

Notes to the Consolidated Financial Statements

For the year ended 31 December 2019

5 SEGMENT INFORMATION AND REVENUES (continued)

(a) Description of segments and principal activities (continued)

The chief operating decision-makers assess the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The selling and marketing expenses and general and administrative expenses are common costs incurred for these operating segments as a whole and therefore, they are not included in the measure of the segments' performance which is used by the chief operating decision-makers as a basis for the purpose of resource allocation and assessment of segment performance. Interest income, other gains/(losses), net, finance income/(costs), net, share of profit/(loss) of associates and joint ventures and income tax expense are also not allocated to individual operating segment.

There were no material inter-segment sales during the years ended 31 December 2019 and 2018. 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.

Other information, together with the segment information, provided to the chief operating decision-makers, is measured in a manner consistent with that applied in these consolidated financial statements. There were no segment assets and segment liabilities information provided to the chief operating decision-makers.

The segment information provided to the chief operating decision-makers for the reportable segments for the years ended 31 December 2019 and 2018 is as follows:

	Year ended 31 December 2019				
	VAS	FinTech and Business Services	Online Advertising	Others	Total
	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Segment revenues	<u>199,991</u>	<u>101,355</u>	<u>68,377</u>	<u>7,566</u>	<u>377,289</u>
Gross profit	<u>105,905</u>	<u>27,524</u>	<u>33,517</u>	<u>587</u>	<u>167,533</u>
Depreciation	3,461	6,669	2,065	108	12,303
Amortisation	<u>14,710</u>	<u>–</u>	<u>9,977</u>	<u>3,115</u>	<u>27,802</u>

