 Expenses by nature

	Unaudited	
	Three months ended 31 March	
	2022	2021
	RMB'Million	RMB'Million
Transaction costs (a)	**30,899**	31,653
Employee benefits expenses (b)	**29,229**	20,401
Content costs (excluding amortisation of intangible assets)	**15,733**	14,819
Amortisation of intangible assets (c)	**8,597**	7,843
Bandwidth and server custody fees (excluding depreciation of right-of-use assets)	**7,476**	6,215
Depreciation of property, plant and equipment, investment properties and right-of-use assets	**7,322**	6,358
Promotion and advertising expenses	**5,339**	6,481

Note:

(a) Transaction costs primarily consist of bank handling fees, channel and distribution costs.

(b) During the three months ended 31 March 2022, the Group had incurred expenses for the purpose of R&D of approximately RMB15,383 million (three months ended 31 March 2021: approximately RMB11,301 million), which mainly comprised employee benefits expenses of approximately RMB13,067 million (three months ended 31 March 2021: approximately RMB9,442 million).

During the three months ended 31 March 2022, employee benefits expenses included the share-based compensation expenses of approximately RMB8,136 million (three months ended 31 March 2021: approximately RMB3,704 million), which contained those incurred for SSV & CPP of approximately RMB16 million (three months ended 31 March 2021: nil).

No significant development expenses had been capitalised for the three months ended 31 March 2022 and 2021.

(c) Amortisation charges of intangible assets are mainly in respect of media content including video and music content, game licenses, and other content. During the three months ended 31 March 2022, amortisation of media content was approximately RMB7,638 million (three months ended 31 March 2021: approximately RMB7,155 million).

During the three months ended 31 March 2022, amortisation of intangible assets included the amortisation of intangible assets resulting from business combinations of approximately RMB1,388 million (three months ended 31 March 2021: approximately RMB1,062 million).

(d) During the three months ended 31 March 2022, expenses incurred for SSV & CPP (excluding share-based compensation expenses) were approximately RMB95 million (three months ended 31 March 2021: nil).

5 Income tax expense

Income tax expense is recognised based on management's best knowledge of the income tax rates expected for the financial year.

(a) Cayman Islands and British Virgin Islands corporate income tax

The Group was not subject to any taxation in the Cayman Islands and the British Virgin Islands for the three months ended 31 March 2022 and 2021.

(b) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits for the three months ended 31 March 2022 and 2021.

(c) PRC CIT

PRC CIT has been provided for at applicable tax rates under the relevant regulations of the PRC after considering the available preferential tax benefits from refunds and allowances, and on the estimated assessable profit of entities within the Group established in the Mainland of China for the three months ended 31 March 2022 and 2021. The general PRC CIT rate is 25% for the three months ended 31 March 2022 and 2021.

Certain subsidiaries of the Group in the Mainland of China were approved as High and New Technology Enterprise and they were subject to a preferential corporate income tax rate of 15% for the three months ended 31 March 2022 and 2021.

In addition, certain subsidiaries of the Company are entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of the Mainland of China upon fulfillment of certain requirements of the respective local governments.

(d) Corporate income tax in other jurisdictions

Income tax on profit arising from other jurisdictions, including the United States, Europe, Asia and South America, had been calculated on the estimated assessable profit for the three months ended 31 March 2022 and 2021 at the respective rates prevailing in the relevant jurisdictions, ranging from 12.5% to 35%.

(e) Withholding tax

According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the Mainland of China 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 Mainland of China 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 that the Group's entities operate in are also subject to withholding tax at respective applicable tax rates.

The income tax expense of the Group for the three months ended 31 March 2022 and 2021 is analysed as follows:

	Unaudited Three months ended 31 March	
	2022	2021
	RMB'Million	RMB'Million
Current income tax	**7,018**	8,379
Deferred income tax	**(1,749)**	(1,133)
	5,269	7,246

6 Earnings per share

(a) Basic

Basic EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Three months ended 31 March	
	2022	2021
Profit attributable to equity holders of the Company (RMB'Million)	**23,413**	47,767
Weighted average number of ordinary shares in issue (million shares)	**9,538**	9,514
Basic EPS (RMB per share)	**2.455**	5.020

(b) Diluted

The share options and awarded shares granted by the Company have potential dilutive effect on the EPS. Diluted EPS is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and awarded shares granted by the Company (collectively forming the denominator for computing the diluted EPS).

In addition, the profit attributable to equity holders (numerator) has been adjusted by the effect of the share options and restricted shares granted by the Company's non wholly-owned subsidiaries and associates, excluding those which have anti-dilutive effect on the Group's diluted EPS.

	Unaudited	
	Three months ended 31 March	
	2022	2021
Profit attributable to equity holders of the Company (RMB'Million)	**23,413**	47,767
Dilution effect arising from share-based awards issued by non wholly-owned subsidiaries and associates (RMB'Million)	**(121)**	(137)
Profit attributable to equity holders of the Company for the calculation of diluted EPS (RMB'Million)	**23,292**	47,630
Weighted average number of ordinary shares in issue (million shares)	**9,538**	9,514
Adjustments for share options and awarded shares (million shares)	**151**	173
Weighted average number of ordinary shares for the calculation of diluted EPS (million shares)	**9,689**	9,687
Diluted EPS (RMB per share)	**2.404**	4.917

7 Dividends

(a) Final dividends

A final dividend in respect of the year ended 31 December 2021 of HKD1.60 per share (2020: HKD1.60 per share) was proposed pursuant to a resolution passed by the Board on 23 March 2022 and subject to the approval of the shareholders at the 2022 AGM. This proposed dividend is not reflected as dividend payable in the Interim Financial Information.

(b) Interim dividend by way of distribution in specie

On 23 December 2021, the Board resolved to declare a distribution of a special interim dividend by the Company in the form of a distribution in specie of approximately 457 million Class A ordinary shares of JD.com to the shareholders. The share certificates of the relevant shares of JD.com in respect of the distribution to qualifying shareholders under the Distribution in Specie were dispatched to qualifying shareholders on 25 March 2022 (the "Share Certificate Dispatch Date").

Dividends payable for distribution in specie was approximately RMB84.6 billion right before the Share Certificate Dispatch Date, measured at fair value using the market price of the JD.com Shares to be distributed. Fair value changes on the dividends payable amounting to approximately RMB17.1 billion from 1 January 2022 to the Share Certificate Dispatch Date were recognised in equity as a result of the changes in the fair value of the JD.com Shares to be distributed. Upon the dispatch of the share certificates of the JD.com Shares to be distributed, the assets held for distribution and dividends payable for distribution in specie were derecognised and the cumulated fair value losses of assets held for distribution amounting to approximately RMB11.8 billion were transferred from other reserves to retained earnings.

The Board did not declare any interim dividend for the three months ended 31 March 2022 and 2021.

8 Investments in associates

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
Investments in associates		
– Listed entities (Note)	**191,501**	200,785
– Unlisted entities	**118,129**	115,789
	309,630	316,574

Note:

As at 31 March 2022, the fair value of the investments in associates consisting of directly and indirectly held listed equity interests was approximately RMB424,554 million (31 December 2021: RMB634,661 million).

Movement of investments in associates is analysed as follows:

	Unaudited Three months ended 31 March	
	2022	2021
	RMB'Million	RMB'Million
At beginning of period	**316,574**	297,609
Additions (a)	**4,379**	17,207
Transfers	**2,205**	5,536
Dilution (losses)/gains on deemed disposals (Note 3(a))	**(304)**	1,904
Share of (loss)/profit of associates	**(6,246)**	1,348
Share of other comprehensive income of associates	**141**	668
Share of other changes in net assets of associates	**1,444**	1,196
Dividends	**–**	(15)
Disposals (b)	**(870)**	(1,812)
Impairment provision ((c) and Note 3(c))	**(7,000)**	–
Currency translation differences	**(693)**	(496)
At end of period	**309,630**	323,145

Note:

(a) During the three months ended 31 March 2022, the Group's additions to investments in associates comprised the new associates and additional investments in existing associates with an aggregate amount of approximately RMB4,379 million. These associates are principally engaged in FinTech, comic development, biotech and other Internet-related businesses.

(b) On 4 January 2022, the Group entered into a transaction to divest an aggregate of 14,492,751 Class A ordinary shares of Sea Limited with a carrying value of approximately RMB825 million, and to convert all its supervoting Class B ordinary shares to Class A ordinary shares (collectively, the "Transaction"). Upon the completion of the Transaction, the Group's equity interest in Sea Limited was reduced from 21.3% to 18.7% with its voting power reduced to less than 10%, and a disposal gain of approximately RMB18,481 million was recognised in "Other gains, net" (Note 3(a)). Since the Group still has a board representative after the completion of the Transaction and has significant influence on Sea Limited, this investment continues to be accounted for as an associate.

(c) During the three months ended 31 March 2022, an aggregate impairment loss of approximately RMB7,000 million (three months ended 31 March 2021: nil) had been recognised for associates with impairment indicators, and the majority of these associates' recoverable amounts were determined using fair value less costs of disposal.

9 Financial assets at fair value through profit or loss

FVPL include the following:

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
Included in non-current assets:		
Investments in listed entities	**16,665**	19,802
Investments in unlisted entities	**170,648**	163,382
Treasury investments and others	**9,848**	9,000
	197,161	192,184
Included in current assets:		
Investments in listed entities	**3**	4
Treasury investments and others	**11,739**	10,569
	11,742	10,573
	208,903	202,757

Movement of FVPL is analysed as follows:

	Unaudited	
	Three months ended 31 March	
	2022 RMB'Million	2021 RMB'Million
At beginning of period	**202,757**	172,537
Additions and transfers (a)	**12,151**	12,271
Changes in fair value (Note 3)	**(355)**	14,740
Disposals and others	**(4,422)**	(6,766)
Currency translation differences	**(1,228)**	430
At end of period	**208,903**	193,212

Note:

(a) During the three months ended 31 March 2022, the Group's additions mainly comprised new investments and additional investments with an aggregate amount of approximately RMB12,289 million in listed and unlisted entities. These companies are principally engaged in social media platform, video streaming platform and other Internet-related businesses. There were no material transfers of FVPL during the three months ended 31 March 2022.

10 Financial assets at fair value through other comprehensive income

FVOCI include the following:

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
Equity investments in listed entities	**166,101**	227,788
Equity investments in unlisted entities	**22,689**	22,392
Treasury investments	**1,203**	77
	189,993	250,257

Movement of FVOCI is analysed as follows:

	Unaudited Three months ended 31 March	
	2022 RMB'Million	2021 RMB'Million
At beginning of period	**250,257**	213,091
Additions and transfers (a)	**3,848**	12,966
Changes in fair value	**(59,350)**	18,169
Disposals	**(3,450)**	(5,914)
Currency translation differences	**(1,312)**	1,925
At end of period	**189,993**	240,237

Note:

(a) During the three months ended 31 March 2022, the Group's additions and transfers mainly comprised the following:

(i) additional investment in an entity engaged in social network platform of approximately USD325 million (equivalent to approximately RMB2,072 million);

(ii) new investments and additional investments with an aggregate amount of approximately RMB3,120 million in listed and unlisted entities. These companies are principally engaged in FinTech service and other Internet-related businesses; and

(iii) an existing investee company engaged in games development with a carrying value of approximately RMB657 million transferred from investment in FVOCI to a subsidiary upon completion of business combination (Note 16).

11 Accounts receivable

Accounts receivable and their ageing analysis, based on recognition date, are as follows:

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
0 ~ 30 days	**18,566**	21,639
31 ~ 60 days	**15,169**	13,255
61 ~ 90 days	**10,090**	6,105
Over 90 days	**8,949**	8,332
	52,774	49,331

Receivable balances as at 31 March 2022 and 31 December 2021 mainly represented amounts due from online advertising customers and agencies, FinTech and cloud customers, content production related customers, and third party platform providers.

Some online advertising customers and agencies 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 advertising 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.

12 Share-based payments

(a) Share option schemes

The Company has adopted five share option schemes, namely, the Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II, the Post-IPO Option Scheme III and the Post-IPO Option Scheme IV.

The Pre-IPO Option Scheme, the Post-IPO Option Scheme I, the Post-IPO Option Scheme II and the Post-IPO Option Scheme III expired on 31 December 2011, 23 March 2014, 16 May 2017 and 13 May 2019, respectively. Upon the expiry of these schemes, no further options would be granted under these schemes, but the options granted prior to such expiry continued to be valid and exercisable in accordance with provisions of the schemes. As at 31 March 2022, there were no outstanding options exercisable of the Pre-IPO Option Scheme, the Post-IPO Option Scheme I and the Post-IPO Option Scheme III.

In respect of the Post-IPO Option Scheme IV which continues to be in force, the Board may, at its discretion, grant options to any qualifying participants to subscribe for shares in the Company, subject to the terms and conditions stipulated therein. The exercise price must be in compliance with the requirement under the Listing Rules. In addition, the option vesting period is determined by the Board provided that it is not later than the last day of a 7-year period for the Post-IPO Option Scheme IV after the date of grant of option.

The Company allowed certain of the grantees under the Post-IPO Option Scheme II and the Post-IPO Option Scheme IV to surrender their rights to receive a portion of the underlying shares (with equivalent fair value) to set off against the exercise price and/or individual income tax payable when they exercised their options.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Post-IPO Option Scheme II		Post-IPO Option Scheme IV		Total
	Average exercise price	No. of options	Average exercise price	No. of options	No. of options
At 1 January 2022 (Note)	**HKD191.64**	**35,146,117**	**HKD402.75**	**81,689,281**	**116,835,398**
Granted	**–**	**–**	**HKD384.08**	**7,261,887**	**7,261,887**
Exercised	**HKD154.09**	**(323,224)**	**HKD298.65**	**(513,526)**	**(836,750)**
Lapsed/forfeited/waived	**HKD135.50**	**(19,476)**	**HKD588.10**	**(969,296)**	**(988,772)**
At 31 March 2022	**HKD192.02**	**34,803,417**	**HKD399.75**	**87,468,346**	**122,271,763**
Exercisable as at 31 March 2022	**HKD191.97**	**34,691,342**	**HKD371.92**	**33,338,126**	**68,029,468**
At 1 January 2021	HKD205.36	37,435,134	HKD380.50	67,806,750	105,241,884
Granted	–	–	HKD618.00	8,428,843	8,428,843
Exercised	HKD145.22	(280,534)	HKD327.58	(612,672)	(893,206)
Lapsed/forfeited	–	–	HKD369.80	(109,452)	(109,452)
At 31 March 2021	HKD205.82	37,154,600	HKD407.45	75,513,469	112,668,069
Exercisable as at 31 March 2021	HKD205.78	37,032,787	HKD376.47	21,393,771	58,426,558

Note:

As a result of the Distribution in Specie (Note 7(b)), pursuant to the scheme rules of the Post-IPO Option Scheme II and the Post-IPO Option Scheme IV, adjustments had been made to the exercise price of the outstanding share options thereunder as at the Ex-dividend Date, and was reflected in the average exercise price of related outstanding share options listed above.

During the three months ended 31 March 2022, no options were granted to any director of the Company (three months ended 31 March 2021: 3,374,630 options were granted to an executive director of the Company) and 843,657 options previously granted were voluntarily waived in February 2022.

(b) Share award schemes

The Company has adopted the Share Award Schemes as of 31 March 2022, which are administered by an independent trustee appointed by the Group. The vesting period of the awarded shares is determined by the Board.

Movements in the number of awarded shares for the three months ended 31 March 2022 and 2021 are as follows:

	Number of awarded shares Three months ended 31 March	
	2022	2021
At beginning of period	**121,314,396**	82,594,936
Granted (Note)	**20,363,266**	29,779,127
Lapsed/forfeited	**(1,501,942)**	(1,018,874)
Vested and transferred	**(15,828,970)**	(6,486,775)
At end of period	**124,346,750**	104,868,414
Vested but not transferred as at the end of period	**19,210**	20,639

Note:

As a result of the Distribution in Specie (Note 7(b)), pursuant to the scheme rules of the 2013 Share Award Scheme and the 2019 Share Award Scheme, adjustments had been made to the number of shares subject to share awards which remained unvested as at Ex-dividend Date. The number of awarded shares granted during the three months ended 31 March 2022 included a total of 3,606,234 additional awarded shares which were awarded pursuant to such adjustments.

During the three months ended 31 March 2022, 52,000 awarded shares were granted to four independent non-executive directors of the Company (three months ended 31 March 2021: 40,500 awarded shares were granted to four independent non-executive directors of the Company).

13 Accounts payable

Accounts payable and their ageing analysis, based on invoice date, are as follows:

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
0 ~ 30 days	**103,468**	102,396
31 ~ 60 days	**5,114**	2,999
61 ~ 90 days	**614**	1,329
Over 90 days	**3,316**	2,746
	112,512	109,470

14 Borrowings

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
Included in non-current liabilities:		
Non-current portion of long-term USD bank borrowings, unsecured (a)	**135,902**	136,874
Non-current portion of long-term EUR bank borrowings, unsecured (a)	**10**	–
Non-current portion of long-term EUR bank borrowings, secured (a)	**10**	11
Non-current portion of long-term RMB bank borrowings, unsecured (a)	**12,500**	–
Non-current portion of long-term JPY bank borrowings, unsecured (a)	**42**	47
Non-current portion of long-term JPY bank borrowings, secured (a)	**3**	4
	148,467	136,936
Included in current liabilities:		
RMB bank borrowings, unsecured (b)	**17,300**	13,340
RMB bank borrowings, secured (b)	**200**	200
GBP bank borrowings, secured (b)	**167**	–
USD bank borrowings, secured (b)	**35**	–
Current portion of long-term USD bank borrowings, unsecured (a)	**3,631**	4,061
Current portion of long-term RMB bank borrowings, unsecured (a)	**300**	300
Current portion of long-term EUR bank borrowings, secured (a)	**2**	2
Current portion of long-term EUR bank borrowings, unsecured (a)	**4**	1,083
Current portion of long-term JPY bank borrowings, unsecured (a)	**16**	16
Current portion of long-term JPY bank borrowings, secured (a)	**1**	1
	21,656	19,003
	170,123	155,939

Note:

(a) The aggregate principal amounts of long-term bank borrowings and applicable interest rates are as follows:

	Unaudited 31 March 2022 Amount (Million)	Unaudited 31 March 2022 Interest rate (per annum)	Audited 31 December 2021 Amount (Million)	Audited 31 December 2021 Interest rate (per annum)
USD bank borrowings	**USD21,920**	**LIBOR + 0.80% ~ 1.27%**	USD22,045	LIBOR + 0.80% ~ 1.27%
USD bank borrowings	**USD60**	**1.41%**	USD60	1.41%
EUR bank borrowings	**EUR4**	**1.00% ~ 2.54%**	EUR152	0.52% ~ 1.00%
RMB bank borrowings	**RMB12,800**	**3.10% ~ 5.70%**	RMB300	5.70%
JPY bank borrowings	**JPY1,159**	**0.00% ~ 1.86%**	JPY1,234	0.00% ~ 2.50%
JPY bank borrowings	**JPY48**	**TIBOR + 1.70%**	-	-

The zero interest rate of JPY borrowings was due to the special interest exemption for COVID-19 by Tokyo Metropolitan Government.

(b) The aggregate principal amounts of short-term bank borrowings and applicable interest rates are as follows:

	Unaudited 31 March 2022 Amount (Million)	Unaudited 31 March 2022 Interest rate (per annum)	Audited 31 December 2021 Amount (Million)	Audited 31 December 2021 Interest rate (per annum)
RMB bank borrowings	**RMB17,500**	**2.45% ~ 5.10%**	RMB13,540	2.45% ~ 5.10%
GBP bank borrowings	**GBP20**	**SONIA + 1.75%**	–	–
USD bank borrowings	**USD6**	**SOFR + 1.75%**	–	–

15 Notes payable

	Unaudited 31 March 2022 RMB'Million	Audited 31 December 2021 RMB'Million
Included in non-current liabilities:		
Non-current portion of long-term USD notes payable	**135,465**	145,590
Included in current liabilities:		
Current portion of long-term USD notes payable	**9,515**	–
	144,980	145,590

Note:

The aggregate principal amounts of notes payable and applicable interest rates are as follows:

	Unaudited		Audited	
	31 March 2022		31 December 2021	
	Amount (Million)	**Interest rate (per annum)**	Amount (Million)	Interest rate (per annum)
USD notes payable	**USD1,250**	**LIBOR + 0.605% ~ 0.910%**	USD1,250	LIBOR + 0.605% ~ 0.910%
USD notes payable	**USD21,700**	**1.375% ~ 4.700%**	USD21,700	1.375% ~ 4.700%

16 Business combination

Privatisation of Sumo Group PLC ("Sumo")

On 17 January 2022, the Group completed the privatisation of Sumo, a then-existing listed investee classified as FVOCI (LSE: SUMO; with equity interests held of approximately 9%) of the Group, at a cash consideration of approximately GBP847 million (equivalent to approximately RMB7,289 million) for all of the remaining interest ("Privatisation"). As a result of the Privatisation, Sumo became a wholly-owned subsidiary of the Group upon the closing of the transaction and ceased to be a publicly traded company.

Goodwill of approximately RMB6,777 million was recognised as a result of the transaction. It was mainly attributable to the operating synergies and economies of scale expected to be derived from combining the operations. None of the goodwill is expected to be deductible for income tax purpose.

The Group's revenue for the three months ended 31 March 2022 would be increased by not more than 5% and results for the three months ended 31 March 2022 would not be materially different should the transaction have occurred on 1 January 2022.

The related transaction costs of the transaction are not material to the Group's consolidated financial information.

17 Subsequent events

There were no material subsequent events during the period from 1 April 2022 to the approval date of the Interim Financial Information.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the three months ended 31 March 2022, the Company repurchased 8,864,400 shares on the Stock Exchange for an aggregate consideration of approximately HKD3,697 million before expenses. The repurchased shares were subsequently cancelled. The repurchase was effected by the Board for the enhancement of shareholder value in the long term. Details of the shares repurchased are as follows:

Month of purchase in the three months ended 31 March 2022	No. of shares purchased	Purchase consideration per share		Aggregate consideration paid
		Highest price paid HKD	Lowest price paid HKD	HKD
January	4,831,400	477.40	421.00	2,196,128,575
March	4,033,000	388.20	352.80	1,500,840,680
Total	8,864,400			3,696,969,255

Save as disclosed above and in the "Financial Information" section, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 31 March 2022.

Employee and Remuneration Policies

As at 31 March 2022, the Group had 116,213 employees (31 March 2021: 89,228). The number of employees employed by the Group varies from time to time depending on needs and employees are remunerated based on industry practice.

The remuneration policy and package of the Group's employees are 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.

The total remuneration cost incurred by the Group for the three months ended 31 March 2022 was RMB29,229 million (for the three months ended 31 March 2021: RMB20,401 million).

Audit Committee

The Audit Committee, together with the Auditor, has reviewed the Group's unaudited Interim Financial Information for the three months ended 31 March 2022. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

Compliance with the Corporate Governance Code

Save as disclosed in the corporate governance report in the 2021 annual report of the Company, none of the directors of the Company is aware of any information which would reasonably indicate that the Company has not complied with the code provisions as set out in the CG Code during the period from 1 January 2022 to 31 March 2022.

As to the deviation from code provisions C.2.1 and B.2.2 of the CG Code, the Board will continue to review the current structure from time to time and shall make necessary changes when appropriate and inform the shareholders accordingly.

APPRECIATION

On behalf of the Board, I would like to thank wholeheartedly our staff and management team for their dedication and professionalism, which have been the cornerstone of the Group's sustainable development. Further, I would like to extend our gratitude to all our shareholders and stakeholders for their continuous support and trust. We will continue to adhere to our strategy of promoting sustainable innovations for social value, alongside nurturing the consumer Internet and embracing the industrial Internet, and contribute more to the common good and value of our society.

By Order of the Board
Ma Huateng
Chairman

Hong Kong, 18 May 2022

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

Executive Directors:
Ma Huateng and Lau Chi Ping Martin;

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 and Ke Yang.

This announcement contains forward-looking statements relating to the business outlook, estimates of financial performance, forecast business plans and growth strategies of the Group. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. 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 the future. Underlying these forward-looking statements are a lot of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements.

DEFINITION

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

Term	Definition
"2013 Share Award Scheme"	the share award scheme adopted by the Company on 13 November 2013, as amended from time to time
"2019 Share Award Scheme"	the share award scheme adopted by the Company on 25 November 2019, as amended from time to time
"2022 AGM"	the annual general meeting of the Company to be held on 18 May 2022 or any adjournment thereof
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the auditor of the Company
"Board"	the board of directors of the Company
"CDN"	Content Delivery Network
"CG Code"	the corporate governance code as set out in Appendix 14 to the Listing Rules
"Company"	Tencent Holdings Limited, a limited liability company organised and existing under the laws of the Cayman Islands and the shares of which are listed on the Stock Exchange
"CPaaS"	Communication Platform-as-a-Service
"DAU"	daily active user accounts
"Distribution in Specie"	the distribution of a special interim dividend by the Company in the form of a distribution in specie of the JD.com Shares held by the Group to the shareholders whose names appeared on the register of members of the Company on 25 January 2022 in proportion to their then respective shareholdings in the Company on the basis of 1 Class A ordinary share of JD.com for every 21 shares of the Company held by the shareholders

"DnF"	Dungeon and Fighter
"Domestic Games"	for the purpose of preparing financial and operating information, Domestic Games refers to our games business in the PRC, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"EPS"	earnings per share
"EUR"	the lawful currency of the European Union
"Ex-dividend Date"	20 January 2022, being the date of commencement of dealing in the shares of the Company on an ex-entitlement basis following the declaration of interim dividend by way of the Distribution in Specie as announced by the Company on 23 December 2021
"FinTech"	financial technology
"FMCG"	fast-moving consumer goods
"Funcom"	Funcom SE, a limited liability company registered in Norway
"FVOCI"	financial assets at fair value through other comprehensive income
"FVPL"	financial assets at fair value through profit or loss
"GBP"	the lawful currency of the United Kingdom of Great Britain and Northern Ireland
"Group"	the Company and its subsidiaries
"HKD"	the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region, the PRC
"IaaS"	Infrastructure-as-a-Service
"IAS"	International Accounting Standards
"IFRS"	International Financial Reporting Standards

"International Games"	for the purpose of preparing financial and operating information, International Games refers to our games business other than our Domestic Games business
"IP"	intellectual property
"IPO"	initial public offering
"JD.com"	JD.com, Inc., a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability, whose American depositary shares are listed on NASDAQ (stock symbol: JD, ISIN Code: US47215P1066) and whose Class A ordinary shares are listed on the Stock Exchange (stock code: 9618)
"JD.com Shares"	the approximately 457 million Class A ordinary shares in the share capital of JD.com with a par value of USD0.00002 each, held by the Group conferring a holder of a Class A ordinary share to one vote per share on any resolution tabled at JD.com's general meeting and which were distributed pursuant to the Distribution in Specie
"JPY"	the lawful currency of Japan
"LIBOR"	London InterBank Offered Rate
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"M&A"	mergers and acquisitions
"MAU"	monthly active user accounts
"PaaS"	Platform-as-a-Service
"PC"	personal computer
"Post-IPO Option Scheme I"	the Post-IPO Share Option Scheme adopted by the Company on 24 March 2004
"Post-IPO Option Scheme II"	the Post-IPO Share Option Scheme adopted by the Company on 16 May 2007

"Post-IPO Option Scheme III"	the Post-IPO Share Option Scheme adopted by the Company on 13 May 2009
"Post-IPO Option Scheme IV"	the Post-IPO Share Option Scheme adopted by the Company on 17 May 2017
"PRC" or "China"	the People's Republic of China
"PRC CIT"	PRC corporate income tax as defined in the "Corporate Income Tax Law of the People's Republic of China"
"Pre-IPO Option Scheme"	the Pre-IPO Share Option Scheme adopted by the Company on 27 July 2001
"PUBG"	PlayerUnknown's Battlegrounds
"R&D"	research and development
"RMB"	the lawful currency of the PRC
"Share Award Schemes"	the share award scheme adopted by the Company on 13 December 2007, the 2013 Share Award Scheme and the 2019 Share Award Scheme, as amended from time to time
"SOFR"	Secured Overnight Financing Rate
"Sogou"	Sogou Inc., a company incorporated in the Cayman Islands with limited liability, which became a wholly-owned subsidiary of the Company following completion of its privatisation in September 2021
"SONIA"	Sterling Overnight Index Average
"SSV & CPP"	Sustainable Social Value and Common Prosperity Programme
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supercell"	Supercell Oy, a private company incorporated in Finland
"TIBOR"	Tokyo InterBank Offered Rate

"United States"	the United States of America
"USD"	the lawful currency of the United States
"VAS"	value-added services

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