



Kuaishou Technology

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

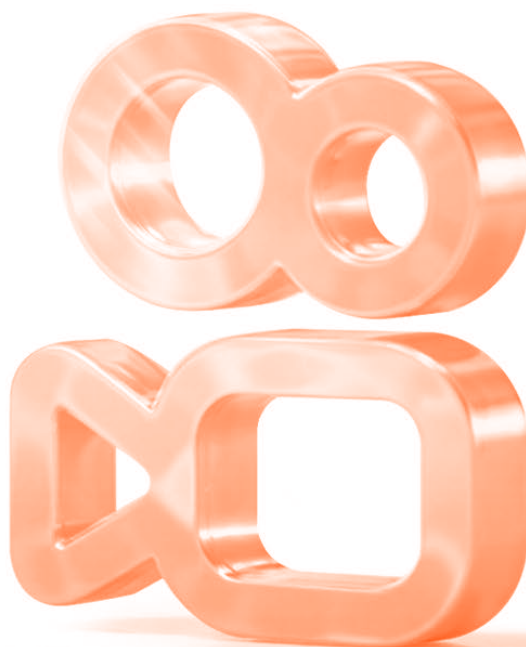
Stock Code: 01024 (HKD Counter) 81024 (RMB Counter)

INTERIM REPORT 2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. CHENG Yixiao (程一笑) (*Chairman of the Board and Chief Executive Officer*)
Mr. SU Hua (宿華)

Non-executive Directors

Mr. LI Zhaohui (李朝暉)
Mr. ZHANG Fei (張斐)
Mr. LIN Frank (林欣禾) (*alias LIN Frank Hurst*)
(*resigned with effect from January 22, 2025*)
Mr. WANG Huiwen (王慧文)

Independent Non-executive Directors

Mr. HUANG Sidney Xuande (黃宣德)
Mr. MA Yin (馬寅)
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

AUDIT COMMITTEE

Mr. HUANG Sidney Xuande (黃宣德) (*Chairman*)
Mr. MA Yin (馬寅)
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

REMUNERATION COMMITTEE

Mr. HUANG Sidney Xuande (黃宣德) (*Chairman*)
Mr. SU Hua (宿華)
Mr. LI Zhaohui (李朝暉)
Mr. MA Yin (馬寅)
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

NOMINATION COMMITTEE

Mr. MA Yin (馬寅) (*Chairman*)
Mr. CHENG Yixiao (程一笑)
Mr. ZHANG Fei (張斐)
Mr. HUANG Sidney Xuande (黃宣德)
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

CORPORATE GOVERNANCE COMMITTEE

Mr. MA Yin (馬寅) (*Chairman*)
Mr. HUANG Sidney Xuande (黃宣德)
Prof. XIAO Xing (肖星) (*resigned with effect from April 28, 2025*)
Ms. LU Rong (盧蓉) (*appointed with effect from April 28, 2025*)

JOINT COMPANY SECRETARIES

Mr. ZHAO Huaxia Matthew (趙華夏)
Ms. SO Ka Man (蘇嘉敏)

AUTHORIZED REPRESENTATIVES

Mr. CHENG Yixiao (程一笑)
Ms. SO Ka Man (蘇嘉敏)

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
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Hong Kong

REGISTERED OFFICE

PO Box 309, Ugland House
Grand Cayman, KY1-1104
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Corporate Information

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

No. 16, Xi'erqi West Street
Haidian District
Beijing
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 6901 & 6916, 69/F
Two International Finance Centre
8 Finance Street
Central
Hong Kong

LEGAL ADVISORS

As to Hong Kong law:

Freshfields

55/F, One Island East, Taikoo Place
Quarry Bay
Hong Kong

As to PRC law:

Haiwen & Partners

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As to Cayman Islands law:

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Hong Kong

COMPLIANCE ADVISOR

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Hong Kong

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

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Cayman Islands

PRINCIPAL BANK

China Merchants Bank, Beijing Branch

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Beijing
the PRC

STOCK CODE

HKD Counter Stock Code: 01024
RMB Counter Stock Code: 81024

COMPANY'S WEBSITE

www.kuaishou.com



Key Highlights

Financial Summary

| | Unaudited Three Months Ended June 30, | | 2024 | | Year-over- year change |
|--|--|---|--------|-----------------------------------|---------------------------|
| | 2025 | As a percentage of revenues (RMB millions, except for percentages) | Amount | As a percentage of revenues | |
| Revenues | 35,046 | 100.0 | 30,975 | 100.0 | 13.1% |
| Gross profit | 19,504 | 55.7 | 17,135 | 55.3 | 13.8% |
| Operating profit | 5,289 | 15.1 | 3,906 | 12.6 | 35.4% |
| Profit for the period | 4,922 | 14.0 | 3,980 | 12.8 | 23.7% |
| Non-IFRS Accounting Standards Measures: | | | | | |
| Adjusted net profit ⁽¹⁾ | 5,618 | 16.0 | 4,679 | 15.1 | 20.1% |
| Adjusted EBITDA ⁽²⁾ | 7,715 | 22.0 | 6,344 | 20.5 | 21.6% |

| | Unaudited Six Months Ended June 30, | | 2024 | | Year-over- year change |
|--|--|---|--------|-----------------------------------|---------------------------|
| | 2025 | As a percentage of revenues (RMB millions, except for percentages) | Amount | As a percentage of revenues | |
| Revenues | 67,654 | 100.0 | 60,383 | 100.0 | 12.0% |
| Gross profit | 37,296 | 55.1 | 33,255 | 55.1 | 12.2% |
| Operating profit | 9,548 | 14.1 | 7,900 | 13.1 | 20.9% |
| Profit for the period | 8,901 | 13.2 | 8,100 | 13.4 | 9.9% |
| Non-IFRS Accounting Standards Measures: | | | | | |
| Adjusted net profit ⁽¹⁾ | 10,198 | 15.1 | 9,067 | 15.0 | 12.5% |
| Adjusted EBITDA ⁽²⁾ | 14,149 | 20.9 | 12,323 | 20.4 | 14.8% |

Notes:

- ⁽¹⁾ We define “adjusted net profit” as profit for the period adjusted by share-based compensation expenses and net fair value changes on investments.
- ⁽²⁾ We define “adjusted EBITDA” as adjusted net profit for the period adjusted by income tax expenses/(benefits), depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, and finance expense/(income), net.

Key Highlights

Financial Information by Segment

| | Unaudited Three Months Ended June 30, 2025 | | | Total |
|-------------------------|---|----------|----------------------------------|--------|
| | Domestic | Overseas | Unallocated items ⁽¹⁾ | |
| | (RMB millions) | | | |
| Revenues | 33,746 | 1,300 | — | 35,046 |
| Operating profit/(loss) | 5,401 | 19 | (131) | 5,289 |

| | Unaudited Three Months Ended June 30, 2024 | | | Total |
|-------------------------|---|----------|----------------------------------|--------|
| | Domestic | Overseas | Unallocated items ⁽¹⁾ | |
| | (RMB millions) | | | |
| Revenues | 29,896 | 1,079 | — | 30,975 |
| Operating profit/(loss) | 4,498 | (277) | (315) | 3,906 |

| | Year-over-year change | | | Total |
|-------------------------|-----------------------|----------|----------------------------------|-------|
| | Domestic | Overseas | Unallocated items ⁽¹⁾ | |
| | (Percentages %) | | | |
| Revenues | 12.9 | 20.5 | — | 13.1 |
| Operating profit/(loss) | 20.1 | N/A | (58.4) | 35.4 |



Key Highlights

Unaudited Six Months Ended June 30, 2025

| | Domestic | Overseas | Unallocated items ⁽¹⁾ | Total |
|-------------------------|----------------|----------|-------------------------------------|--------|
| | (RMB millions) | | | |
| Revenues | 65,039 | 2,615 | — | 67,654 |
| Operating profit/(loss) | 9,746 | 47 | (245) | 9,548 |

Unaudited Six Months Ended June 30, 2024

| | Domestic | Overseas | Unallocated items ⁽¹⁾ | Total |
|-------------------------|----------------|----------|-------------------------------------|--------|
| | (RMB millions) | | | |
| Revenues | 58,313 | 2,070 | — | 60,383 |
| Operating profit/(loss) | 8,489 | (545) | (44) | 7,900 |

Year-over-year change

| | Domestic | Overseas | Unallocated items ⁽¹⁾ | Total |
|-------------------------|-----------------|----------|-------------------------------------|-------|
| | (Percentages %) | | | |
| Revenues | 11.5 | 26.3 | — | 12.0 |
| Operating profit/(loss) | 14.8 | N/A | 456.8 | 20.9 |

Note:

⁽¹⁾ Unallocated items include share-based compensation expenses, other income and other gains, net.

Key Highlights

Operating Metrics

Unless otherwise specified, the following table sets forth certain of our key operating data on Kuaishou App for the periods indicated:

| | Three Months Ended June 30, | |
|---|-----------------------------|-----------|
| | 2025 | 2024 |
| Average DAUs (<i>in millions</i>) | 408.9 | 395.3 |
| Average MAUs (<i>in millions</i>) | 714.8 | 691.8 |
| Average online marketing services revenue per DAU (<i>in RMB</i>) | 48.3 | 44.3 |
| Total e-commerce GMV ⁽¹⁾ (<i>in RMB millions</i>) | 358,878.8 | 305,253.4 |

| | Six Months Ended June 30, | |
|---|---------------------------|-----------|
| | 2025 | 2024 |
| Average DAUs (<i>in millions</i>) | 408.5 | 394.6 |
| Average MAUs (<i>in millions</i>) | 713.3 | 694.6 |
| Average online marketing services revenue per DAU (<i>in RMB</i>) | 92.4 | 86.6 |
| Total e-commerce GMV ⁽¹⁾ (<i>in RMB millions</i>) | 691,204.0 | 593,325.9 |

Note:

⁽¹⁾ Placed on or directed to our partners through our platform.



Chairman's Statement

Dear Shareholders,

In the first half of 2025, our continued breakthroughs in AI innovation fueled strong, resilient business growth, with multiple operational and financial metrics reaching new record highs. Our total revenue increased by 12.0% year-over-year to RMB67.7 billion, and our adjusted net profit grew by 12.5% year-over-year to RMB10.2 billion, with a margin of 15.1%. Additionally, our average DAUs remained above 400 million for the fourth consecutive quarter. These remarkable results reflect the strength of our robust content and business ecosystems, as well as the empowerment of further integration of AI technology across our businesses. By leveraging AI, we continued to empower our business partners to improve operational efficiency and scale, while providing our users with richer, more diverse content and product experiences. The ongoing evolution of **Kling AI (可靈AI)** has also accelerated its commercialization, unlocking promising growth opportunities beyond our core operations and paving the way for our second growth curve.

Meanwhile, we are delighted to declare the payment of a special dividend amounting to approximately HK\$2 billion in total for the first time since the Listing, which fulfills our commitment to continuously enhancing shareholders returns. As we move through the second half of 2025, we remain attuned to user needs and committed on AI investments, fostering a more dynamic, trust-based community for our users and creators, while delivering sustainable value for all our stakeholders.

BUSINESS REVIEW AND OUTLOOK

Business Review

In the second quarter of 2025, we continued our relentless pursuit of delivering compelling user experiences. Guided by this ambition and backed by our strong technological foundation, we empowered both our content and business ecosystems through the use of large artificial intelligence (AI) models technology. These efforts created meaningful value for our users and business partners, while achieving record-breaking performances across key operational and financial metrics. Notably, average DAUs on the Kuaishou App reached 409 million in the second quarter of 2025, showing steady year-over-year growth and hitting a record high. Total revenue for the second quarter of 2025 increased 13.1% year-over-year to RMB35.0 billion. The adjusted net profit reached RMB5.6 billion with a 16.0% adjusted net margin, marking the highest quarterly profitability in history. We achieved this strong growth while continuing to make meaningful strategic investments in AI amid ongoing macroeconomic uncertainties, underscoring our strategic resolve, the resilience of our content and business ecosystems, and efficient execution across our organization.

AI business

In the second quarter of 2025, for **Kling AI (可靈AI)**, we maintained our steadfast dedication to delivering state-of-the-art (SOTA) large visual generation model technology and exceptional product performance. We launched the **Kling AI (可靈AI)** 2.1 model series in May 2025, which boasts comprehensive quality improvements, including better motion performance, more realistic physical simulation and more accurate semantic responsiveness. At the end of July 2025, **Kling AI (可靈AI)** released a new feature, Kling Lab, which integrates unlimited visualization space, intelligent creation assistance and real-time multi-user collaboration. This feature offers creators a seamless and efficient one-stop creation experience.

Chairman's Statement

Kling AI (可靈AI) is committed to becoming a one-stop creative engine for creators, empowering everyone to craft compelling stories with AI. **Kling AI (可靈AI)** has assisted prosumers and corporate clients in exploring more application scenarios, including advertising and marketing, film and short plays, gaming interactions and smart hardware, among other areas. In the short play industry, **Kling AI (可靈AI)** and **Kuaishou Astral Short Plays (快手星芒短劇)** collaboratively produced the world's first AI-generated anthology series, **New World Is Loading (新世界加载中)**. So far, it has racked up nearly 200 million cumulative views globally, setting a new benchmark for AI-generated film and television content. These in-depth explorations of **Kling AI (可靈AI)**'s application scenarios also led to rapid commercialization growth. In the second quarter of 2025, revenue from **Kling AI (可靈AI)** surpassed RMB250 million.

In terms of leveraging large AI models to empower our content and business ecosystems, we launched **OneRec**, an end-to-end generative recommendation large model. This new technological paradigm employs a generative approach to predict videos that match users' preferences from the entire videos corpus. Thanks to its architectural advantages, the new recommendation large model has improved the efficiency of training and inference computing power significantly. **OneRec** is currently being deployed for recommending short video content and has improved user time spent and retention rates. For online marketing services, we explored the correlation between users' omni-domain behaviors and marketing service conversion by leveraging world knowledge and the inference capabilities of large language models. These efforts enabled end-to-end generation of marketing materials that users are interested in increasing click-through and conversion rates and driving low single-digit growth in revenue from online marketing services. In e-commerce scenario, we applied multi-modal large models to enhance product information extraction. By leveraging knowledge reasoning capabilities of large language models, we generated structured descriptions of target users, application scenarios and user interests, thereby amplifying user-product matching efficiency.

User and content ecosystem

In the second quarter of 2025, average DAUs on the Kuaishou App reached 409 million and MAUs reached 715 million, increasing by 3.4% and 3.3% year-over-year, respectively. Average DAUs on the Kuaishou App reached a new record high. The average daily time spent per DAU on the Kuaishou App was 126.8 minutes, while total user time spent rose by 7.5% year-over-year in the second quarter of 2025. The steady growth in user traffic was attributable to our high-quality user growth strategy, optimized traffic allocation mechanism, a more engaging community atmosphere and our differentiated content operating strategy.

We remained firmly committed to executing our high quality user growth strategy, improving ROI while reducing user acquisition costs. We further optimized our traffic allocation mechanism to better align commercial content with user retention, which enhanced both user experience and stickiness. Meanwhile, we increased traffic exposure for high quality original content, fostering a virtuous cycle between content creation and consumption. We have continuously optimized the private messaging experience and expanded innovative social interaction features, resulting in a nearly 5-percentage-point year-on-year increase in the daily average penetration rate of private messages among users with mutual followers.



Chairman's Statement

Through our differentiated vertical operation strategy, we continued to deliver standout content with distinctive Kuaishou characteristics, further strengthening our connection with users. In the **Three Rural (三農)** vertical, we launched the **Happy Village Spring Farming Season (幸福鄉村春耕季)** series of activities, featuring short videos on agricultural technology and knowledge, e-commerce live streaming to promote agricultural materials, tools and products, as well as the **Spring Farming Grand Stage (春耕大舞台)** pan-entertainment events. These activities boosted the interactions between **Three Rural (三農)** creators and interested users, with related short video content accumulating a total of 12.7 billion views. In the pan-knowledge vertical, as the national college entrance exam approached, we brought together renowned teachers from prestigious schools, education experts and other high-quality creators in this vertical, offering practical information and companionship through live streaming and short videos to students and their families before, during and after the exam.

Online marketing services

In the second quarter of 2025, revenue from online marketing services reached RMB19.8 billion, marking a 12.8% year-over-year increase, with the year-over-year growth rate higher than that of the first quarter of 2025. We secured additional budgets from our marketing clients across industries through proactive outreach and by optimizing our intelligent marketing product solutions with large AI models, which lowered the threshold for the clients to place marketing material and improved marketing conversion efficiency. These improvements led to notable year-over-year increases in revenue from both external and closed-loop marketing services. In the second quarter of 2025, we also upgraded our AIGC marketing material solutions, moving beyond general capabilities to better align with clients' specific industry attributes and application scenarios. This newest iteration further improved conversion rates for AIGC materials.

In the second quarter of 2025, revenue from our external marketing services continued to rise, driven by strong demand from the content-consumption, local services and automobile industries. For the content-consumption industry, advertising spending in short plays maintained high double-digit year-over-year growth. Smart pricing for **In-Apps Purchases (IAP, 應用內購買)** and dynamic adjustments of **In-Apps Ads (IAA, 應用內廣告)** marketing node drove this momentum by improving users' willingness to pay and increasing their time spent, which in turn expanded revenue for our marketing clients. For the local services and automobile industries, where clients mainly operate on a lead-based model, our native private messaging products helped them reach users more effectively and improved conversion efficiency. In the second quarter of 2025, we leveraged large language models and model sequence modeling for native private messaging between clients and users, resulting in a higher lead conversion rate. In terms of intelligent product placement solutions, the penetration rate of our **Universal Auto X (UAX, 全自動投放)** placement solutions continued to rise, accounting for around 65.0% of total external marketing spending in the second quarter of 2025.

In the second quarter of 2025, for closed-loop marketing service, we supported e-commerce merchants to enhance their omni-domain intelligent operation efficiency through the iteration of product and traffic strategies. We continued to upgrade our omni-platform marketing solution, iterating multiple key tools such as intelligent bidding, supplementary material placement and omni-domain multi-product marketing to simplify the placement process and enhance ad placement stability for merchants. In the second quarter of 2025, our omni-platform marketing solutions accounted for an increasing share of total closed-loop marketing spending.

Chairman's Statement

Scenario-wise, revenue from online marketing services related to pan-shelf-based e-commerce has achieved rapid growth. In addition to continuously introducing high-quality content and merchandise, we focused on optimizing our traffic distribution strategy, strengthened the synergy with e-commerce business, and modeled specifically for the pan-shelf-based e-commerce. These efforts led to a simultaneous improvement in the sales conversion rate of e-commerce merchants and eCPM of our closed-loop marketing services.

E-commerce

In the second quarter of 2025, our e-commerce GMV rose by 17.6% year-over-year to RMB358.9 billion. We continued to deepen the efficient integration and connection of exceptional content and high-quality products, further meeting users' consumption needs and enhancing their experience. The number of e-commerce monthly average paying users reached 134 million in the second quarter of 2025, while e-commerce active users' repeat purchase frequency continued to increase.

Our pan-shelf-based e-commerce efforts helped merchants capture new business opportunities for omni-domain operations. In the second quarter of 2025, pan-shelf-based e-commerce GMV continued to outpace overall GMV growth, accounting for over 32.0% of total e-commerce GMV. During the 618 Shopping Festival, GMV from pan-shelf-based e-commerce product cards and search-induced e-commerce soared by over 50.0% and over 140.0% year-over-year, respectively. For new merchants in pan-shelf-based e-commerce, we further deepened the application of marketing host tools. We efficiently utilized materials and merchandise information from content-based scenarios, helping new merchants achieve basic operations for one-stop marketing. For existing merchants operating on a larger scale, we offered more diversified operational resources and features, including **Big Brand, Big Subsidy (大牌大補)**, a marketing event for top-tier high-interest products, and **Super Links (超級鏈接)**, the official channel of platform recommended products. In the second quarter of 2025, average daily active merchants in the shopping mall increased by 30.0% year-over-year. Moreover, short video e-commerce GMV grew by over 30.0% year-over-year in the second quarter of 2025, primarily due to the increasing supply in short videos with embedded shopping links. Growth in short video GMV also benefited from enhanced supply quality, driven by the short videos of blockbuster products from live streaming sessions, which improved the matching efficiency between target demographics and core merchandise.

In the second quarter of 2025, thanks to the expansion of new merchants and optimized scenario development, the number of active small-and medium-sized merchants continued to grow year-over-year. With our deep commitment to multiplying incentive and resource investments for new merchants, we helped them quickly adapt to our platform environment and achieve individual business growth through the **Golden Bounty Initiative (斗金計劃)**, service provider empowerment and traffic support across scenarios. These efforts drove a 50.0% year-over-year increase in the number of newly onboarded merchants in the second quarter of 2025. In addition, we established a product sourcing center to screen high-quality merchandise supplies for merchants and reduce the operational threshold. We also developed a task and incentive system aligned with the growth stages of merchants, covering four core scenarios: live streaming, short video, pan-shelf-based e-commerce and KOL distribution, further optimizing the merchant ecosystem.



Chairman's Statement

In the second quarter of 2025, we placed a strong emphasis on achieving long-term synergies with KOLs. We helped them enhance their content capabilities, including introducing new features that support follower growth and re-engagement, boosting the operating efficiency in the private domain. We also established stable distribution channels for merchants by building platform-endorsed product. The **KOL Blockbuster Initiative (達人爆品計劃)** efficiently connected KOLs with exceptional products, while the **Treasure Brand Spotlight Initiative (寶藏品牌發光計劃)** strengthened the diversity of their product distribution by introducing more branded merchandise. Moreover, we encouraged entertainment-oriented KOLs to transition into small-and medium-sized e-commerce KOLs. This enabled a large number of new and small KOLs to join leading KOL teams and organizations, while providing them with tailored incubation paths and commercialization models. These measures facilitated the rapid growth of new KOLs and, in the mid-to-long term, will position small-and medium-sized KOLs as a growth engine of our ecosystem.

In addition, we incorporated AI capabilities in merchants' end-to-end operations, particularly in AIGC content production, smart live streaming and intelligent customer service. This integration led to a significant reduction in merchants' operating costs on the content-based e-commerce. Our self-developed advanced AIGC capabilities are fully integrated across our e-commerce content ecosystem, directly improving product conversion efficiency in various scenarios, including product cards and short video, through the automated generation and optimization of high-quality materials. In the future, we aim to utilize large models to reconstruct the connection between customers and merchandise, marking a substantial upgrade from meeting immediate demand to predicting potential demand.

Live streaming

In the second quarter of 2025, live-streaming revenue grew by 8.0% year-over-year to RMB10.0 billion, as we continued to develop a rich ecosystem and high-quality live streaming content to meet users' diverse needs. We increased our efforts to boost revenue efficiency of our core categories, including group and multi-host live streaming, by refining operations and leveraging regional attributes, with a greater emphasis on combining short videos with live streaming. We also explored AIGC innovation and application in live streaming, voice chat and other real-time interactive scenarios. By the end of the second quarter of 2025, the number of our partnered talent agencies had risen by more than 20.0% and talent agency-managed streamers increased by over 30.0%, both year-over-year. Furthermore, we enhanced online-offline live streaming scenarios, providing a broader stage for high-quality live streaming contents such as **An Wan Opera Troupe (安萬劇團)** and **Tangshan Bubble Dragon (唐山泡泡龍)**. Our **Grand Stage (直播大舞台)** expanded its reach nationwide, establishing a presence in 57 cities across Hebei, Guangdong, Anhui, Shandong and Jiangsu provinces, among others.

Our live streaming business also deepened its cooperation with game developers by hosting e-sports events, such as the **CrossFire Mobile Champions Cup (穿越火線冠軍杯)** finals. By combining content ecosystems, event resources and user consumption, we provided game developers with end-to-end support, from exposure to conversion, based on their specific needs and life-cycle stages. Our "live streaming+" strategy continued to empower traditional industries. In the second quarter of 2025, the average daily number of users submitting resumes on **Kwai Hire (快聘)** increased by over 40.0% year-over-year, and the number of matches grew by over 150.0% year-over-year. In **Ideal Housing (理想家)**, daily lead generation surged by over 60.0% compared with the same period last year.

Overseas

In the second quarter of 2025, we maintained a steady pace of development in our overseas business. Our revenue from the overseas business grew 20.5% year-over-year to RMB1.3 billion. We continued to expand our new user base through innovative channels and improved customer acquisition efficiency with refined operations, strengthening the core user base. As a result, DAUs in Brazil, one of our core international markets, remained stable, with average daily time spent per DAU increasing year-over-year. On the monetization front, we actively expanded the industry coverage of advertisers and continually enhanced product capabilities, maintaining solid year-over-year growth in online marketing services revenue. In the second quarter of 2025, for our e-commerce business in Brazil, our end-to-end digital empowerment of local merchant operations enabled content-driven immersive consumption, real-time interaction and rapid conversion, driving consistent, solid year-over-year and quarter-over-quarter growth in transaction scale and order volume.

Local services

In the second quarter of 2025, GMV for local services increased steadily year-over-year. Category-wise, we strengthened cost controls in our in-store dining services and strategically avoided subsidy competition, while supporting the growth of high-ROI products in our in-store business. On the supply side, we continued to improve core categories and price comparison capabilities, promoting a healthy growth of competitive products and low-priced supplies. In the second quarter of 2025, the number of daily average available merchandise leaped by over 55.0% year-over-year. On the demand side, our city-specific refined operations and optimized user experience, coupled with the improved smart subsidy model, drove the overall healthy growth of the business. In terms of content, we remain committed to supporting the distribution of high-quality traffic on our platform. Furthermore, recommendation funnels aided by large models also propelled video view increases and efficiency enhancements in the local services short video scenario. For monetization, we met customers' diverse placement needs by expanding and optimizing advertising products, resulting in an approximately 120% year-over-year revenue increase. In addition, stricter ROI discipline improved both subsidy and operating efficiency, further narrowing the operating loss in our local services business both quarter-over-quarter and year-over-year.

Declaration of special dividend

In view of the Company's business performance, the Board is delighted to declare the payment of a special dividend of HK\$0.46 per Share for the first time since the Listing, amounting to approximately HK\$2.0 billion in total. The declaration and payment of special dividends reflects our confidence in the Company's long-term growth prospects and solid financial position, fulfilling our continuous commitment to enhancing shareholders returns. Backed by a strong balance sheet, the Company is well positioned to reward our Shareholders while maintaining the financial and operational flexibility required to drive long-term business developments. In future, the Company will consider measures including share repurchase and dividend payment as appropriate to give back to our Shareholders.



Chairman's Statement

Business Outlook

In the first half of 2025, we made steady progress in advancing our AI strategy, consistently achieving technological breakthroughs while accelerating commercialization. Looking ahead to the second half of 2025, we will maintain our strong investment in AI and continue to explore the potential of AI technology in empowering creators, marketing clients and merchants, identifying and unlocking new, high-potential monetization opportunities. While maintaining high-quality growth across our existing businesses, we will actively cultivate diverse channels for future growth to foster the shared development of our content and business ecosystems. We remain dedicated to meeting user needs and enhancing operational efficiency for our merchants and marketing clients, creating sustainable, long-term value for our users, creators and partners.

Management Discussion and Analysis

SECOND QUARTER OF 2025 COMPARED TO SECOND QUARTER OF 2024

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the second quarter of 2025 and 2024, respectively:

| | Unaudited Three Months Ended June 30, | | | |
|--|--|--------------|----------|--------|
| | 2025 | | 2024 | |
| | RMB | % | RMB | % |
| | (in millions, except for percentages) | | | |
| Revenues | 35,046 | 100.0 | 30,975 | 100.0 |
| Cost of revenues | (15,542) | (44.3) | (13,840) | (44.7) |
| Gross profit | 19,504 | 55.7 | 17,135 | 55.3 |
| Selling and marketing expenses | (10,503) | (30.0) | (10,040) | (32.4) |
| Administrative expenses | (897) | (2.6) | (792) | (2.6) |
| Research and development expenses | (3,400) | (9.7) | (2,805) | (9.1) |
| Other income | 16 | 0.0 | 34 | 0.1 |
| Other gains, net | 569 | 1.7 | 374 | 1.3 |
| Operating profit | 5,289 | 15.1 | 3,906 | 12.6 |
| Finance (expense)/income, net | (54) | (0.2) | 66 | 0.2 |
| Share of losses of investments accounted for using the equity method | (12) | (0.0) | (19) | (0.1) |
| Profit before income tax | 5,223 | 14.9 | 3,953 | 12.7 |
| Income tax (expenses)/benefits | (301) | (0.9) | 27 | 0.1 |
| Profit for the period | 4,922 | 14.0 | 3,980 | 12.8 |
| Non-IFRS Accounting Standards Measures: | | | | |
| Adjusted net profit | 5,618 | 16.0 | 4,679 | 15.1 |
| Adjusted EBITDA | 7,715 | 22.0 | 6,344 | 20.5 |



Management Discussion and Analysis

Revenues

Our revenues increased by 13.1% to RMB35.0 billion for the second quarter of 2025 from RMB31.0 billion for the same period of 2024. The increase was primarily attributable to the growth of our online marketing services, live streaming business, e-commerce business and Kling AI business.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues for the second quarter of 2025 and 2024, respectively:

| | Unaudited Three Months Ended June 30, | | | |
|---------------------------------------|--|--------------|---------------|--------------|
| | 2025 | | 2024 | |
| | RMB | % | RMB | % |
| (in millions, except for percentages) | | | | |
| Online marketing services | 19,765 | 56.4 | 17,515 | 56.5 |
| Live streaming | 10,044 | 28.7 | 9,302 | 30.0 |
| Other services | 5,237 | 14.9 | 4,158 | 13.5 |
| Total | 35,046 | 100.0 | 30,975 | 100.0 |

Online marketing services

Revenue from our online marketing services increased by 12.8% to RMB19.8 billion for the second quarter of 2025 from RMB17.5 billion for the same period of 2024, primarily attributable to the increased consumption from marketing clients driven by our optimized intelligent marketing product solutions with AI technology.

Live streaming

Revenue from our live streaming business increased by 8.0% to RMB10.0 billion for the second quarter of 2025 from RMB9.3 billion for the same period of 2024, as a result of our continuous efforts in building a healthy live streaming ecosystem and diversified high-quality content.

Other services

Revenue from our other services increased by 25.9% to RMB5.2 billion for the second quarter of 2025 from RMB4.2 billion for the same period of 2024, primarily due to the growth of our e-commerce business and Kling AI business. The growth of e-commerce business was represented by the growth in our e-commerce GMV. The growth of Kling AI business was primarily attributable to our advanced AI technology and product performance.

Management Discussion and Analysis

Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the second quarter of 2025 and 2024, respectively:

| | Unaudited Three Months Ended June 30, | | | |
|--|--|-------------|---------------|-------------|
| | 2025 | | 2024 | |
| | RMB | % | RMB | % |
| (in millions, except for percentages) | | | | |
| Revenue sharing costs and related taxes | 10,542 | 30.1 | 8,731 | 28.2 |
| Bandwidth expenses and server custody costs ⁽¹⁾ | 1,335 | 3.8 | 1,370 | 4.4 |
| Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets ⁽¹⁾ | 1,406 | 4.0 | 1,586 | 5.1 |
| Employee benefit expenses | 670 | 1.9 | 655 | 2.1 |
| Payment processing costs | 800 | 2.3 | 708 | 2.3 |
| Other cost of revenues | 789 | 2.2 | 790 | 2.6 |
| Total | 15,542 | 44.3 | 13,840 | 44.7 |

Note:

- ⁽¹⁾ Server custody costs include the custody fee of internet data centers with a lease term of one year or less which is exempted under IFRS 16 — Leases. Leases of internet data centers with a term of over one year are recorded as right-of-use assets, and recorded as depreciation charge in cost of revenues.

Our cost of revenues increased by 12.3% to RMB15.5 billion for the second quarter of 2025, from RMB13.8 billion for the same period of 2024, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth, partially offset by decreases in depreciation of property and equipment and right-of-use assets, and amortization of intangible assets.



Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the second quarter of 2025 and 2024, respectively:

| | Unaudited | | | |
|---------------------------------------|-----------------------------|------|--------|------|
| | Three Months Ended June 30, | | | |
| | 2025 | | 2024 | |
| | RMB | % | RMB | % |
| (in millions, except for percentages) | | | | |
| Gross profit | 19,504 | 55.7 | 17,135 | 55.3 |

As a result of the foregoing, our gross profit increased by 13.8% to RMB19.5 billion for the second quarter of 2025, from RMB17.1 billion for the same period of 2024. Our gross profit margin improved to 55.7% for the second quarter of 2025, from 55.3% for the same period of 2024.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 4.6% to RMB10.5 billion for the second quarter of 2025, from RMB10.0 billion for the same period of 2024, primarily attributable to the increased spending in promotion activities. As a percentage of our total revenues, selling and marketing expenses decreased to 30.0% for the second quarter of 2025 from 32.4% for the same period of 2024, primarily due to our efforts to improve operating efficiency.

Administrative Expenses

Our administrative expenses increased by 13.3% to RMB897 million for the second quarter of 2025 from RMB792 million for the same period of 2024, primarily attributable to an increase in employee benefit expenses, including the related share-based compensation expenses.

Research and Development Expenses

Our research and development expenses increased by 21.2% to RMB3.4 billion for the second quarter of 2025, from RMB2.8 billion for the same period of 2024, primarily due to the increased investments in AI.

Other Income

Our other income decreased to RMB16 million for the second quarter of 2025 from RMB34 million for the same period of 2024.

Management Discussion and Analysis

Other Gains, Net

Our other gains, net increased to RMB569 million for the second quarter of 2025 from RMB374 million for the same period of 2024, primarily due to the fair value changes of financial assets at fair value through profit or loss.

Operating Profit

As a result of the foregoing, we had an operating profit of RMB5.3 billion and an operating margin of 15.1% for the second quarter of 2025, compared to an operating profit of RMB3.9 billion and an operating margin of 12.6% for the same period of 2024.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the second quarter of 2025 and 2024, respectively:

| | Unaudited | | |
|-------------------|---|---------------------|-----------------------|
| | Three Months Ended June 30, | | |
| | 2025 | 2024 | Year-over-year change |
| | (RMB millions, except for percentages) | | |
| Domestic | 5,401 | 4,498 | 20.1% |
| Overseas | 19 | (277) | N/A |
| Unallocated items | (131) | (315) | (58.4%) |
| Total | <u>5,289</u> | <u>3,906</u> | 35.4% |

Our operating profit from the domestic segment increased to RMB5.4 billion for the second quarter of 2025, from RMB4.5 billion for the same period of 2024, mainly attributable to a 12.9% year-over-year growth in domestic revenues.

Our operating profit from the overseas segment was RMB19 million for the second quarter of 2025, compared to an operating loss of RMB277 million for the same period of 2024. The change was primarily attributable to a 20.5% year-over-year growth in overseas revenues.



Management Discussion and Analysis

Finance (Expense)/Income, Net

Our finance expense, net was RMB54 million for the second quarter of 2025, compared to finance income, net of RMB66 million for the same period of 2024. The change was primarily attributable to an increase in interest expense from borrowings.

Share of Losses of Investments Accounted for Using the Equity Method

Our share of losses of investments accounted for using the equity method was RMB12 million and RMB19 million for the second quarter of 2025 and 2024, respectively.

Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB5.2 billion for the second quarter of 2025, compared to a profit before income tax of RMB4.0 billion for the same period of 2024.

Income Tax (Expenses)/Benefits

Our income tax expenses were RMB301 million for the second quarter of 2025, compared to income tax benefits of RMB27 million for the same period of 2024. The change was primarily due to the growth in operating profit.

Profit for the Period

As a result of the foregoing, we had a profit of RMB4.9 billion for the second quarter of 2025, compared to a profit of RMB4.0 billion for the same period of 2024.

Management Discussion and Analysis

SECOND QUARTER OF 2025 COMPARED TO FIRST QUARTER OF 2025

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the second quarter and the first quarter of 2025, respectively:

| | Unaudited Three Months Ended | | | |
|---|---------------------------------|---------------------|-----------------|---------------|
| | June 30, 2025 | | March 31, 2025 | |
| | RMB | % | RMB | % |
| <i>(in millions, except for percentages)</i> | | | | |
| Revenues | 35,046 | 100.0 | 32,608 | 100.0 |
| Cost of revenues | <u>(15,542)</u> | <u>(44.3)</u> | <u>(14,816)</u> | <u>(45.4)</u> |
| Gross profit | 19,504 | 55.7 | 17,792 | 54.6 |
| Selling and marketing expenses | (10,503) | (30.0) | (9,897) | (30.4) |
| Administrative expenses | (897) | (2.6) | (828) | (2.5) |
| Research and development expenses | (3,400) | (9.7) | (3,298) | (10.1) |
| Other income | 16 | 0.0 | 53 | 0.2 |
| Other gains, net | <u>569</u> | <u>1.7</u> | <u>437</u> | <u>1.3</u> |
| Operating profit | 5,289 | 15.1 | 4,259 | 13.1 |
| Finance expense, net | (54) | (0.2) | (24) | (0.1) |
| Share of (losses)/profits of investments accounted for using the equity method | <u>(12)</u> | <u>(0.0)</u> | <u>2</u> | <u>0.0</u> |
| Profit before income tax | 5,223 | 14.9 | 4,237 | 13.0 |
| Income tax expenses | <u>(301)</u> | <u>(0.9)</u> | <u>(258)</u> | <u>(0.8)</u> |
| Profit for the period | <u>4,922</u> | <u>14.0</u> | <u>3,979</u> | <u>12.2</u> |
| Non-IFRS Accounting Standards Measures: | | | | |
| Adjusted net profit | 5,618 | 16.0 | 4,580 | 14.0 |
| Adjusted EBITDA | 7,715 | 22.0 | 6,434 | 19.7 |



Management Discussion and Analysis

Revenues

Our revenues increased by 7.5% to RMB35.0 billion for the second quarter of 2025 from RMB32.6 billion for the first quarter of 2025, primarily attributable to the growth of our online marketing services, live streaming business, e-commerce business and Kling AI business.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues for the second quarter and the first quarter of 2025, respectively:

| | Unaudited Three Months Ended | | | |
|---------------------------|---------------------------------------|--------------|----------------|--------------|
| | June 30, 2025 | | March 31, 2025 | |
| | RMB | % | RMB | % |
| | (in millions, except for percentages) | | | |
| Online marketing services | 19,765 | 56.4 | 17,977 | 55.1 |
| Live streaming | 10,044 | 28.7 | 9,814 | 30.1 |
| Other services | 5,237 | 14.9 | 4,817 | 14.8 |
| Total | 35,046 | 100.0 | 32,608 | 100.0 |

Online marketing services

Revenue from our online marketing services increased by 9.9% to RMB19.8 billion for the second quarter of 2025, from RMB18.0 billion for the first quarter of 2025, primarily due to our continuous optimization of omni-platform marketing solutions.

Live streaming

Revenue from our live streaming business increased by 2.3% to RMB10.0 billion for the second quarter of 2025, from RMB9.8 billion for the first quarter of 2025, as a result of our continuous efforts in building a healthy live streaming ecosystem and diversified high-quality content.

Other services

Revenue from our other services increased by 8.7% to RMB5.2 billion for the second quarter of 2025, from RMB4.8 billion for the first quarter of 2025, primarily attributable to the growth of our e-commerce business and Kling AI business. The growth of e-commerce business was represented by the growth in our e-commerce GMV. The growth of Kling AI business was primarily attributable to our advanced AI technology and product performance.

Management Discussion and Analysis

Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the second quarter and the first quarter of 2025, respectively:

| | Unaudited Three Months Ended | | March 31, 2025 | |
|--|---------------------------------|-------------|----------------|-------------|
| | June 30, 2025 | | | |
| | <i>RMB</i> | <i>%</i> | <i>RMB</i> | <i>%</i> |
| <i>(in millions, except for percentages)</i> | | | | |
| Revenue sharing costs and related taxes | 10,542 | 30.1 | 9,942 | 30.5 |
| Bandwidth expenses and server custody costs ⁽¹⁾ | 1,335 | 3.8 | 1,477 | 4.5 |
| Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets ⁽¹⁾ | 1,406 | 4.0 | 1,235 | 3.8 |
| Employee benefit expenses | 670 | 1.9 | 690 | 2.1 |
| Payment processing costs | 800 | 2.3 | 768 | 2.4 |
| Other cost of revenues | 789 | 2.2 | 704 | 2.1 |
| Total | 15,542 | 44.3 | 14,816 | 45.4 |

Note:

- ⁽¹⁾ Server custody costs include the custody fee of internet data centers with a lease term of one year or less which is exempted under IFRS 16 — Leases. Leases of internet data centers with a term of over one year are recorded as right-of-use assets, and recorded as depreciation charge in cost of revenues.

Our cost of revenues increased by 4.9% to RMB15.5 billion for the second quarter of 2025, from RMB14.8 billion for the first quarter of 2025, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth.



Management Discussion and Analysis

Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the second quarter and the first quarter of 2025, respectively:

| | Unaudited Three Months Ended | | | |
|--------------|---------------------------------------|------|----------------|------|
| | June 30, 2025 | | March 31, 2025 | |
| | RMB | % | RMB | % |
| | (in millions, except for percentages) | | | |
| Gross Profit | 19,504 | 55.7 | 17,792 | 54.6 |

As a result of the foregoing, our gross profit increased by 9.6% to RMB19.5 billion for the second quarter of 2025, from RMB17.8 billion for the first quarter of 2025. Our gross profit margin improved to 55.7% for the second quarter of 2025, from 54.6% for the first quarter of 2025.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 6.1% to RMB10.5 billion for the second quarter of 2025, from RMB9.9 billion for the first quarter of 2025. The increase was primarily attributable to the increased spending in promotion activities. As a percentage of our total revenues, selling and marketing expenses decreased to 30.0% for the second quarter of 2025 from 30.4% for the first quarter of 2025, primarily due to our efforts to improve operating efficiency.

Administrative Expenses

Our administrative expenses were RMB897 million and RMB828 million for the second quarter and the first quarter of 2025, respectively.

Research and Development Expenses

Our research and development expenses increased by 3.1% to RMB3.4 billion for the second quarter of 2025, from RMB3.3 billion for the first quarter of 2025, primarily due to the increased investments in AI.

Other Income

Our other income was RMB16 million and RMB53 million for the second quarter and the first quarter of 2025, respectively.

Management Discussion and Analysis

Other Gains, Net

Our other gains, net increased to RMB569 million for the second quarter of 2025, from RMB437 million for the first quarter of 2025, primarily due to the fair value changes of financial assets at fair value through profit or loss.

Operating Profit

As a result of the foregoing, we had an operating profit of RMB5.3 billion and an operating margin of 15.1% for the second quarter of 2025, compared to an operating profit of RMB4.3 billion and an operating margin of 13.1% for the first quarter of 2025.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the second quarter and the first quarter of 2025, respectively:

| | Unaudited Three Months Ended | | |
|-------------------|---|-------------------|---------------------------------|
| | June 30, 2025 | March 31, 2025 | Quarter-over- quarter change |
| | <i>(RMB millions, except for percentages)</i> | | |
| Domestic | 5,401 | 4,345 | 24.3% |
| Overseas | 19 | 28 | (32.1%) |
| Unallocated items | (131) | (114) | 14.9% |
| Total | 5,289 | 4,259 | 24.2% |

Our operating profit from the domestic segment increased to RMB5.4 billion for the second quarter of 2025, from RMB4.3 billion for the first quarter of 2025, mainly due to a 7.8% quarter-over-quarter growth in domestic revenues.

Our operating profit from the overseas segment was RMB19 million for the second quarter of 2025, compared to RMB28 million for the first quarter of 2025.



Management Discussion and Analysis

Finance Expense, Net

Our finance expense, net was RMB54 million and RMB24 million for the second quarter and the first quarter of 2025, respectively.

Share of (Losses)/Profits of Investments Accounted for Using the Equity Method

Our share of losses of investments accounted for using the equity method was RMB12 million for the second quarter of 2025, compared to share of profits of RMB2 million for the first quarter of 2025.

Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB5.2 billion for the second quarter of 2025, compared to a profit before income tax of RMB4.2 billion for the first quarter of 2025.

Income Tax Expenses

Our income tax expenses were RMB301 million and RMB258 million for the second quarter and the first quarter of 2025, respectively.

Profit for the Period

As a result of the foregoing, we had a profit of RMB4.9 billion for the second quarter of 2025, compared to a profit of RMB4.0 billion for the first quarter of 2025.

Management Discussion and Analysis

RECONCILIATION OF NON-IFRS ACCOUNTING STANDARDS MEASURES TO THE NEAREST IFRS ACCOUNTING STANDARDS MEASURES

We believe that the presentation of non-IFRS Accounting Standards measures facilitate comparisons of operating performance from period to period and company to company by eliminating the potential impact of items that our management does not consider to be indicative of our operating performance, such as certain non-cash items. The use of these non-IFRS Accounting Standards measures has limitations as an analytical tool, and you should not consider them in isolation from, as a substitute for, analysis of, or superior to, our results of operations or financial conditions as reported under IFRS Accounting Standards. In addition, these non-IFRS Accounting Standards financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies. Our presentation of these non-IFRS Accounting Standards measures should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

The following table sets forth the reconciliations of our non-IFRS Accounting Standards financial measures for the second quarter of 2025, the first quarter of 2025 and the second quarter of 2024, as well as the first half of 2025 and 2024, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

| | Unaudited Three Months Ended | | |
|--|---------------------------------|-------------------|------------------|
| | June 30, 2025 | March 31, 2025 | June 30, 2024 |
| | (RMB millions) | | |
| Profit for the period | 4,922 | 3,979 | 3,980 |
| Adjusted for: | | | |
| Share-based compensation expenses | 716 | 604 | 723 |
| Net fair value changes on investments ⁽¹⁾ | (20) | (3) | (24) |
| Adjusted net profit | 5,618 | 4,580 | 4,679 |
| Adjusted net profit | 5,618 | 4,580 | 4,679 |
| Adjusted for: | | | |
| Income tax expenses/(benefits) | 301 | 258 | (27) |
| Depreciation of property and equipment | 885 | 782 | 997 |
| Depreciation of right-of-use assets | 831 | 768 | 735 |
| Amortization of intangible assets | 26 | 22 | 26 |
| Finance expense/(income), net | 54 | 24 | (66) |
| Adjusted EBITDA | 7,715 | 6,434 | 6,344 |



Management Discussion and Analysis

| | Unaudited Six Months Ended June 30, 2025 2024 (RMB millions) | |
|--|--|--------|
| Profit for the period | 8,901 | 8,100 |
| Adjusted for: | | |
| Share-based compensation expenses | 1,320 | 1,015 |
| Net fair value changes on investments ⁽¹⁾ | (23) | (48) |
| Adjusted net profit | 10,198 | 9,067 |
| Adjusted net profit | 10,198 | 9,067 |
| Adjusted for: | | |
| Income tax expenses/(benefits) | 559 | (42) |
| Depreciation of property and equipment | 1,667 | 1,974 |
| Depreciation of right-of-use assets | 1,599 | 1,451 |
| Amortization of intangible assets | 48 | 53 |
| Finance expense/(income), net | 78 | (180) |
| Adjusted EBITDA | 14,149 | 12,323 |

Note:

- ⁽¹⁾ Net fair value changes on investments represents net fair value (gains)/losses on financial assets at fair value through profit or loss of our investments in listed and unlisted entities, net (gains)/losses on deemed disposals of investments and impairment provision for investments, which is unrelated to our core business and operating performance and subject to market fluctuations, and exclusion of which provides investors with more relevant and useful information to evaluate our performance.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

Other than the funds raised through our Global Offering in February 2021, our principal sources of funds for working capital and other capital needs have been capital contributions from the Shareholders, cash generated from issuance of convertible redeemable preferred shares and borrowings, and cash generated from our operating activities. We had cash and cash equivalents of RMB12.3 billion as of June 30, 2025, compared to RMB11.6 billion as of March 31, 2025.

Our total available funds which we considered in cash management included but not limited to cash and cash equivalents, time deposits, financial assets and restricted cash. Financial assets mainly included wealth management products and others. The aggregate amount of our available funds was RMB101.9 billion as of June 30, 2025, compared to RMB94.0 billion as of March 31, 2025.

The following table sets forth a summary of our cash flows for the periods indicated:

| | Unaudited Three Months Ended June 30, 2025 (RMB millions) | Unaudited Six Months Ended June 30, 2025 |
|---|--|---|
| Net cash generated from operating activities | 8,498 | 11,781 |
| Net cash used in investing activities | (10,178) | (15,113) |
| Net cash generated from financing activities | 2,386 | 2,946 |
| Net increase/(decrease) in cash and cash equivalents | 706 | (386) |
| Cash and cash equivalents at the beginning of the period | 11,598 | 12,697 |
| Effects of exchange rate changes on cash and cash equivalents | 6 | (1) |
| Cash and cash equivalents at the end of the period | 12,310 | 12,310 |

Net Cash Generated from Operating Activities

Net cash generated from operating activities represents the cash generated from our operations minus the income tax paid. Cash generated from our operations primarily consists of our profit before income tax, adjusted by non-cash items and changes in working capital.

For the second quarter of 2025, our net cash generated from operating activities was RMB8.5 billion, which was primarily attributable to our profit before income tax of RMB5.2 billion, adjusted by non-cash items, primarily comprising depreciation of property and equipment of RMB885 million, depreciation of right-of-use assets of RMB831 million, share-based compensation expenses of RMB716 million and net fair value gains on financial assets at fair value through profit or loss of RMB705 million. The amount was further adjusted by changes in working capital, which primarily comprised increases in other payables and accruals of RMB2.2 billion, accounts payables of RMB1.2 billion and trade receivables of RMB1.5 billion. We also paid income tax of RMB489 million.

Management Discussion and Analysis

Net Cash Used in Investing Activities

For the second quarter of 2025, our net cash used in investing activities was RMB10.2 billion, which was primarily attributable to the net investments in financial assets at fair value through profit or loss of RMB5.6 billion, purchase of property, equipment and intangible assets of RMB3.7 billion and net investments in time deposits with initial terms over three months of RMB1.1 billion.

Net Cash Generated from Financing Activities

For the second quarter of 2025, our net cash generated from financing activities was RMB2.4 billion, which was primarily attributable to the net proceeds under notes arrangements of RMB4.1 billion, payments for principal elements of lease and related interests of RMB1.0 billion and payments for shares repurchase of RMB776 million.

BORROWINGS

As of June 30, 2025, we had total borrowings of RMB12.2 billion. The details of our borrowings are disclosed in Note 20 to the Condensed Consolidated Interim Financial Information in this interim report.

GEARING RATIO

As of June 30, 2025, our gearing ratio, calculated as total borrowings divided by total equity attributable to equity holders of the Company, was 17.2%.

CONTINGENT LIABILITIES

We did not have any material contingent liabilities as of June 30, 2025.

SIGNIFICANT INVESTMENTS HELD

As of June 30, 2025, we did not hold any significant investments in the equity interests of any other companies.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

PLEDGE OF ASSETS

As of June 30, 2025, we had not pledged any assets of the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as otherwise disclosed in this interim report, as of June 30, 2025, we have no specific plan for material investments or acquisition of capital assets. However, we will continue to identify new opportunities for business development and investments.

Management Discussion and Analysis

FOREIGN EXCHANGE RISK

During the Reporting Period, most transactions of the Group were settled in RMB and USD, while a limited number of transactions was denominated in foreign currencies such as Brazilian real, the amount of which was not significant. Thus, the Group mitigated such risk mainly through natural hedges wherever possible.

The Group is also exposed to foreign exchange risk in respect of its borrowings. As of June 30, 2025, a subsidiary of the Group with functional currency of USD had RMB-denominated bank borrowings amounting to RMB11.1 billion (December 31, 2024: RMB11.1 billion). Accordingly, the Group has entered into certain foreign currency option and forward agreements to manage the risk of RMB exchange rate fluctuations.

The Group will continue to monitor foreign exchange risk based on its business development requirements to best preserve the Group's cash value, and may engage in other hedging activities when necessary.

EMPLOYEE AND REMUNERATION POLICY

As of June 30, 2025, there was no material change in the number of our employees compared to that disclosed in the annual report of the Company for the financial year ended December 31, 2024. The Group also used some third-party labor outsourcing and labor dispatch services, though most of our employees were directly employed by us. Substantially all of the Group's employees are based in China, primarily at our headquarters in Beijing as well as in Chengdu, Hangzhou, Wuhan, Wuxi, and other cities.

The Group's success depends on its ability to attract, retain and motivate qualified personnel. The Group adopts high standards in recruitment with strict procedures to ensure the quality of new hires. The Group uses various methods for its recruitment, including campus recruitment, online recruitment, internal recommendation and recruitment through headhunter firms or agents, to satisfy its demand for different types of talents, and pay competitive market salaries.

The Group provides robust training programs for its employees, which it believes are effective in equipping them with the necessary skillset and work ethic. As required by PRC laws, it participates in mandatory employee social security schemes that are organized by municipal and provincial governments, including pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing provident funds. The Group and its employees are required to bear the costs of the social security schemes in proportion to a specified percentage. The Group is required under PRC law to make contributions to employee social security plans directly at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

The total remuneration expenses of the employees of the Group for the Reporting Period are set out in Note 9 to the Condensed Consolidated Interim Financial Information in this interim report.



Other Information

DECLARATION OF SPECIAL DIVIDEND

To continue to enhance shareholders returns and reflect confidence in the Company's long-term growth potential, the Board is pleased to announce that at the Board meeting held on August 21, 2025, the Board has resolved to declare the payment of a special dividend of HK\$0.46 per Share (the "**Special Dividend**"), amounting to approximately HK\$2.0 billion in total. The Special Dividend will be paid on or around Monday, October 6, 2025 in cash to the Shareholders whose names appear on the register of members of the Company on Tuesday, September 16, 2025. All the treasury shares (if any) and the Shares repurchased by the Company pending cancellation (if any) will not receive the Special Dividend. As of the Latest Practicable Date, the Company did not hold any treasury shares and had cancelled all the Shares Repurchased (as defined below).

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to the Special Dividend, the register of members of the Company will be closed from Thursday, September 11, 2025 to Tuesday, September 16, 2025 (both days inclusive), during which period no transfer of shares of the Company will be registered. The record date will be Tuesday, September 16, 2025. In order to qualify for the Special Dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, September 10, 2025.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

In accordance with the archiving notice submitted through the Disclosure of Interests Online (DION) System, as far as the Directors are aware and as of June 30, 2025, the interests or short positions of the Directors and the chief executive in any Shares, underlying Shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which shall be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which have been taken or deemed to have been taken under such provisions of the SFO) or which is required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which is required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules, are set forth below:

Other Information

(a) Interest in Shares and underlying Shares of the Company

| Name of Director or chief executive | Capacity/Nature of interest ⁽¹⁾ | Relevant company | Number and class of shares held | Approximate percentage of shareholding of relevant class of shares in the Company ⁽²⁾ | Approximate percentage of shareholding in the issued and outstanding share capital of the Company ⁽²⁾ |
|-------------------------------------|--|---------------------------------------|---------------------------------|--|--|
| Mr. SU Hua ⁽³⁾ | Founder and settlor of a trust (L) | Vistra Trust (Singapore) Pte. Limited | 388,857,899 Class A Shares | 53.44% | 9.07% |
| | | | 38,611,622 Class B Shares | 1.09% | 0.90% |
| | | | 80,000,000 Class B Shares | 2.25% | 1.87% |
| | Interest in controlled corporations (L) | Reach Best | 388,857,899 Class A Shares | 53.44% | 9.07% |
| | | | 38,611,622 Class B Shares | 1.09% | 0.90% |
| | | | 80,000,000 Class B Shares | 2.25% | 1.87% |
| | Beneficial interest (L) | — | 5,699,103 Class B Shares | 0.16% | 0.13% |
| | | | | | |
| Mr. CHENG Yixiao ⁽⁴⁾ | Founder and settlor of a trust (L) | Vistra Trust (Singapore) Pte. Limited | 338,767,480 Class A Shares | 46.56% | 7.90% |
| | | | 43,770,873 Class B Shares | 1.23% | 1.02% |
| | | | 338,767,480 Class A Shares | 46.56% | 7.90% |
| | Interest in controlled corporations (L) | Ke Yong | 43,770,873 Class B Shares | 1.23% | 1.02% |
| | | | 16,246,756 Class B Shares | 0.46% | 0.38% |
| | | | | | |
| Mr. ZHANG Fei ⁽⁵⁾ | Founder of a trust (L) | Trust | 26,728,522 Class B Shares | 0.75% | 0.62% |
| | | | | | |



Other Information

Notes:

- (1) The letter “L” denotes long position, and the letter “S” denotes short position.
- (2) As of June 30, 2025, the Company had 4,286,139,097 issued and outstanding share capital in total, comprising 727,625,379 Class A Shares and 3,558,513,718 Class B Shares.
- (3) The entire interest in Reach Best is held by an entity wholly owned by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. SU Hua (as settlor) for the benefit of Mr. SU Hua and his family. Mr. SU Hua is deemed to be interested in the 388,857,899 Class A Shares and 38,611,622 Class B Shares in long position and 80,000,000 Class B Shares in short position held by Reach Best under the SFO.

As of June 30, 2025, Mr. SU Hua is also deemed to be interested in the 5,699,103 outstanding and unexercised options underlying Class B Shares pursuant to the Pre-IPO ESOP.

- (4) The entire interest in Ke Yong is held by an entity wholly owned by Vistra Trust (Singapore) Pte. Limited as trustee for a trust established by Mr. CHENG Yixiao (as settlor) for the benefit of Mr. CHENG Yixiao and his family. Mr. CHENG Yixiao is deemed to be interested in the 338,767,480 Class A Shares and 43,770,873 Class B Shares held by Ke Yong under the SFO.

As of June 30, 2025, Mr. CHENG Yixiao is also deemed to be interested in the 16,246,756 outstanding and unexercised options underlying Class B Shares pursuant to the Post-IPO Share Option Scheme.

- (5) Mr. ZHANG Fei is deemed to be interested in the 26,728,522 Class B Shares held by an entity controlled by the trustee of a discretionary trust, of which Mr. ZHANG Fei is a founder, under the SFO.

(b) Interest in associated corporation

| Name of Director or chief executive | Nature of interest ⁽¹⁾ | Associated corporations | Amount of registered capital (RMB) | Percentage of shareholding in the associated corporation ⁽²⁾ |
|-------------------------------------|-----------------------------------|----------------------------------|------------------------------------|---|
| Mr. SU Hua | Beneficial interest (L) | Hangzhou Youqu ⁽³⁾ | 10,000,000 | 90.00% |
| | | Beijing One Smile ⁽⁴⁾ | 10,000,000 | 32.32% |
| Mr. CHENG Yixiao | Beneficial interest (L) | Beijing One Smile ⁽⁴⁾ | 10,000,000 | 25.86% |

Notes:

- (1) The letter "L" denotes long position.
- (2) The calculation is based on the registered capital of Hangzhou Youqu and Beijing One Smile, respectively.
- (3) Hangzhou Youqu is a Consolidated Affiliated Entity and is owned as to 90% and 10% by Mr. SU Hua and Ms. PENG Xiaochun, respectively.
- (4) Beijing One Smile is a Consolidated Affiliated Entity and is owned as to (i) 32.32% by Mr. SU Hua, (ii) 29.24% by Mr. YANG Yuanxi, (iii) 25.86% by Mr. CHENG Yixiao, and (iv) 12.58% by Mr. YIN Xin.

Save as disclosed above, as far as the Directors are aware and as of June 30, 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.



Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

In accordance with the archiving notice submitted through the Disclosure of Interests Online (DION) System, as far as the Directors are aware and as of June 30, 2025, the following persons (other than the Directors and chief executive of the Company whose interests have been disclosed above) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be maintained by the Company pursuant to Section 336 of the SFO:

| Name | Nature of Interest ⁽¹⁾ | Number and class of shares held | Approximate percentage of shareholding of each class of shares in the Company ⁽²⁾ | Approximate percentage of shareholding in the issued and outstanding share capital of the Company ⁽²⁾ |
|---|---|---------------------------------|--|--|
| Tencent Holdings Limited ⁽³⁾ | Interest in controlled corporations (L) | 678,583,107 Class B Shares | 19.07% | 15.83% |
| Tencent Mobility Limited ⁽³⁾ | Beneficial interest (L) | 506,143,854 Class B Shares | 14.22% | 11.81% |
| BlackRock, Inc. ⁽⁴⁾ | Interest in controlled corporations (L) | 178,313,611 Class B Shares | 5.01% | 4.16% |
| | Interest in controlled corporations (S) | 4,203,600 Class B Shares | 0.12% | 0.10% |

Notes:

- (1) The letter "L" denotes long position, and the letter "S" denotes short position.
- (2) As of June 30, 2025, the Company had 4,286,139,097 issued and outstanding share capital in total, comprising 727,625,379 Class A Shares and 3,558,513,718 Class B Shares.
- (3) Tencent Holdings Limited was interested in 678,583,107 Class B Shares through its various subsidiaries or entities controlled by it, including 506,143,854 Class B Shares directly held by Tencent Mobility Limited.
- (4) BlackRock, Inc. was interested in 178,313,611 Class B Shares in long position and 4,203,600 Class B Shares in short position through its various subsidiaries or entities controlled by it, which included 175,300 underlying Class B Shares in long position and 3,237,300 underlying Class B Shares in short position through its holding of certain unlisted derivatives (cash settled).

Save as disclosed above, as of June 30, 2025, the Directors were not aware of any person (who were not Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein.

PRE-IPO AND POST-IPO SHARE INCENTIVE PLANS

Pre-IPO ESOP

Pre-IPO ESOP was approved and adopted pursuant to the written resolutions of all the then shareholders dated February 6, 2018. The terms of the Pre-IPO ESOP are not subject to the provisions of Chapter 17 of the Listing Rules. The purpose of the Pre-IPO ESOP is to promote the success of the Company and the interests of its Shareholders by providing a means through which the Company may grant equity-based incentives in the form of options (“**Options**”) and restricted share (“**Restricted Shares**”) awards to attract, motivate, retain and reward certain officers, employees, Directors and other eligible persons and to further link the interests of award recipients under the Pre-IPO ESOP with those of the Shareholders generally.

Share Options Granted under the Pre-IPO ESOP

Up to the Listing Date, the Company has granted Options under the Pre-IPO ESOP to 7,020 grantees (including Directors, officers and other employees of the Company) to subscribe for an aggregate of 626,184,514 Shares, a portion of which corresponding to 363,146,799 Shares has been exercised. All these 363,146,799 Shares have been issued as Class B Shares upon the Listing. No consideration has been paid by the grantees for the grant of Options under the Pre-IPO ESOP. For details, please refer to “Statutory and General Information — 4. Pre-IPO ESOP — Outstanding share options granted” in Appendix V of the Prospectus. Up to the Listing Date, the Company has not issued any Restricted Shares under the Pre-IPO ESOP.

There is no Option or Restricted Share available for grant under the Pre-IPO ESOP upon the Listing.



Other Information

The table below shows the details of movements of Options granted to each participant or each category of participants under the Pre-IPO ESOP:

| Name | Date of grant | Vesting period ⁽¹⁾ | Exercise period | Exercise price (US\$) | Number of Class B Shares underlying Options outstanding as of January 1, 2025 | Number of Options exercised during the Reporting Period | Weighted average price of Class B Shares immediately before the dates of exercise (HK\$) | Number of Options cancelled during the Reporting Period | Number of Options lapsed during the Reporting Period | Number of Class B Shares underlying Options outstanding as of June 30, 2025 |
|-----------------------|--------------------------------------|-------------------------------|----------------------------------|-----------------------|---|---|--|---|--|---|
| Director | | | | | | | | | | |
| Mr. SU Hua | June 30, 2017 to April 1, 2020 | 4 years | August 6, 2021 to March 31, 2030 | 0.0422 | 5,699,103 | 0 | — | 0 | 0 | 5,699,103 |
| Other grantees | | | | | | | | | | |
| Employees | December 22, 2014 to January 7, 2021 | 0-4 years | August 6, 2021 to March 31, 2031 | 0.0422-16.66 | 29,090,919 | (10,403,668) | 51.79 | 0 | (924,299) | 17,762,952 |
| Total | | | | | 34,790,022 | (10,403,668) | | 0 | (924,299) | 23,462,055 |

Note:

- (1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the Options granted.

Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme was approved and adopted by all the then shareholders on January 18, 2021. The terms of the Post-IPO Share Option Scheme are governed by Chapter 17 of the Listing Rules. The purpose of the Post-IPO Share Option Scheme is to provide selected participants with the opportunity to acquire proprietary interests in the Company and to encourage selected participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The Post-IPO Share Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to selected participants.

The Post-IPO Share Option Scheme commenced on the Listing Date and was terminated upon the 2023 Share Incentive Scheme becoming unconditional and effective on June 23, 2023. Upon the termination, the Company did not grant further options ("Options") under the Post-IPO Share Option Scheme, but in all other respects the provisions of the Post-IPO Share Option Scheme shall remain in full force and effect in respect of Options which were granted prior to the termination.

Share Options Granted under the Post-IPO Share Option Scheme

There is no Option available for grant under the Post-IPO Share Option Scheme since its termination on June 23, 2023. There is no service provider sublimit under the Post-IPO Share Option Scheme.

Details of movements of Options granted to each participant or each category of participants under the Post-IPO Share Option Scheme are as follows:

| Particulars of Options granted during the Reporting Period | | | | | | | | | | | | |
|--|--------------------|--------------------------------|--|-----------------------|---|--|---|--|--|---|--|---|
| Name | Date of grant | Vesting period ^(iv) | Exercise period | Exercise price (HK\$) | Number of Class B Shares underlying Options outstanding as of January 1, 2025 | Closing price of the Class B Shares immediately before the date on which the Options were granted (HK\$) | Fair value of Options at the date of grant (HK\$) | Performance targets of the Options granted during the Reporting Period | | | | |
| | | | | | | | | Number of Options exercised during the Reporting Period | Weighted average price of Class B Shares immediately before the dates of exercise (HK\$) | Number of Options cancelled during the Reporting Period | Number of Options lapsed during the Reporting Period | Number of Class B Shares underlying Options outstanding as of June 30, 2025 |
| Director | | | | | | | | | | | | |
| Mr. CHENG Yixiao | April 14, 2022 | 4 years | April 13, 2023 to April 13, 2029 | 66.46 | 3,246,770 | N/A | N/A | N/A | 0 | — | 0 | 3,246,770 |
| Mr. CHENG Yixiao | March 30, 2023 | 3 years | March 30, 2024 to March 29, 2030 | 59.4 | 12,999,986 | N/A | N/A | N/A | 0 | — | 0 | 12,999,986 |
| Other grantees | | | | | | | | | | | | |
| Employees | January 24, 2022 | 4 years | January 23, 2023 to January 23, 2029 | 86.85 | 4,683,663 | N/A | N/A | N/A | 0 | — | 0 | 4,683,663 |
| Employees | March 30, 2022 | 2-4 years | June 29, 2022 to March 29, 2029 | 76.29 | 7,311,284 | N/A | N/A | N/A | 0 | — | 0 | 6,370,543 |
| Employees | April 21, 2022 | 2-4 years | July 20, 2022 to April 20, 2029 | 62.30 | 33,069,824 | N/A | N/A | N/A | (4,108,658) | 62.47 | (57,818) | 24,862,336 |
| Employees | June 23, 2022 | 1 year | June 22, 2023 to June 22, 2026 | 83.55 | 6,251 | N/A | N/A | N/A | 0 | — | 0 | 6,251 |
| Employees | July 21, 2022 | 3-69-4 years | March 29, 2023 to July 20, 2029 | 82.40 | 526,987 | N/A | N/A | N/A | 0 | — | 0 | 474,190 |
| Employees | September 27, 2022 | 4 years | September 26, 2023 to September 26, 2029 | 56.15 | 67,922 | N/A | N/A | N/A | 0 | — | 0 | 67,922 |
| Employees | October 20, 2022 | 2-4 years | October 19, 2023 to October 19, 2029 | 48.86 | 30,603 | N/A | N/A | N/A | (30,603) | 56.60 | 0 | 0 |
| Employees | November 29, 2022 | 2-34 years | April 1, 2023 to November 28, 2029 | 54.80 | 2,587,418 | N/A | N/A | N/A | (483,876) | 61.33 | 0 | 2,094,543 |
| Employees | December 29, 2022 | 4 years | December 28, 2023 to December 28, 2029 | 70.65 | 177,935 | N/A | N/A | N/A | 0 | — | 0 | 97,904 |
| Employees | January 19, 2023 | 3 years | January 19, 2024 to January 18, 2030 | 72.63 | 1,548,412 | N/A | N/A | N/A | 0 | — | 0 | 1,548,412 |
| Total | | | | | 66,257,055 | | | (4,623,137) | (57,818) | | (5,123,580) | 56,452,520 |

Note:

(1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the Options granted.



Other Information

Post-IPO RSU Scheme

The Post-IPO RSU Scheme was approved and adopted by all the then shareholders on January 18, 2021. Save for disclosure requirements under Rules 17.06A, 17.06B, 17.06C, 17.07, 17.07A and 17.09 of the Listing Rules, the Post-IPO RSU Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Post-IPO RSU Scheme was adopted by the Company before January 1, 2023, the effective date of the amended Chapter 17.

The purposes of the Post-IPO RSU Scheme are to recognize and reward individuals, being employees, Directors (including executive Directors, non-executive Directors and independent non-executive Directors), officers, consultants, advisors, distributors, contractors, customers, suppliers, agents, business partners, joint venture business partners or service providers of any member of the Group or any affiliate (including nominees and/or trustees of any employee benefit trust established for them) (an “**Eligible Person**” and, collectively “**Eligible Persons**”) for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them so as to align the interests of the Eligible Persons with those of the Group and to further promote the long-term success of the Group’s business.

The Post-IPO RSU Scheme commenced on the Listing Date and was terminated upon the 2023 Share Incentive Scheme becoming unconditional and effective on June 23, 2023. Upon the termination, the Company did not grant further RSUs under the Post-IPO RSU Scheme, but in all other respects the provisions of the Post-IPO RSU Scheme shall remain in full force and effect in respect of RSUs which were granted prior to the termination.

RSUs Granted under the Post-IPO RSU Scheme

There is no RSU available for grant under the Post-IPO RSU Scheme since its termination on June 23, 2023. There is no service provider sublimit under the Post-IPO RSU Scheme.

Details of movements of RSUs granted to each category of participants under the Post-IPO RSU Scheme are as follows:

| Particulars of RSUs granted during the Reporting Period | | | | | | | | | | | | | | |
|---|--------------------|-------------------------------|-----------------------|--|--|---|---|--|---|---|--|---|--|-----------|
| Name | Date of grant | Vesting period ⁽¹⁾ | Purchase price (HK\$) | Number of Class B Shares underlying RSUs outstanding as of January 1, 2025 | Number of Class B Shares underlying RSUs granted during the Reporting Period | Performance targets of RSUs granted during the Reporting Period | Closing price of the Class B Shares immediately before the date on which the RSUs were granted (HK\$) | Fair value of RSUs at the date of grant (HK\$) | Number of RSUs vested during the Reporting Period | Weighted average price of Class B Shares immediately cancelled during the Reporting Period (HK\$) | Number of RSUs cancelled during the Reporting Period | Number of RSUs lapsed during the Reporting Period | Number of Class B Shares underlying RSUs outstanding as of June 30, 2025 | |
| | | | | | | | | | | | | | | |
| Employees | February 23, 2021 | 0.45-4 years | 0 | 1,379 | N/A | N/A | N/A | N/A | (1,379) | 58.40 | 0 | 0 | 0 | 0 |
| Employees | April 2, 2021 | 4 years | 0-0.3273 | 561,422 | N/A | N/A | N/A | N/A | (549,556) | 50.73 | 0 | (11,866) | 0 | 0 |
| Employees | April 23, 2021 | 0.48-4 years | 0-0.3273 | 677,516 | N/A | N/A | N/A | N/A | (562,930) | 51.72 | 0 | (77,193) | 37,393 | 37,393 |
| Employees | May 30, 2021 | 0.19-4 years | 0-0.3273 | 256,705 | N/A | N/A | N/A | N/A | (214,895) | 52.17 | 0 | (23,465) | 18,345 | 18,345 |
| Employees | June 29, 2021 | 4 years | 0-0.3273 | 245,871 | N/A | N/A | N/A | N/A | (233,522) | 62.80 | 0 | (12,349) | 0 | 0 |
| Employees | July 21, 2021 | 0.04-4 years | 0-0.3273 | 426,908 | N/A | N/A | N/A | N/A | (5,945) | 50.49 | 0 | (42,070) | 378,893 | 378,893 |
| Employees | August 27, 2021 | 0.95-4 years | 0 | 496,332 | N/A | N/A | N/A | N/A | (5,325) | 53.19 | 0 | (53,962) | 437,045 | 437,045 |
| Employees | September 26, 2021 | 0-4 years | 0-0.3273 | 1,563,840 | N/A | N/A | N/A | N/A | (62,161) | 52.58 | 0 | (738,803) | 762,876 | 762,876 |
| Employees | October 22, 2021 | 4 years | 0-0.3273 | 3,952,566 | N/A | N/A | N/A | N/A | (63,418) | 53.22 | 0 | (457,820) | 3,431,328 | 3,431,328 |
| Employees | November 30, 2021 | 3.74-4 years | 0 | 622,107 | N/A | N/A | N/A | N/A | (2,856) | 53.03 | 0 | (134,853) | 484,398 | 484,398 |
| Employees | December 28, 2021 | 4 years | 0 | 475,560 | N/A | N/A | N/A | N/A | 0 | — | 0 | (65,264) | 410,296 | 410,296 |
| Employees | January 24, 2022 | 4 years | 0 | 1,535,140 | N/A | N/A | N/A | N/A | (767,561) | 40.45 | 0 | (10,752) | 756,827 | 756,827 |
| Employees | February 25, 2022 | 4 years | 0 | 170,602 | N/A | N/A | N/A | N/A | (85,298) | 58.40 | 0 | (14,881) | 70,423 | 70,423 |
| Employees | March 30, 2022 | 4 years | 0 | 1,204,025 | N/A | N/A | N/A | N/A | (555,391) | 57.20 | 0 | (2,271) | 646,363 | 646,363 |
| Employees | April 21, 2022 | 4 years | 0 | 3,712,649 | N/A | N/A | N/A | N/A | (1,768,889) | 50.24 | 0 | (270,473) | 1,673,287 | 1,673,287 |
| Employees | May 30, 2022 | 4 years | 0 | 814,081 | N/A | N/A | N/A | N/A | (387,426) | 51.65 | 0 | (55,262) | 371,393 | 371,393 |
| Employees | June 23, 2022 | 4 years | 0 | 598,895 | N/A | N/A | N/A | N/A | (291,628) | 56.45 | 0 | (53,051) | 254,216 | 254,216 |
| Employees | July 21, 2022 | 4 years | 0 | 1,136,330 | N/A | N/A | N/A | N/A | 0 | — | 0 | (87,871) | 1,048,459 | 1,048,459 |
| Employees | August 31, 2022 | 4 years | 0 | 533,201 | N/A | N/A | N/A | N/A | 0 | — | 0 | (63,545) | 469,656 | 469,656 |
| Employees | September 27, 2022 | 1-4 years | 0 | 1,202,831 | N/A | N/A | N/A | N/A | 0 | — | 0 | (75,879) | 1,126,952 | 1,126,952 |
| Employees | October 20, 2022 | 2-4 years | 0 | 9,587,748 | N/A | N/A | N/A | N/A | (2,550) | 56.45 | 0 | (1,131,057) | 8,454,141 | 8,454,141 |
| Employees | November 29, 2022 | 0-4 years | 0 | 1,780,864 | N/A | N/A | N/A | N/A | 0 | — | 0 | (448,473) | 1,332,391 | 1,332,391 |
| Employees | December 29, 2022 | 0-4 years | 0 | 1,343,077 | N/A | N/A | N/A | N/A | 0 | — | 0 | (144,815) | 1,198,262 | 1,198,262 |
| Employees | January 19, 2023 | 4 years | 0 | 713,887 | N/A | N/A | N/A | N/A | (234,825) | 40.75 | 0 | (164,923) | 314,139 | 314,139 |
| Employees | April 21, 2023 | 1-4 years | 0 | 17,071,598 | N/A | N/A | N/A | N/A | (5,374,948) | 50.16 | 0 | (1,775,318) | 9,921,332 | 9,921,332 |
| Total | | | | 50,685,134 | | | | | (11,170,503) | | 0 | (5,916,216) | 33,598,415 | |

Note:

(1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the RSUs granted.

Other Information

2023 Share Incentive Scheme

The 2023 Share Incentive Scheme was approved and adopted by the Shareholders on June 16, 2023 (the “**Adoption Date**”) and becoming unconditional on June 23, 2023, which shall be valid and effective for a period of ten years commencing from the Adoption Date. The terms of the 2023 Share Incentive Scheme complied with the provisions of Chapter 17 of the Listing Rules.

The purpose of the 2023 Share Incentive Scheme includes (a) recognize and reward Eligible Participants (as defined in the 2023 Share Incentive Scheme) for their contribution to the Group; (b) attract and retain best available personnel, and provide them with the opportunity to acquire proprietary interests in the Company; and (c) encourage Eligible Participants to work towards enhancing the value of the Company and its shares, align the interests of these Eligible Participants with those of the Group and further promote the success of the Group’s business.

Options and RSUs Granted under the 2023 Share Incentive Scheme

From the Adoption Date to the end of the Reporting Period, no option was granted under the 2023 Share Incentive Scheme. During the Reporting Period, 67,991,765 RSUs were granted to Eligible Participants under the 2023 Share Incentive Scheme. As of January 1, 2025, being the beginning of the Reporting Period, the total number of awards available for grant under the Scheme Mandate Limit and the Service Provider Sublimit of 2023 Share Incentive Scheme were 344,585,255 and 21,675,509, respectively. As of June 30, 2025, being the end of the Reporting Period, the total number of awards available for grant under the Scheme Mandate Limit and the Service Provider Sublimit of 2023 Share Incentive Scheme were 285,563,997 and 21,675,509, respectively.

Details of movements of RSUs granted to each category of participants under the 2023 Share Incentive Scheme are as follows:

| Particulars of RSUs granted during the Reporting Period | | | | | | | | | | | | | |
|--|-------------------|-------------------------------|-----------------------|--|--|---|---|---|---|---|--|---|--|
| Name | Date of grant | Vesting period ⁽¹⁾ | Purchase price (HK\$) | Number of Class B Shares underlying RSUs outstanding as of January 1, 2025 | Number of Class B Shares underlying RSUs granted during the Reporting Period | Performance targets of RSUs granted during the Reporting Period | Closing price of the Class B Shares immediately before the date on which the RSUs were granted (HK\$) | Fair value of RSUs at the date of grant ⁽²⁾ (HK\$) | Number of RSUs vested during the Reporting Period | Weighted average price of Class B Shares immediately before the dates of vesting (HK\$) | Number of RSUs cancelled during the Reporting Period | Number of RSUs lapsed during the Reporting Period | Number of Class B Shares underlying RSUs outstanding as of June 30, 2025 |
| | | | | | | | | | | | | | |
| Employees | August 23, 2023 | 0.66–3.92 years | 0 | 4,112,856 | N/A | N/A | N/A | N/A | (221,174) | 48.91 | 0 | (427,653) | 3,464,029 |
| Employees | November 22, 2023 | 1.91–3.91 years | 0 | 4,582,122 | N/A | N/A | N/A | N/A | (68,159) | 50.05 | 0 | (871,752) | 3,642,211 |
| Employees | January 19, 2024 | 1.75–4 years | 0 | 5,625,348 | N/A | N/A | N/A | N/A | (1,437,096) | 40.90 | 0 | (471,944) | 3,716,308 |
| Employees | April 21, 2024 | 0–4 years | 0 | 52,280,253 | N/A | N/A | N/A | N/A | (15,301,669) | 50.10 | 0 | (4,321,655) | 32,656,929 |
| Employees | July 19, 2024 | 0–4 years | 0 | 7,203,775 | N/A | N/A | N/A | N/A | (224,100) | 44.07 | 0 | (460,371) | 6,519,304 |
| Employees | October 18, 2024 | 0–4 years | 0 | 10,799,495 | N/A | N/A | N/A | N/A | (111,083) | 45.23 | 0 | (798,789) | 9,889,623 |
| Employees | January 20, 2025 | 0–4 years | 0 | 0 | 9,794,330 | — | 40.75 | 41.40 | (143,683) | 45.77 | 0 | (993,347) | 8,657,300 |
| Employees | April 25, 2025 | 0–4 years | 0 | 0 | 58,197,435 | There is no performance target attached to the RSUs granted to a Grantee if he/she is not a Designated Employee | 50.45 | 50.75 | (479,984) | 50.45 | 0 | (624,996) | 57,092,455 |
| The vesting of the RSUs granted to a Designated Employee is conditional upon the achievement of the performance targets as determined by the Board or its delegates ⁽³⁾ at its absolute discretion. The performance targets are based on the financial and operational indicators and/or other appropriate indicators of the Group and its relevant segments, as assessed by the Board or its delegates ⁽³⁾ from time to time. In particular, the performance targets of the senior management are based on the Group performance, segment performance and other management indicators, which may vary according to the roles and responsibilities of the relevant senior management | | | | | | | | | | | | | |
| Total | | | | 84,603,849 | 67,991,765 | | | | (17,986,948) | | 0 | (8,970,507) | 125,638,159 |

Notes:

- (1) Vesting period means the total vesting period (i.e. the period between the date of grant and the last vesting date) for the RSUs granted.
- (2) The fair value of each RSU was determined by reference to the market price of the Class B Shares at the respective date of grant.

The Class B Shares that may be issued in respect of all the options and RSUs granted under the Pre-IPO ESOP, Post-IPO Share Option Scheme, Post-IPO RSU Scheme and 2023 Share Incentive Scheme during the Reporting Period, being 67,991,765 Class B Shares, represented approximately 1.91 % of the weighted average number of Class B Shares (excluding treasury shares) in issue for the Reporting Period.



Other Information

WEIGHTED VOTING RIGHTS

The Company is controlled through weighted voting rights. Each Class A Share has 10 votes per share and each Class B Share has one vote per share except with respect to resolutions regarding a limited number of Reserved Matters, where each Share has one vote. The Company's weighted voting rights structure will enable the WVR Beneficiaries to exercise voting control over the Company notwithstanding the WVR Beneficiaries do not hold a majority economic interest in the share capital of the Company. This allows the Company to benefit from the continuing vision and leadership of the WVR Beneficiaries who will control the Company with a view to its long-term prospects and strategy.

Shareholders and prospective investors are advised to be aware of the potential risks of investing in companies with weighted voting rights structures, in particular that interests of the WVR Beneficiaries may not necessarily always be aligned with those of the Shareholders as a whole, and that the WVR Beneficiaries will be in a position to exert significant influence over the affairs of the Company and the outcome of Shareholders' resolutions, irrespective of how other Shareholders vote. Prospective investors should make the decision to invest in the Company only after due and careful consideration.

As of the Latest Practicable Date, the WVR Beneficiaries are Mr. SU Hua and Mr. CHENG Yixiao.

- (a) Mr. SU Hua is interested in and controls, through Reach Best, 388,857,899 Class A Shares and 38,611,622 Class B Shares, representing approximately 9.90% of the Company's total issued share capital, approximately 9.90% of the voting rights in the Company with respect to Shareholders' resolutions in relation to the Reserved Matters, and approximately 36.14% with respect to matters other than the Reserved Matters.
- (b) Mr. CHENG Yixiao is interested and controls, through Ke Yong, 338,767,480 Class A Shares and 43,770,873 Class B Shares, representing approximately 8.86% of the Company's total issued share capital, approximately 8.86% of the voting rights in the Company with respect to Shareholders' resolutions in relation to the Reserved Matters, and approximately 31.58% with respect to matters other than the Reserved Matters.

Class A Shares may be converted into Class B Shares on a one to one ratio. As of the Latest Practicable Date, upon the conversion of all the issued and outstanding Class A Shares into Class B Shares, the Company will issue 727,625,379 Class B Shares, representing approximately 20.26% of the total number of issued and outstanding Class B Shares as of the Latest Practicable Date.

Other Information

The weighted voting rights attached to Class A Shares will cease when none of the WVR Beneficiaries have beneficial ownership of any of the Class A Shares, in accordance with Rule 8A.22 of the Listing Rules. This may occur:

- (a) upon the occurrence of any of the circumstances set out in Rule 8A.17 of the Listing Rules, in particular where both WVR Beneficiaries are: (1) deceased; (2) no longer members of the Board; (3) deemed by the Stock Exchange to be incapacitated for the purpose of performing their duties as directors; or (4) deemed by the Stock Exchange to no longer meet the requirements of directors set out in the Listing Rules;
- (b) when the holders of Class A Shares have transferred to other persons the beneficial ownership of, or economic interest in, all of the Class A Shares or the voting rights attached to them, other than in the circumstances permitted by Rule 8A.18 of the Listing Rules;
- (c) where the vehicles holding Class A Shares on behalf of both WVR Beneficiaries no longer comply with Rule 8A.18(2) of the Listing Rules; or
- (d) when all of the Class A Shares have been converted to Class B Shares.

BIOGRAPHICAL DETAILS AND OTHER INFORMATION OF DIRECTORS

We set forth below the updated biographical details and other information of the Directors.

Executive Directors

Mr. CHENG Yixiao (程一笑先生)

Mr. CHENG Yixiao, aged 41, is our co-founder, executive Director, Chairman of the Board and Chief Executive Officer. He is also a member of the Nomination Committee and holds directorship in certain subsidiaries of the Group. Mr. CHENG is responsible for formulating the Group's long-term strategies, overseeing the management of the business and operations of the Group, including leading the day-to-day operations, supervising product-related matters and strategic investments and acquisitions of the Group.

Prior to founding the Group in 2011, Mr. CHENG was a software engineer and developer at Hewlett-Packard from August 2007 to July 2009, and worked at Renren Inc. (a company listed on the New York Stock Exchange with stock symbol of RENN) from September 2009 to February 2011. "GIF Kuaishou", our original mobile app for users to create and share animated images, was launched by Mr. CHENG in 2011.

Mr. CHENG received his bachelor's degree in software engineering from the Software College of Northeastern University in Liaoning Province, the PRC, in July 2007.



Other Information

Mr. SU Hua (宿華先生)

Mr. SU Hua, aged 42, is our co-founder and executive Director. He is also a member of the Remuneration Committee and holds directorship in certain subsidiaries of the Group. Mr. SU is responsible for contributing long-term value to the Group.

Mr. SU joined the Group in November 2013. Prior to that, Mr. SU worked as an engineer at Google China from December 2006 to October 2008, and Baidu, Inc. (a company listed on Nasdaq with stock symbol of BIDU and its secondary listing on the Stock Exchange with stock code of 9888) from January 2010 to May 2011.

Mr. SU received his bachelor's degree in computer software from the School of Software, Tsinghua University in Beijing, the PRC, in July 2005.

Non-executive Directors

Mr. LI Zhaohui (李朝暉先生)

Mr. LI Zhaohui, aged 49, is a non-executive Director. He is also a member of the Remuneration Committee. Mr. LI joined the Group in March 2017 and is primarily responsible for providing professional advice to the Board.

Mr. LI joined Tencent Holdings Limited (a company listed on the Stock Exchange with stock code of 700) in 2011, and currently serves as the managing partner of Tencent Investment and the vice president of Tencent. He was an investment principal at Bertelsmann Asia Investment Fund from September 2008 to May 2010.

Mr. LI also holds directorships at various other companies. He has been a non-executive director of KE Holdings Inc. (a company listed on the New York Stock Exchange with stock symbol of BEKE and on the Stock Exchange with stock code of 2423) since December 2018. He has been a non-executive director of Zhihu Inc. (a company listed on the New York Stock Exchange with stock symbol of ZH and on the Stock Exchange with stock code of 2390) since September 2015. He was previously a director of Howbuy Wealth Management Co., Ltd. (a company whose shares are quoted on the National Equities Exchange and Quotations with stock code of 834418) from December 2013 to August 2022, and a non-executive director of Fenbi Ltd. (a company listed on the Stock Exchange with stock code of 2469) from December 2020 to March 2023.

Mr. LI received his bachelor's degree in economics (majoring in enterprise management) from Peking University in Beijing, the PRC, in July 1998 and his MBA degree from Duke University Fuqua School of Business in North Carolina, the United States, in May 2004.

Mr. ZHANG Fei (張斐先生)

Mr. ZHANG Fei, aged 52, is a non-executive Director. He is also a member of the Nomination Committee. Mr. ZHANG joined the Group in February 2014 and is primarily responsible for participating in the formulation of business plans and strategic and major decisions of the Group.

Mr. ZHANG has over 20 years of venture capital experience, with a focus in the areas of AI/cloud computing, social/digital media and entertainment, and electric vehicle/autonomous driving. He was a partner at Ceyuan Ventures (策源創投) in Beijing from 2004 to 2007, where he set up and managed a venture fund and led investments in multiple portfolios. Since January 2011, Mr. ZHANG was a partner of 5Y Capital (formerly known as Morningside Venture Capital). Around 2016, he founded and has been a fund manager and the Responsible Officer of Neumann Advisory Hong Kong Limited, a SFC Type 9 licensed corporation. Mr. ZHANG has been a director of Pony AI Inc. (a company listed on Nasdaq with stock symbol of PONY on November 27, 2024) since December 2017.

Mr. ZHANG received his bachelor's degree of engineering in automation and control from the Shanghai Jiao Tong University in Shanghai, the PRC, in July 1994, and his MBA degree from the China Europe International Business School in Shanghai, the PRC, in May 1999.

Mr. LIN Frank (林欣禾先生) (*alias LIN Frank Hurst*)

Mr. LIN Frank, aged 60, has resigned as a non-executive Director with effect from January 22, 2025. For details, please refer to the announcement of the Company dated January 22, 2025.



Other Information

Mr. WANG Huiwen (王慧文先生)

Mr. WANG Huiwen, aged 46, is a non-executive Director. Mr. WANG had been an independent non-executive Director and re-designated as a non-executive Director with effect from May 2023. He joined the Group in February 2021 and is primarily responsible for strategic planning, major business decisions, and corporate governance of the Group.

Mr. WANG has over 10 years of managerial and operational experience in the internet industry. In December 2005, he co-founded xiaonei.com. xiaonei.com was sold to China InterActive Corp in October 2006, which was later renamed as Renren Inc. (a company listed on the New York Stock Exchange with stock symbol of RENN). In January 2009, he co-founded taofang.com and worked there from June 2008 to October 2010. In 2010, Mr. WANG co-founded Meituan (a company listed on the Stock Exchange with stock code of 3690) and served as its executive director from October 2015 to March 2023, and served as its non-executive director from March 2023 to June 2023.

Mr. WANG received his bachelor's degree in electronic engineering from Tsinghua University in Beijing, the PRC, in July 2001.

Independent Non-executive Directors

Mr. HUANG Sidney Xuande (黃宣德先生)

Mr. HUANG Sidney Xuande, aged 59, is an independent non-executive Director. He is also the chairman of both Audit Committee and Remuneration Committee, and a member of the Nomination Committee and Corporate Governance Committee. He joined the Group in February 2021 and is primarily responsible for providing independent judgment to the Board.

Mr. HUANG has over 15 years of experience in the technology and internet industry. He is currently a senior advisor of JD.com, Inc. (a company listed on Nasdaq with stock symbol of JD and its secondary listing on the Stock Exchange with stock code of 9618) and was its chief financial officer from September 2013 until his retirement in September 2020, including the last three months as an executive coach to his successor.

Mr. HUANG has served as an independent non-executive director of MIXUE Group (a company listed on the Stock Exchange with stock code of 2097) since December 2023, and Tuya Inc. (a company listed on the New York Stock Exchange with stock symbol of TUYA and on the Stock Exchange with stock code of 2391) since July 2022. He has been an independent director of Yatsen Holding Limited (a company listed on the New York Stock Exchange with stock symbol of YSG) since November 2020.

Mr. HUANG previously served as chief financial officer of VancelInfo Technologies Inc. and its successor company, Pactera Technology International Ltd., from July 2006 to September 2013. He was also the chief operating officer of VancelInfo Technologies Inc. from 2008 to 2010 and the co-president from 2011 to 2012. He also served as chief financial officer at two China-based companies in the technology and internet sectors between August 2004 and March 2006. He was an investment banker at Citigroup Global Markets Inc. in New York from August 2002 to July 2004. He held various positions including audit manager at KPMG LLP from January 1997 to August 2000 and qualified as a Certified Public Accountant in the State of New York in October 1999.

Mr. HUANG is currently a Foundation Fellow and was an Academic Visitor focusing on geoeconomics from October 2021 to September 2022 at St Antony's College of Oxford University in the United Kingdom. He received his bachelor's degree in accounting from Bernard M. Baruch College of The City University of New York in the United States, in February 1997, and his MBA degree from the Kellogg School of Management at Northwestern University in the United States, in June 2002.

Mr. MA Yin (馬寅先生)

Mr. MA Yin, aged 51, is an independent non-executive Director. He is also the chairman of both Nomination Committee and Corporate Governance Committee, and a member of the Audit Committee and the Remuneration Committee. He joined the Group in February 2021 and is primarily responsible for providing independent judgment to the Board.

Mr. MA has been the general manager of Aranya Holdings Group Co., Ltd. (阿那亞控股集團有限公司) since February 2014. From April 2006 to September 2013, Mr. MA served various managerial roles at Yeland Group Co., Ltd. (億城集團股份有限公司, subsequently renamed HNA Investment Group Co., Ltd. (海航投資集團股份有限公司) in 2015, and is a company listed on the Shenzhen Stock Exchange with stock code of 000616), including vice president, executive vice president, and president. He was a director of HNA Investment Group Co., Ltd. (海航投資集團股份有限公司) from April 2007 to September 2013.

Mr. MA received his executive MBA degree from Peking University in Beijing, the PRC, in July 2009.



Other Information

Prof. XIAO Xing (肖星教授)

Prof. XIAO Xing, aged 54, has resigned as an independent non-executive Director and a member of each of the Audit committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee with effect from April 28, 2025. For details, please refer to the announcement of the Company dated April 28, 2025.

Ms. LU Rong (盧蓉女士)

Ms. LU Rong, aged 54, is an independent non-executive Director. She is also a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Corporate Governance Committee. Ms. LU joined the Group in April 2025 and is primarily responsible for providing independent judgment to the Board.

Ms. LU is a venture capitalist investing in technology start-ups in the United States and China. She has been the founder of Atypical Ventures, an early stage venture capital firm, since 2019. In 2006, she co-founded and managed DCM China, a technology venture capital firm. Ms. LU served as a vice president at Goldman Sachs & Co. from 1996 to 2003.

Ms. LU also holds directorships in various listed companies. She has been an independent director of Volvo Car AB (a company listed on Nasdaq Stockholm with stock symbol of VOLCAR-B) since April 2023. She has been a non-executive director of Unilever PLC (a company listed on the London Stock Exchange with stock symbol of ULVR and on the New York Stock Exchange with stock symbol of UL) since November 2021. She has been an independent director of Yum China Holdings, Inc. (a company listed on the New York Stock Exchange with stock symbol of YUMC and on the Stock Exchange with stock code of 9987) since October 2016, and Uxin Limited (a company listed on Nasdaq with stock symbol of UXIN) from October 2017 to May 2025.

Ms. LU received her bachelor's degree in economics from the University of Maryland, Baltimore County in the State of Maryland, the United States in May 1994, and her master's degree in economics from the Johns Hopkins University in the State of Maryland, the United States in May 1996.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company aims to achieve high standards of corporate governance which are crucial to the Company's development and safeguard the interests of the Shareholders. The principles of the Company's corporate governance are to promote effective internal control measures and to enhance the transparency and accountability of the Board of Directors to all Shareholders.

Save for the deviation from code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, which is explained in the following paragraph, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the Reporting Period.

The code provision C.2.1 as set out in Part 2 of the Corporate Governance Code stipulates that the responsibilities between the chairman and chief executive of a listed issuer should be separate and should not be performed by the same individual. Mr. CHENG Yixiao has served as both the Chairman of the Board and the Chief Executive Officer since October 29, 2023, to ensure consistent leadership to advance long-term strategy, and allowing for further deepening the monetization capabilities and optimizing operating efficiency of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as the code of conduct regarding the Directors' dealings in the securities of the Company.

Having made specific enquiry of all the Directors, all Directors confirmed that they have complied with the provisions of the Model Code during the Reporting Period.

The Company has also established written guidelines for securities transactions by employees who are likely to be in possession of inside information of the Company (the "**Guidelines for Securities Dealings by Relevant Employees**") on terms no less exacting than the Model Code. No incident of non-compliance with the Guidelines for Securities Dealings by Relevant Employees by the employees has been noted by the Company.



Other Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended June 30, 2025 and up to the Latest Practicable Date, the Company repurchased a total of 38,797,300 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$1,916,166,874.89. The repurchase was effected for the enhancement of shareholders value in the long term. Particulars of the Shares Repurchased are summarized as follows:

| Month of Repurchase | No. of Shares Repurchased | Price Paid Per Share | | Aggregate Consideration (HK\$) |
|---|---------------------------|----------------------|---------------|--------------------------------|
| | | Highest (HK\$) | Lowest (HK\$) | |
| January 2025 | 10,194,800 | 41.20 | 39.20 | 409,643,865.56 |
| February 2025 | 261,500 | 39.95 | 39.50 | 10,413,662.20 |
| March 2025 | 13,718,400 | 57.10 | 53.25 | 764,514,522.87 |
| April 2025 | 5,013,400 | 49.65 | 44.60 | 234,573,965.68 |
| May 2025 | 1,509,200 | 52.85 | 51.00 | 77,469,458.58 |
| June 2025 | 8,100,000 | 52.55 | 50.30 | 419,551,400.00 |
| July 2025 | 0 | N/A | N/A | 0.00 |
| August 2025 (up to the Latest Practicable Date) | 0 | N/A | N/A | 0.00 |
| Total | 38,797,300 | | | 1,916,166,874.89 |

As of the Latest Practicable Date, a total of 47,412,200 Class B Shares repurchased from December 18, 2024 to June 4, 2025 have been cancelled on January 24, February 28, April 24, May 15 and June 13, 2025, respectively, and the number of Class B Shares in issue was reduced by 47,412,200 shares as a result of such cancellations. Upon cancellation of such Class B Shares and for its other considerations, Reach Best, a holder of Class A Shares, simultaneously converted a total of 14,266,367 Class A Shares into Class B Shares on a one-to-one ratio on January 24, February 28, April 24, May 15 and June 13, 2025, respectively, according to the Listing Rules. As of the Latest Practicable Date, the Company had cancelled all the Shares Repurchased and did not hold any treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended June 30, 2025 and up to the Latest Practicable Date.

USE OF PROCEEDS

Use of Proceeds from the Global Offering

The net proceeds received by the Company from the Global Offering, after deduction of the underwriting commission and other expenses payable by the Company in connection with the Global Offering, were approximately HK\$46,964.4 million.

References are made to (i) the results announcement for the three and six months ended June 30, 2023 of the Company dated August 22, 2023 in relation to, among others, the reallocation of the unutilized net proceeds as of June 30, 2023 (the “**2023 Reallocation**”), and (ii) the results announcement for the year ended December 31, 2024 of the Company dated March 25, 2025 (the “**2024 Final Results Announcement**”) in relation to, among others, the further change in the unutilized net proceeds as of December 31, 2024, and the extension of the expected timeline (the “**2025 Reallocation**”).

There was no change in the intended use of net proceeds after the 2025 Reallocation as previously disclosed in the 2024 Final Results Announcement. Please refer to the 2024 Final Results Announcement for details.

As of June 30, 2025, the Group has utilized the net proceeds are set out in the table below:

| | Allocation of net proceeds as set out in the Prospectus (HK\$ million) | Amount of net proceeds unutilized immediately after the 2023 Reallocation (HK\$ million) | Amount of net proceeds utilized after the 2023 Reallocation and immediately before the 2025 Reallocation (HK\$ million) | Amount of net proceeds unutilized immediately before the 2025 Reallocation (HK\$ million) | Amount of net proceeds unutilized immediately after the 2025 Reallocation (HK\$ million) | Amount of net proceeds utilized after the 2025 Reallocation up to June 30, 2025 (HK\$ million) | Balance of net proceeds as of June 30, 2025 (HK\$ million) | Expected timeline for balance of net proceeds as of June 30, 2025 |
|--|--|--|---|---|--|--|--|---|
| Enhance and grow the ecosystem | 16,437.5 | 4,737.3 | 774.9 | 3,962.4 | 2,021.6 | 1,494.1 | 527.5 | Before December 31, 2026 |
| Strengthen research and development and technological capabilities | 14,089.3 | 4,237.3 | 587.5 | 3,649.8 | 2,021.6 | 1,229.2 | 792.4 | Before December 31, 2026 |
| Selectively acquire or invest in products, services and businesses | 11,741.1 | 500.0 | 25.7 | 474.3 | — | — | — | — |
| Working capital and general corporate purposes | 4,696.5 | 3,158.3 | 3,158.3 | — | 4,043.3 | 2,059.4 | 1,983.9 | Before December 31, 2026 |
| Total | 46,964.4 | 12,632.9 | 4,546.4 | 8,086.5 | 8,086.5 | 4,782.7 | 3,303.8 | |

Other Information

AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process, the risk management and internal control systems of the Group, to review connected transactions and to advise the Board. The Audit Committee currently comprises three independent non-executive Directors, namely, Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. The chairman of the Audit Committee is Mr. HUANG Sidney Xuande, who possesses the appropriate professional qualification, and accounting and financial management expertise as required under Rule 3.10(2) of the Listing Rules.

The Audit Committee, after the discussion with the Auditor, has reviewed the interim report and the Company's unaudited interim financial information for the three and six months ended June 30, 2025. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

The Company's unaudited interim financial information for the three and six months ended June 30, 2025 has been prepared in accordance with IFRS Accounting Standards.

OTHER BOARD COMMITTEES

In addition to the Audit Committee, the Company has also established a Corporate Governance Committee, a Nomination Committee and a Remuneration Committee.

CORPORATE GOVERNANCE COMMITTEE

The Company has established the Corporate Governance Committee with written terms of reference in compliance with Rule 8A.30 of the Listing Rules and the Corporate Governance Code. The primary duties of the Corporate Governance Committee are to ensure that the Company is operated and managed for the benefit of all Shareholders and to ensure the Company's compliance with the Listing Rules and safeguards relating to the weighted voting rights structure of the Company. The Corporate Governance Committee currently comprises three independent non-executive Directors, namely, Mr. HUANG Sidney Xuande, Mr. MA Yin and Ms. LU Rong. Mr. MA Yin is the chairman of the Corporate Governance Committee. During the Reporting Period, the Corporate Governance Committee had held one meeting, in which the Corporate Governance Committee has performed the following major tasks:

- reviewed the Company's compliance with laws, regulations and the Corporate Governance Code, and the disclosure in the corporate governance report;
- reviewed the written confirmation provided by the WVR Beneficiaries that they have been members of the Board throughout the year and that no matters under Rule 8A.17 of the Listing Rules have occurred during the relevant financial year; and that they have complied with Rules 8A.14, 8A.15, 8A.18 and 8A.24 of the Listing Rules throughout the year;

- reviewed and monitored the management of conflicts of interests between the Company, its subsidiaries or Consolidated Affiliated Entities and/or the Shareholders on one hand and any WVR Beneficiaries or Controlling Shareholders on the other;
- reviewed and monitored all risks related to the weighted voting rights structure;
- reviewed and monitored the training and continuous professional development of Directors and senior management;
- reviewed the implementation and effectiveness of the shareholders' communication policy;
- made a recommendation to the Board as to the appointment or removal of the compliance advisor;
- reviewed and approved the statement of the Board regarding Environmental, Social and Governance ("ESG") of the Group (including reviewing the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's ESG related matters); and
- reviewed and approved the 2024 ESG report.

In particular, the Corporate Governance Committee has confirmed to the Board that it is of the view that the Company has adopted sufficient corporate governance measures to manage the potential conflict of interest between the Group and the WVR Beneficiaries in order to ensure that the operations and management of the Company are in the interests of the Shareholders as a whole. These measures include the Corporate Governance Committee ensuring that (i) any connected transactions are disclosed and dealt with in accordance with the requirements of the Listing Rules, (ii) any Directors who have a conflict of interest abstain from voting on the relevant board resolution, and (iii) the compliance advisor is consulted on any matters related to transactions involving the WVR Beneficiaries or a potential conflict of interest between the Group and the WVR Beneficiaries. The Corporate Governance Committee recommended the Board to continue the implementation of these measures and to periodically review their efficacy towards these objectives.

Having reviewed the remuneration and terms of engagement of the compliance advisor, the Corporate Governance Committee confirmed to the Board that it was not aware of any factors that would require it to consider either the removal of the current compliance advisor or the appointment of a new compliance advisor. As a result, the Corporate Governance Committee recommended that the Board retain the services of the compliance advisor of the Company.

SIGNIFICANT EVENTS AFTER THE END OF JUNE 30, 2025

Save as otherwise disclosed in this interim report (including Note 27 to the Condensed Consolidated Interim Financial Information), there were no other significant events affecting the Group which occurred after June 30, 2025 and up to the Latest Practicable Date.



Report on Review of Interim Financial Information

To the Board of Directors of Kuaishou Technology

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 57 to 102, which comprises the condensed consolidated balance sheet of Kuaishou Technology (the “**Company**”) and its subsidiaries (together, the “**Group**”) as of June 30 2025 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, August 21, 2025

Condensed Consolidated Income Statement

| | Note | Unaudited Three months ended June 30, | | Unaudited Six months ended June 30, | |
|--|------|--|---------------------|--|---------------------|
| | | 2025 RMB'Million | 2024 RMB'Million | 2025 RMB'Million | 2024 RMB'Million |
| Revenues | 7 | 35,046 | 30,975 | 67,654 | 60,383 |
| Cost of revenues | 9 | (15,542) | (13,840) | (30,358) | (27,128) |
| Gross profit | | 19,504 | 17,135 | 37,296 | 33,255 |
| Selling and marketing expenses | 9 | (10,503) | (10,040) | (20,400) | (19,424) |
| Administrative expenses | 9 | (897) | (792) | (1,725) | (1,254) |
| Research and development expenses | 9 | (3,400) | (2,805) | (6,698) | (5,648) |
| Other income | | 16 | 34 | 69 | 152 |
| Other gains, net | 8 | 569 | 374 | 1,006 | 819 |
| Operating profit | | 5,289 | 3,906 | 9,548 | 7,900 |
| Finance (expense)/income, net | | (54) | 66 | (78) | 180 |
| Share of losses of investments accounted for using the equity method | | (12) | (19) | (10) | (22) |
| Profit before income tax | | 5,223 | 3,953 | 9,460 | 8,058 |
| Income tax (expenses)/benefits | 10 | (301) | 27 | (559) | 42 |
| Profit for the period | | 4,922 | 3,980 | 8,901 | 8,100 |
| Attributable to: | | | | | |
| — Equity holders of the Company | | 4,922 | 3,979 | 8,900 | 8,098 |
| — Non-controlling interests | | — | 1 | 1 | 2 |
| | | 4,922 | 3,980 | 8,901 | 8,100 |
| Earnings per share attributable to equity holders of the Company (expressed in RMB per share) | 11 | | | | |
| Basic earnings per share | | 1.15 | 0.92 | 2.09 | 1.87 |
| Diluted earnings per share | | 1.13 | 0.90 | 2.04 | 1.84 |

The accompanying notes on pages 64 to 102 form an integral part of this interim financial information.

Condensed Consolidated Statement of Comprehensive Income

| | Note | Unaudited Three months ended June 30, | | Unaudited Six months ended June 30, | |
|---|------|--|---------------------|--|---------------------|
| | | 2025 RMB'Million | 2024 RMB'Million | 2025 RMB'Million | 2024 RMB'Million |
| Profit for the period | | 4,922 | 3,980 | 8,901 | 8,100 |
| Other comprehensive (loss)/income | | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | |
| Share of other comprehensive income/(loss) of investments accounted for using the equity method | | — | — | 1 | (3) |
| Currency translation differences | | (185) | 328 | (284) | 458 |
| <i>Items that may be subsequently reclassified to profit or loss</i> | | | | | |
| Currency translation differences | | 144 | (248) | 223 | (345) |
| Other comprehensive (loss)/income for the period, net of taxes | | (41) | 80 | (60) | 110 |
| Total comprehensive income for the period | | 4,881 | 4,060 | 8,841 | 8,210 |
| Attributable to: | | | | | |
| — Equity holders of the Company | | 4,881 | 4,059 | 8,840 | 8,208 |
| — Non-controlling interests | | — | 1 | 1 | 2 |
| | | 4,881 | 4,060 | 8,841 | 8,210 |

The accompanying notes on pages 64 to 102 form an integral part of this interim financial information.

Condensed Consolidated Balance Sheet

| | | Unaudited As of June 30, 2025 RMB'Million | Audited As of December 31, 2024 RMB'Million |
|---|------|---|---|
| | Note | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 12 | 17,637 | 14,831 |
| Right-of-use assets | 13 | 9,089 | 8,891 |
| Intangible assets | | 1,019 | 1,059 |
| Investments accounted for using the equity method | | 157 | 166 |
| Financial assets at fair value through profit or loss | 14 | 24,989 | 24,430 |
| Other financial assets at amortized cost | 14 | 41 | 62 |
| Deferred tax assets | 23 | 6,521 | 6,604 |
| Long-term time deposits | | 22,812 | 19,856 |
| Other non-current assets | | 2,728 | 1,105 |
| | | <u>84,993</u> | <u>77,004</u> |
| Current assets | | | |
| Trade receivables | 15 | 7,775 | 6,674 |
| Prepayments, other receivables and other current assets | 16 | 5,543 | 4,646 |
| Financial assets at fair value through profit or loss | 14 | 38,119 | 27,050 |
| Other financial assets at amortized cost | 14 | 107 | 233 |
| Short-term time deposits | | 6,615 | 11,522 |
| Restricted cash | | 77 | 47 |
| Cash and cash equivalents | | 12,310 | 12,697 |
| | | <u>70,546</u> | <u>62,869</u> |
| Total assets | | <u><u>155,539</u></u> | <u><u>139,873</u></u> |

Condensed Consolidated Balance Sheet

| | Note | Unaudited As of June 30, 2025 RMB'Million | Audited As of December 31, 2024 RMB'Million |
|---|------|---|---|
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 17 | — | — |
| Share premium | 17 | 266,924 | 268,733 |
| Treasury shares | | — | (341) |
| Other reserves | | 37,036 | 35,776 |
| Accumulated losses | | (233,264) | (242,164) |
| | | 70,696 | 62,004 |
| Non-controlling interests | | 20 | 20 |
| Total equity | | 70,716 | 62,024 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 20 | 11,098 | 11,100 |
| Financial liabilities at fair value through profit or loss | | 65 | 124 |
| Lease liabilities | 13 | 6,699 | 6,765 |
| Deferred tax liabilities | 23 | 54 | 13 |
| Other non-current liabilities | | 24 | 19 |
| | | 17,940 | 18,021 |
| Current liabilities | | | |
| Accounts payables | 21 | 28,158 | 27,470 |
| Other payables and accruals | 22 | 28,439 | 23,113 |
| Advances from customers | | 4,753 | 4,696 |
| Borrowings | 20 | 1,074 | — |
| Financial liabilities at fair value through profit or loss | | 5 | 5 |
| Income tax liabilities | | 448 | 873 |
| Lease liabilities | 13 | 4,006 | 3,671 |
| | | 66,883 | 59,828 |
| Total liabilities | | 84,823 | 77,849 |
| Total equity and liabilities | | 155,539 | 139,873 |

The accompanying notes on pages 64 to 102 form an integral part of this interim financial information.

Condensed Consolidated Statement of Changes in Equity

| | Note | Unaudited Attributable to equity holders of the Company | | | | | | Non- controlling interests | Total |
|--|------|--|---------------------------------|-----------------------------------|----------------------------------|--------------------------------------|-------------------------|----------------------------------|-------------|
| | | Share capital RMB'Million | Share premium RMB'Million | Treasury shares RMB'Million | Other reserves RMB'Million | Accumulated losses RMB'Million | Subtotal RMB'Million | RMB'Million | RMB'Million |
| Balance at January 1, 2025 | | — | 268,733 | (341) | 35,776 | (242,164) | 62,004 | 20 | 62,024 |
| Profit for the period | | — | — | — | — | 8,900 | 8,900 | 1 | 8,901 |
| Other comprehensive income/(loss) | | | | | | | | | |
| Share of other comprehensive income of investments accounted for using the equity method | | — | — | — | 1 | — | 1 | — | 1 |
| Currency translation differences | | — | — | — | (61) | — | (61) | — | (61) |
| Total comprehensive (loss)/income for the period | | — | — | — | (60) | 8,900 | 8,840 | 1 | 8,841 |
| Share of other changes in net assets of investments accounted for using the equity method | | — | — | — | — | — | — | — | — |
| Transactions with owners in their capacity as owners | | | | | | | | | |
| Share-based compensation | 19 | — | — | — | 1,320 | — | 1,320 | — | 1,320 |
| Exercise of share options and vesting of restricted share units ("RSUs") | 17 | — | 303 | — | — | — | 303 | — | 303 |
| Repurchase of shares (to be canceled) | | — | — | (1,771) | — | — | (1,771) | — | (1,771) |
| Cancellation of shares | | — | (2,112) | 2,112 | — | — | — | — | — |
| Deregistration of subsidiaries | | — | — | — | — | — | — | (1) | (1) |
| Total transactions with owners in their capacity as owners | | — | (1,809) | 341 | 1,320 | — | (148) | (1) | (149) |
| Balance at June 30, 2025 | | — | 266,924 | — | 37,036 | (233,264) | 70,696 | 20 | 70,716 |

Condensed Consolidated Statement of Changes in Equity

| | Note | Unaudited Attributable to equity holders of the Company | | | | | | Non- controlling interests RMB'Million | Total RMB'Million |
|--|------|--|---------------------------------|-----------------------------------|----------------------------------|--------------------------------------|-------------------------|---|----------------------|
| | | Share capital RMB'Million | Share premium RMB'Million | Treasury shares RMB'Million | Other reserves RMB'Million | Accumulated losses RMB'Million | Subtotal RMB'Million | | |
| Balance at January 1, 2024 | | — | 273,459 | (88) | 33,183 | (257,491) | 49,063 | 11 | 49,074 |
| Profit for the period | | — | — | — | — | 8,098 | 8,098 | 2 | 8,100 |
| Other comprehensive (loss)/income | | | | | | | | | |
| Share of other comprehensive loss of investments accounted for using the equity method | | — | — | — | (3) | — | (3) | — | (3) |
| Currency translation differences | | — | — | — | 113 | — | 113 | — | 113 |
| Total comprehensive income for the period | | — | — | — | 110 | 8,098 | 8,208 | 2 | 8,210 |
| Share of other changes in net assets of investments accounted for using the equity method | | — | — | — | (10) | — | (10) | — | (10) |
| Transactions with owners in their capacity as owners | | | | | | | | | |
| Share-based compensation | 19 | — | — | — | 1,015 | — | 1,015 | — | 1,015 |
| Exercise of share options and vesting of RSUs | 17 | — | 9 | — | — | — | 9 | — | 9 |
| Repurchase of shares (to be canceled) | | — | — | (1,860) | — | — | (1,860) | — | (1,860) |
| Cancellation of shares | | — | (1,664) | 1,664 | — | — | — | — | — |
| Total transactions with owners in their capacity as owners | | — | (1,655) | (196) | 1,015 | — | (836) | — | (836) |
| Balance at June 30, 2024 | | — | 271,804 | (284) | 34,298 | (249,393) | 56,425 | 13 | 56,438 |

The accompanying notes on pages 64 to 102 form an integral part of this interim financial information.

Condensed Consolidated Statement of Cash Flows

| | Unaudited Six months ended June 30, | |
|--|--|----------------------|
| | 2025 RMB'Million | 2024 RMB'Million |
| Cash flows from operating activities | | |
| Cash generated from operations | 12,657 | 14,121 |
| Income tax paid | (876) | (717) |
| Net cash generated from operating activities | <u>11,781</u> | <u>13,404</u> |
| Cash flows from investing activities | | |
| Purchase of property, equipment and intangible assets | (7,075) | (2,377) |
| Proceeds from disposal of property, equipment and intangible assets | 20 | 9 |
| Purchase of investments in financial assets at fair value through profit or loss | (68,978) | (48,088) |
| Proceeds from disposal of investments in financial assets at fair value through profit or loss | 58,387 | 34,526 |
| Proceeds from disposal of investments in other financial assets at amortized cost | 151 | 276 |
| Purchase of time deposits with initial terms over three months | (4,668) | (12,646) |
| Proceeds from maturity of time deposits with initial terms over three months | 6,520 | 8,875 |
| Interest income received | 530 | 684 |
| Repayment of loans by other parties | — | 10 |
| Net cash used in investing activities | <u>(15,113)</u> | <u>(18,731)</u> |
| Cash flows from financing activities | | |
| Proceeds from borrowings | 2,153 | 4,926 |
| Repayments of borrowings and related interests | (1,261) | (432) |
| Payments for principal elements of lease and related interests | (1,733) | (1,604) |
| Proceeds from exercise of share options and vesting of RSUs | 164 | 10 |
| Proceeds received under notes payable transaction | 13,673 | 6,880 |
| Proceeds received from notes receivable factoring to banks | 16,425 | 6,157 |
| Payments for principal of matured notes and related interests | (24,579) | (10,349) |
| Payments for shares repurchase | (1,896) | (1,742) |
| Net cash generated from financing activities | <u>2,946</u> | <u>3,846</u> |
| Net decrease in cash and cash equivalents | <u>(386)</u> | <u>(1,481)</u> |
| Cash and cash equivalents at the beginning of the period | 12,697 | 12,905 |
| Effects of exchange rate changes on cash and cash equivalents | (1) | 13 |
| Cash and cash equivalents at the end of the period | <u><u>12,310</u></u> | <u><u>11,437</u></u> |

The accompanying notes on pages 64 to 102 form an integral part of this interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

1 GENERAL INFORMATION

Kuaishou Technology (the “**Company**”) was incorporated in the Cayman Islands on February 11, 2014 as an exempted company with limited liability. The registered office is at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company’s Class B Shares have been listed on the Main Board of the Hong Kong Stock Exchange.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the “**Group**”), provide online marketing services, live streaming services and other services to its customers.

The condensed consolidated interim financial information comprises the condensed consolidated balance sheet as of June 30, 2025, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes (the “**Interim Financial Information**”).

The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Financial Information has been reviewed by the external auditor of the Company.

2 BASIS OF PREPARATION

The Interim Financial Information has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board (“**IASB**”).

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. The Interim Financial Information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2024 which have been prepared in accordance with all applicable International Financial Reporting Standards and interpretations issued by the IASB by the Group as set out in the 2024 annual report of the Company (the “**2024 Financial Statements**”) and any public announcements made by the Group during the interim reporting period.

Notes to the Condensed Consolidated Interim Financial Information

3 ACCOUNTING POLICIES

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2024, as described in the 2024 Financial Statements, except for the adoption of the amendment as set out below.

- Lack of Exchangeability — Amendments to IAS 21

The adoption of the amendment does not have significant impact on the results and the financial position of the Group.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Interim Financial Information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Information, the critical accounting estimates and judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2024 Financial Statements, except for the amended accounting estimate of useful lives of property and equipment. Management reviewed and extended the useful lives of servers and equipment from 4 years to 5 years with effect from January 1, 2025. The change has been applied prospectively and has resulted in a decrease in depreciation of approximately RMB660 million for the six months ended June 30, 2025.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's policies on financial risk management were set out in the 2024 Financial Statements and there have been no significant changes in the financial risk management policies for the three months and six months ended June 30, 2025.

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation

(a) Fair value hierarchy

The table below analyzes the Group's financial instruments carried at fair value as of each balance sheet date, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- (1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- (3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at June 30, 2025:

| | Level 1 RMB'Million | Level 2 RMB'Million | Level 3 RMB'Million | Total RMB'Million |
|--|------------------------|------------------------|------------------------|----------------------|
| (Unaudited) | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| — Investments in listed entities | 99 | — | — | 99 |
| — Investments in unlisted entities | — | — | 2,718 | 2,718 |
| — Derivative financial instruments | — | 325 | — | 325 |
| — Wealth management products and others | — | 119 | 59,847 | 59,966 |
| | <u>99</u> | <u>444</u> | <u>62,565</u> | <u>63,108</u> |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| — Derivative financial instruments | — | 70 | — | 70 |
| | <u>—</u> | <u>70</u> | <u>—</u> | <u>70</u> |

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2024:

| | Level 1 RMB'Million | Level 2 RMB'Million | Level 3 RMB'Million | Total RMB'Million |
|--|------------------------|------------------------|------------------------|----------------------|
| (Audited) | | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | | | | |
| — Investments in listed entities | 86 | — | — | 86 |
| — Investments in unlisted entities | — | — | 2,719 | 2,719 |
| — Derivative financial instruments | — | 293 | — | 293 |
| — Wealth management products and others | — | 236 | 48,146 | 48,382 |
| | <u>86</u> | <u>529</u> | <u>50,865</u> | <u>51,480</u> |
| Liabilities | | | | |
| Financial liabilities at fair value through profit or loss | | | | |
| — Derivative financial instruments | — | 129 | — | 129 |
| | <u>—</u> | <u>129</u> | <u>—</u> | <u>129</u> |

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(a) Fair value hierarchy (Continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2.

Level 2 instruments of the Group's assets and liabilities mainly include foreign currency options, foreign currency forwards and perpetual bonds in wealth management products and others.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Level 3 instruments of the Group's assets mainly include investments in unlisted entities (Note 14) and investments in wealth management products and others (excluding investments in perpetual bonds) (Note 14).

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The fair values of foreign currency forwards are determined with reference to the discounted value of the differential between the contracted strike/forward rate to the market forward exchange rate with same maturity;

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(b) Valuation techniques used to determine fair values (Continued)

- The fair value of foreign currency options are determined by using option pricing model, such as Garman-Kohlhagen's Model, with reference to the spot rate and volatility of currency exchange rate, risk-free rates for both currencies, and contract strike rate for the options; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability ("DLOM"), market multiples, etc.

(c) Financial instruments in level 3

The following table presents the changes in level 3 items of financial assets at fair value through profit or loss for the six months ended June 30, 2025 and 2024.

| | Financial assets at fair value through profit or loss RMB*Million |
|--|---|
| (Unaudited) | |
| At January 1, 2025 | 50,865 |
| Additions | 68,935 |
| Disposals | (58,223) |
| Change in fair value* | 1,247 |
| Currency translation differences | (259) |
| | 62,565 |
| At June 30, 2025 | 62,565 |
| * Includes unrealized gains recognized in the condensed consolidated income statement attributable to balances held at the end of the period | 1,053 |

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

| | Financial assets at fair value through profit or loss RMB'Million |
|--|---|
| (Unaudited) | |
| At January 1, 2024 | 29,980 |
| Additions | 48,237 |
| Disposals | (34,452) |
| Change in fair value* | 699 |
| Currency translation differences | 59 |
| At June 30, 2024 | 44,523 |
| * Includes unrealized gains recognized in the condensed consolidated income statement attributable to balances held at the end of the period | 187 |

As level 3 instruments are not traded in an active market, their fair values have been determined by using various application valuation techniques, including market approach, etc.

The Group has a team that manages the valuation of level 3 instruments for financial reporting purposes. The team manages the valuation of the investments on a case by case basis. At least once every year, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

The following table summarizes the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements.

| Description | Fair Values | | Significant unobservable inputs | Range of inputs | | Relationship of unobservable inputs to fair values |
|---------------------------------------|-------------|--------------|---------------------------------|-----------------|--------------|---|
| | As of | As of | | As of | As of | |
| | June 30, | December 31, | | June 30, | December 31, | |
| | 2025 | 2024 | | 2025 | 2024 | |
| | RMB'Million | RMB'Million | | | | |
| | (Unaudited) | (Audited) | | (Unaudited) | (Audited) | |
| Investments in unlisted entities | 2,718 | 2,719 | Expected volatility | 41%–77% | 41%–77% | The higher the expected volatility, the lower the fair value |
| | | | DLOM | 6%–12% | 6%–14% | The higher the DLOM, the lower the fair value |
| | | | Risk-free rate | 1.20%–4.25% | 1.20%–4.25% | The higher the risk-free rate, the lower the fair value |
| Wealth management products and others | 59,847 | 48,146 | Expected rate of return | 1.99%–10.41% | 2.25%–8.68% | The higher the expected rate of return, the higher the fair value |

Notes to the Condensed Consolidated Interim Financial Information

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

Investments in wealth management products are mainly the investment products purchased from reputable financial institutions in the People's Republic of China ("PRC") and international financial institutions outside of the PRC with floating rates. The returns on all of these wealth management products are not guaranteed, hence their contractual cash flows do not qualify for solely payments of principal and interest. Therefore, they are measured at fair value through profit or loss. None of these investments are past due. The fair values are determined based on the expected rate of return (based on management judgment) and are within level 3 of the fair value hierarchy. From the perspective of cash management and risk control, the Group diversifies its investment portfolios and mainly purchases low-risk products from reputable financial institutions and prefers those products with high-liquidity.

There were no transfers between level 1, 2 and 3 of fair value hierarchy classifications during the six months ended June 30, 2025 and 2024.

The carrying amounts of the Group's financial assets that are not measured at fair value, including cash and cash equivalents, restricted cash, time deposits, trade receivables, other receivables, other current and non-current assets and other financial assets at amortized cost, and the Group's financial liabilities that are not measured at fair value, including accounts payables, other payables and accruals, borrowings and lease liabilities, approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

Notes to the Condensed Consolidated Interim Financial Information

6 SEGMENT INFORMATION

6.1 Description of segments and principal activities

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer of the Group. As a result of this evaluation, the Group determined that it has operating segments as follows:

- Domestic
- Overseas

The CODM assesses the performance of the operating segments mainly based on revenues and operating profit or loss of each operating segment. Thus, segment results would present revenues, cost of revenues and operating expenses, and operating profit or loss for each segment, which is in line with CODM's performance review. There were no material inter-segment sales during the three months and six months ended June 30, 2025 and 2024.

The revenues from customers reported to CODM are measured as revenues in each segment. The operating profit or loss in each segment reported to CODM are measured as cost of revenues and operating expenses deducted from its revenues. Certain items are not allocated to each segment as they are not directly relevant to the operating results upon performance measurement and resource allocation by the CODM. Share-based compensation expenses, other income and other gains, net are not allocated to individual operating segments.

There are no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or to evaluate the performance of the operating segments.

Notes to the Condensed Consolidated Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

6.1 Description of segments and principal activities (Continued)

The segment results are as follows:

| | Three months ended June 30, 2025 | | | |
|---|----------------------------------|--------------|-------------------|---------------|
| | Domestic | Overseas | Unallocated items | Total |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 33,746 | 1,300 | — | 35,046 |
| Cost of revenues and operating expenses | (28,345) | (1,281) | — | (29,626) |
| Unallocated items | — | — | (131) | (131) |
| Operating profit/(loss) | 5,401 | 19 | (131) | 5,289 |

| | Three months ended June 30, 2024 | | | |
|---|----------------------------------|--------------|-------------------|---------------|
| | Domestic | Overseas | Unallocated items | Total |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 29,896 | 1,079 | — | 30,975 |
| Cost of revenues and operating expenses | (25,398) | (1,356) | — | (26,754) |
| Unallocated items | — | — | (315) | (315) |
| Operating profit/(loss) | 4,498 | (277) | (315) | 3,906 |

Notes to the Condensed Consolidated Interim Financial Information

6 SEGMENT INFORMATION (CONTINUED)

6.1 Description of segments and principal activities (Continued)

| | Six months ended June 30, 2025 | | | |
|---|--------------------------------|--------------|-------------------|---------------|
| | Domestic | Overseas | Unallocated items | Total |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 65,039 | 2,615 | — | 67,654 |
| Cost of revenues and operating expenses | (55,293) | (2,568) | — | (57,861) |
| Unallocated items | — | — | (245) | (245) |
| Operating profit/(loss) | 9,746 | 47 | (245) | 9,548 |

| | Six months ended June 30, 2024 | | | |
|---|--------------------------------|--------------|-------------------|---------------|
| | Domestic | Overseas | Unallocated items | Total |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenues | 58,313 | 2,070 | — | 60,383 |
| Cost of revenues and operating expenses | (49,824) | (2,615) | — | (52,439) |
| Unallocated items | — | — | (44) | (44) |
| Operating profit/(loss) | 8,489 | (545) | (44) | 7,900 |

6.2 Segment assets

As of June 30, 2025 and December 31, 2024, substantially all of the Group's non-current assets other than certain financial instruments and investments accounted for using the equity method were located in the PRC.

Notes to the Condensed Consolidated Interim Financial Information

7 REVENUES

The breakdown of revenues is as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| Online marketing services | 19,765 | 17,515 | 37,742 | 34,165 |
| Live streaming | 10,044 | 9,302 | 19,858 | 17,877 |
| Other services | 5,237 | 4,158 | 10,054 | 8,341 |
| | <u>35,046</u> | <u>30,975</u> | <u>67,654</u> | <u>60,383</u> |

The breakdown of revenues for timing of revenue recognition is as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|---------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| Revenue recognized at a point in time | 33,770 | 30,218 | 65,524 | 59,008 |
| Revenue recognized over time | 1,276 | 757 | 2,130 | 1,375 |
| | <u>35,046</u> | <u>30,975</u> | <u>67,654</u> | <u>60,383</u> |

There was no concentration risk as no revenue from a single customer was more than 10% of the Group's total revenues for the three months and six months ended June 30, 2025 and 2024.

Notes to the Condensed Consolidated Interim Financial Information

8 OTHER GAINS, NET

| | Three months ended June 30, | | Six months ended June 30, | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| Net fair value gains on financial assets at fair value through profit or loss | | | | |
| — Investments in listed and unlisted entities | 20 | 24 | 23 | 48 |
| — Wealth management products and others | 685 | 374 | 1,242 | 662 |
| Net gains on disposal of property and equipment, intangible assets and right-of-use assets | 10 | 3 | 20 | 104 |
| Net foreign exchange losses | (30) | (5) | (120) | (5) |
| Others | (116) | (22) | (159) | 10 |
| | <u>569</u> | <u>374</u> | <u>1,006</u> | <u>819</u> |

9 EXPENSES BY NATURE

| | Three months ended June 30, | | Six months ended June 30, | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| Revenue sharing costs and related taxes | 10,542 | 8,731 | 20,484 | 17,070 |
| Promotion and marketing expenses | 9,935 | 9,447 | 19,289 | 18,204 |
| Employee benefit expenses | 4,461 | 4,110 | 8,879 | 8,063 |
| Bandwidth expenses and server custody costs | 1,335 | 1,370 | 2,812 | 2,769 |
| Depreciation of property and equipment | 885 | 997 | 1,667 | 1,974 |
| Depreciation of right-of-use assets (Note a) | 831 | 735 | 1,599 | 1,451 |
| Amortization of intangible assets | 26 | 26 | 48 | 53 |
| Payment processing costs | 800 | 708 | 1,568 | 1,304 |
| Outsourcing and other labor costs | 365 | 322 | 705 | 624 |
| Tax surcharges | 255 | 280 | 509 | 455 |
| Professional fees | 66 | 81 | 126 | 140 |
| Credit loss allowances on financial assets | 93 | 11 | 117 | 33 |
| Others (Note b) | 748 | 659 | 1,378 | 1,314 |
| | <u>30,342</u> | <u>27,477</u> | <u>59,181</u> | <u>53,454</u> |

Note a: The depreciation of right-of-use assets includes the expenses related to leases of internet data centers, office buildings and land with a term of over one year.

Note b: Others mainly comprise content-related costs, traveling and communication expenses and office facilities expenses.

Notes to the Condensed Consolidated Interim Financial Information

10 INCOME TAX

(a) Cayman Islands

The Company is incorporated as an exempted company with limited liability under the Companies Law of the Cayman Islands and is not subject to tax on income or capital gains. Additionally, the Cayman Islands do not impose a withholding tax on payments of dividends to shareholders. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

(b) British Virgin Islands (“BVI”)

The Group’s entities established under the International Business Companies Acts of the BVI are exempted from BVI income tax.

(c) Hong Kong Income Tax

Entities incorporated in Hong Kong are subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits on the first HK\$2 million and 16.5% for any assessable profits in excess of HK\$2 million.

(d) PRC Enterprise Income Tax

The income tax provision of the Group in respect of its operations in Mainland China was subject to statutory tax rate of 25% on the assessable profits for the three months and six months ended June 30, 2025 and 2024, based on the existing legislation, interpretation and practices in respect thereof.

Certain subsidiaries of the Group in Mainland China were accredited as High and New Technology Enterprise, and they were subject to a preferential corporate income tax rate of 15% for the three months and six months ended June 30, 2025 and 2024. In addition, certain subsidiaries of the Group were entitled to other tax concessions, mainly including the preferential tax rate of 15% applicable to some subsidiaries located in certain areas of Mainland China upon fulfillment of certain requirements of the respective local governments.

The State Taxation Administration of the PRC announced in March 2023 that enterprises engaging in research and development activities would be entitled to claim 200% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”) from January 1, 2023 onwards. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the period.

Notes to the Condensed Consolidated Interim Financial Information

10 INCOME TAX (CONTINUED)

(e) Withholding tax in Mainland China (“WHT”)

According to applicable tax regulations prevailing in Mainland China, distribution of profits earned by companies in Mainland China since January 1, 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country/jurisdiction of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

The Group did not have distributable retained earnings in Mainland China, so no deferred tax liability related to WHT on undistributed earnings was accrued as of the end of each reporting period.

The income tax (expenses)/benefits of the Group are analyzed as follows:

| | Three months ended June 30, | | Six months ended June 30, | |
|--------------------------------|-----------------------------|-------------|---------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| | RMB'Million | RMB'Million | RMB'Million | RMB'Million |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Current income tax | (174) | 485 | (435) | 294 |
| Deferred income tax (Note 23) | (127) | (458) | (124) | (252) |
| Income tax (expenses)/benefits | <u>(301)</u> | <u>27</u> | <u>(559)</u> | <u>42</u> |

OECD Pillar Two model rules

The Group is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. The Group applies the IAS 12 exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax.

Pillar Two legislation was effective in certain jurisdictions in which the Group operates (e.g. Hong Kong and Singapore) from January 1, 2025. Under the legislation, it exposes a top-up tax on profits arising in a jurisdiction whenever its effective tax rate determined by the Pillar Two model rules on a jurisdictional basis is below a minimum rate of 15%. Management has assessed the related impact which is not material, and accounted for in the condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

11 EARNINGS PER SHARE

(a) Basic earnings per share

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

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|---------------------|---------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) | 2025 (Unaudited) | 2024 (Unaudited) |
| Earnings attributable to equity holders of the Company (RMB millions) | 4,922 | 3,979 | 8,900 | 8,098 |
| Weighted average number of ordinary shares in issue (million shares) | 4,270 | 4,318 | 4,267 | 4,319 |
| Basic earnings per share (expressed in RMB per share) | 1.15 | 0.92 | 2.09 | 1.87 |

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the three months and six months ended June 30, 2025 and 2024, the Company had two categories of potential ordinary shares: share options and RSUs.

Notes to the Condensed Consolidated Interim Financial Information

11 EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (Continued)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|---------------------|---------------------------|---------------------|
| | 2025 (Unaudited) | 2024 (Unaudited) | 2025 (Unaudited) | 2024 (Unaudited) |
| Earnings attributable to equity holders of the Company (RMB millions) | 4,922 | 3,979 | 8,900 | 8,098 |
| Weighted average number of ordinary shares in issue (million shares) | 4,270 | 4,318 | 4,267 | 4,319 |
| Adjustments for share options and RSUs (million shares) | 83 | 86 | 95 | 94 |
| Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (million shares) | 4,353 | 4,404 | 4,362 | 4,413 |
| Diluted earnings per share (expressed in RMB per share) | 1.13 | 0.90 | 2.04 | 1.84 |

Notes to the Condensed Consolidated Interim Financial Information

12 PROPERTY AND EQUIPMENT

The detailed information of property and equipment is as follows:

| | Property and equipment RMB'Million (Unaudited) |
|----------------------------------|---|
| At January 1, 2025 | 14,831 |
| Additions | 4,513 |
| Disposals | (38) |
| Depreciation charge | (1,667) |
| Currency translation differences | (2) |
| At June 30, 2025 | 17,637 |
| At January 1, 2024 | 12,356 |
| Additions | 1,505 |
| Disposals | (20) |
| Depreciation charge | (1,974) |
| Currency translation differences | 4 |
| At June 30, 2024 | 11,871 |

Notes to the Condensed Consolidated Interim Financial Information

13 LEASE

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|----------------------------|---|---|
| Right-of-use assets | | |
| Internet data centers | 7,396 | 7,131 |
| Office buildings | 1,667 | 1,733 |
| Land use rights | 26 | 27 |
| | <u>9,089</u> | <u>8,891</u> |
| | <u>9,089</u> | <u>8,891</u> |
| | | |
| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
| Lease liabilities | | |
| Current | 4,006 | 3,671 |
| Non-current | 6,699 | 6,765 |
| | <u>10,705</u> | <u>10,436</u> |
| | <u>10,705</u> | <u>10,436</u> |

Notes to the Condensed Consolidated Interim Financial Information

14 INVESTMENTS

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|---|---|---|
| Non-current assets | | |
| Financial assets at fair value through profit or loss | | |
| — Investments in unlisted entities | 2,718 | 2,719 |
| — Investment in a listed entity | 91 | 80 |
| — Wealth management products and others | 21,855 | 21,338 |
| — Derivative financial instruments | 325 | 293 |
| | <u>24,989</u> | <u>24,430</u> |
| Other financial assets at amortized cost | 41 | 62 |
| | <u>25,030</u> | <u>24,492</u> |
| Current assets | | |
| Financial assets at fair value through profit or loss | | |
| — Investment in a listed entity | 8 | 6 |
| — Wealth management products and others | 38,111 | 27,044 |
| | <u>38,119</u> | <u>27,050</u> |
| Other financial assets at amortized cost | 107 | 233 |
| | <u>38,226</u> | <u>27,283</u> |
| Total | <u><u>63,256</u></u> | <u><u>51,775</u></u> |

Notes to the Condensed Consolidated Interim Financial Information

14 INVESTMENTS (CONTINUED)

Movements on financial assets at fair value through profit or loss are as follows:

| | Six months ended June 30, | |
|---------------------------------------|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| At the beginning of the period | 51,480 | 30,373 |
| Additions | 68,935 | 48,255 |
| Disposals | (58,344) | (34,526) |
| Change in fair value | 1,298 | 711 |
| Currency translation differences | (261) | 62 |
| At the end of the period | 63,108 | 44,875 |

Notes to the Condensed Consolidated Interim Financial Information

15 TRADE RECEIVABLES

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|---|--|---|
| Trade receivables from contracts with customers | 7,985 | 6,827 |
| Less: credit loss allowances | (210) | (153) |
| | <u>7,775</u> | <u>6,674</u> |

The Group generally grants a credit period within 90 days to its customers. Aging analysis of trade receivables based on invoice date is as follows:

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|----------------|--|---|
| Up to 3 months | 6,950 | 6,021 |
| Over 3 months | 1,035 | 806 |
| | <u>7,985</u> | <u>6,827</u> |

Movements on the Group's allowance for credit loss of trade receivables are as follows:

| | Six months ended June 30, 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
|---------------------------------------|---|------------------------------------|
| At the beginning of the period | (153) | (138) |
| Additional provision | (57) | (29) |
| At the end of the period | <u>(210)</u> | <u>(167)</u> |

Notes to the Condensed Consolidated Interim Financial Information

16 PREPAYMENTS, OTHER RECEIVABLES AND OTHER CURRENT ASSETS

The detailed information of prepayments, other receivables and other current assets is as follows:

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|--|---|---|
| Recoverable VAT and other tax prepayments | 2,130 | 1,944 |
| Receivables from third parties | 1,817 | 1,192 |
| Prepaid promotion and marketing fees | 677 | 582 |
| Prepayments for content and other services | 624 | 551 |
| Deposits | 151 | 138 |
| Others | 255 | 288 |
| | 5,654 | 4,695 |
| Less: credit loss allowances | (111) | (49) |
| | 5,543 | 4,646 |

Notes to the Condensed Consolidated Interim Financial Information

17 SHARE CAPITAL

Issued:

| (Unaudited) | Number of ordinary shares 'Million | Nominal value of ordinary shares USD'Million | Equivalent nominal value of ordinary shares RMB'Million | Share premium RMB'Million |
|---|---|---|---|---------------------------------|
| At January 1, 2025 | 4,277 | — | — | 268,733 |
| Exercise of share options and vesting of RSUs | 44 | — | — | 303 |
| Cancellation of shares | (47) | — | — | (2,112) |
| | <u>4,274</u> | <u>—</u> | <u>—</u> | <u>266,924</u> |
| At June 30, 2025 | 4,274 | — | — | 266,924 |

Issued:

| (Unaudited) | Number of ordinary shares 'Million | Nominal value of ordinary shares USD'Million | Equivalent nominal value of ordinary shares RMB'Million | Share premium RMB'Million |
|---|---|---|---|---------------------------------|
| At January 1, 2024 | 4,333 | — | — | 273,459 |
| Exercise of share options and vesting of RSUs | 30 | — | — | 9 |
| Cancellation of shares | (39) | — | — | (1,664) |
| | <u>4,324</u> | <u>—</u> | <u>—</u> | <u>271,804</u> |
| At June 30, 2024 | 4,324 | — | — | 271,804 |

Notes to the Condensed Consolidated Interim Financial Information

18 DIVIDENDS

No dividends have been paid or declared by the Company during the six months ended June 30, 2025 and 2024.

19 SHARE-BASED COMPENSATION

On December 22, 2014, the board of directors of the Company approved the establishment of Pre-IPO ESOP Plan with the purpose of attracting, motivating, retaining and rewarding certain employees, directors and other eligible persons. Pre-IPO ESOP Plan is valid and effective for 10 years from the approval of the board of directors. The maximum number of shares that may be issued under Pre-IPO ESOP Plan shall be 312,661,648 of ordinary shares, which were adjusted to 509,616,655 ordinary shares in February 2015 and further to 711,946,697 ordinary shares in February 2018. Pre-IPO ESOP Plan permits the awards of options.

The Post-IPO Share Option Scheme and RSU Scheme was approved and adopted by all the then Shareholders of the Company on January 18, 2021 to recognize and reward eligible persons for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them. The Post-IPO Share Option Scheme and RSU Scheme commenced on February 5, 2021 and was terminated upon the 2023 Share Incentive Scheme becoming unconditional and effective on June 23, 2023.

The 2023 Share Incentive Scheme was approved and adopted by the Shareholders on June 16, 2023, which shall be valid and effective for a period of ten years commencing from June 16, 2023. The purposes of the 2023 Share Incentive Scheme are to recognize and reward eligible participants for their contribution to the Group, to attract and retain best available personnel, and to encourage eligible participants to work towards enhancing the value of the Company and its shares.

Notes to the Condensed Consolidated Interim Financial Information

19 SHARE-BASED COMPENSATION (CONTINUED)

Pre-IPO ESOP Plan

Share options granted to employees

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

| (Unaudited) | Number of share options | Weighted average exercise price per share option HK\$ |
|-----------------------------------|----------------------------|--|
| Outstanding as of January 1, 2025 | 34,790,022 | 19.28 |
| Forfeited during the period | (924,299) | 112.37 |
| Exercised during the period | (10,403,668) | 4.37 |
| Outstanding as of June 30, 2025 | 23,462,055 | 22.22 |
| Exercisable as of June 30, 2025 | 23,462,055 | 22.22 |
| (Unaudited) | Number of share options | Weighted average exercise price per share option HK\$ |
| Outstanding as of January 1, 2024 | 57,491,358 | 12.66 |
| Forfeited during the period | (1,939,198) | 9.16 |
| Exercised during the period | (12,502,910) | 0.78 |
| Outstanding as of June 30, 2024 | 43,049,250 | 16.27 |
| Exercisable as of June 30, 2024 | 38,428,741 | 18.19 |

The weighted average remaining contract life for outstanding share options was 3.87 years and 4.57 years as of June 30, 2025 and December 31, 2024, respectively. The weighted average price of the shares at the time these share options were exercised was HK\$53.62 per share during the six months ended June 30, 2025.

Notes to the Condensed Consolidated Interim Financial Information

19 SHARE-BASED COMPENSATION (CONTINUED)

Pre-IPO ESOP Plan (Continued)

Fair value of share options

The Group used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted the equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as the discount rate and projections of future performance, are determined by the Group with best estimate.

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option at the grant date.

Post-IPO Share Option Scheme

Share options granted to employees

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

| (Unaudited) | Number of share options | Weighted average exercise price per share option HK\$ |
|-----------------------------------|------------------------------------|--|
| Outstanding as of January 1, 2025 | 66,257,055 | 65.34 |
| Forfeited during the period | (5,181,398) | 65.16 |
| Exercised during the period | (4,623,137) | 61.43 |
| Outstanding as of June 30, 2025 | 56,452,520 | 65.68 |
| Exercisable as of June 30, 2025 | 44,897,321 | 66.36 |

Notes to the Condensed Consolidated Interim Financial Information

19 SHARE-BASED COMPENSATION (CONTINUED)

Post-IPO Share Option Scheme (Continued)

Share options granted to employees (Continued)

| (Unaudited) | Number of share options | Weighted average exercise price per share option HK\$ |
|-----------------------------------|----------------------------|--|
| Outstanding as of January 1, 2024 | 85,934,274 | 67.34 |
| Forfeited during the period | (17,212,346) | 75.80 |
| Exercised during the period | (5,039) | 54.80 |
| | <u>68,716,889</u> | <u>65.22</u> |
| Outstanding as of June 30, 2024 | | |
| | <u>68,716,889</u> | <u>65.22</u> |
| Exercisable as of June 30, 2024 | <u>50,574,297</u> | <u>65.71</u> |

The weighted average remaining contract life for outstanding share options was 2.86 years and 3.16 years as of June 30, 2025 and December 31, 2024, respectively. The weighted average price of the shares at the time these share options were exercised was HK\$63.89 per share during the six months ended June 30, 2025.

Fair value of share options

Based on fair value of the underlying ordinary shares, the Group has used Binomial model to determine the fair value of the share option at the grant date.

Notes to the Condensed Consolidated Interim Financial Information

19 SHARE-BASED COMPENSATION (CONTINUED)

Post-IPO RSU Scheme

RSUs granted to employees

Movements in the number of RSUs granted to the Company's employees under the Post-IPO RSU Scheme and the respective weighted average grant date fair value are as follows:

| (Unaudited) | Number of RSUs | Weighted average grant date fair value per RSU HK\$ |
|-----------------------------------|----------------|--|
| Outstanding as of January 1, 2025 | 50,685,134 | 67.16 |
| Forfeited during the period | (5,916,216) | 66.15 |
| Vested during the period | (11,170,503) | 85.35 |
| Outstanding as of June 30, 2025 | 33,598,415 | 61.29 |

| (Unaudited) | Number of RSUs | Weighted average grant date fair value per RSU HK\$ |
|-----------------------------------|----------------|--|
| Outstanding as of January 1, 2024 | 103,672,599 | 75.74 |
| Forfeited during the period | (12,691,839) | 80.85 |
| Vested during the period | (15,602,646) | 86.69 |
| Outstanding as of June 30, 2024 | 75,378,114 | 72.61 |

Notes to the Condensed Consolidated Interim Financial Information

19 SHARE-BASED COMPENSATION (CONTINUED)

2023 Share Incentive Scheme

Movements in the number of RSUs granted to the Company's employees under the 2023 Share Incentive Scheme and the respective weighted average grant date fair value are as follows:

| (Unaudited) | Number of RSUs | Weighted average grant date fair value per RSU HK\$ |
|-----------------------------------|----------------|--|
| Outstanding as of January 1, 2025 | 84,603,849 | 46.51 |
| Granted during the period | 67,991,765 | 49.40 |
| Forfeited during the period | (8,970,507) | 47.17 |
| Vested during the period | (17,986,948) | 44.61 |
| Outstanding as of June 30, 2025 | 125,638,159 | 48.30 |

| (Unaudited) | Number of RSUs | Weighted average grant date fair value per RSU HK\$ |
|-----------------------------------|----------------|--|
| Outstanding as of January 1, 2024 | 15,074,574 | 62.08 |
| Granted during the period | 63,286,324 | 44.06 |
| Forfeited during the period | (2,863,661) | 51.12 |
| Vested during the period | (795,014) | 54.05 |
| Outstanding as of June 30, 2024 | 74,702,223 | 47.32 |

The fair value of each RSU was determined by reference to the market price of the Company's shares at the respective grant date.

The share-based compensation expenses of RMB1,320 million and RMB1,015 million were recognized in the condensed consolidated income statement for the six months ended June 30, 2025 and 2024, respectively.

Notes to the Condensed Consolidated Interim Financial Information

20 BORROWINGS

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|---|---|---|
| Unsecured bank loans | | |
| — RMB loans, included in non-current liabilities (Note a) | 11,098 | 11,100 |
| — USD loans, included in current liabilities | 1,074 | — |
| | <u>12,172</u> | <u>11,100</u> |

As of June 30, 2025 and December 31, 2024, the Group's borrowings were carried at floating rates.

Note a: The annual average interest rates of these borrowings were 3.10% and 3.38% for the periods ended June 30, 2025 and December 31, 2024, respectively.

21 ACCOUNTS PAYABLES

The aging analysis of accounts payables based on invoice date is as follows:

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|--------------------|---|---|
| Up to 3 months | 17,849 | 18,266 |
| 3 to 6 months | 4,668 | 3,133 |
| 6 months to 1 year | 4,207 | 4,626 |
| Over 1 year | 1,434 | 1,445 |
| | <u>28,158</u> | <u>27,470</u> |

Notes to the Condensed Consolidated Interim Financial Information

22 OTHER PAYABLES AND ACCRUALS

The breakdown of other payables and accruals is as follows:

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|------------------------------------|---|---|
| Notes payable | 13,654 | 7,997 |
| Refundable deposits from customers | 8,312 | 7,701 |
| Employee benefit payables | 3,456 | 4,812 |
| Other taxes payable | 900 | 778 |
| Others | 2,117 | 1,825 |
| | <u>28,439</u> | <u>23,113</u> |

Notes payable arrangements

The Group has entered into arrangements with its suppliers and certain banks since 2022, under which the payable to suppliers is settled through notes, whose payment is guaranteed by the banks. When the suppliers further discount the notes from the contracted banks, they get cash from the banks on behalf of the Group on an agreed date, with discount interests borne and paid by the Group. The Group undertakes the obligation to make payment to the contracted banks, thus derecognizes the payable presented under "accounts payables" that owes its suppliers and recognizes a payable that owes the contracted banks, which is presented as notes payable under "other payables and accruals" upon the settlement with the suppliers. The Group repays the banks the principal on the maturity date of the notes.

The range of payment due dates is as follows:

| | Six Months Ended June 30, 2025 |
|--|--------------------------------|
| Notes payable | 97–365 days after invoice date |
| Comparable accounts payables that are not part of the arrangements (same line of business) | 0–90 days after invoice date |

Notes to the Condensed Consolidated Interim Financial Information

22 OTHER PAYABLES AND ACCRUALS (CONTINUED)

Notes payable arrangements (Continued)

The carrying amount of liabilities under the arrangements was RMB13,668 million and RMB8,015 million as of June 30, 2025 and December 31, 2024, respectively. The carrying amount of liabilities under the arrangements of which the supplier has received payment from banks was RMB13,654 million and RMB7,997 million as of June 30, 2025 and December 31, 2024, respectively.

Based on the terms and conditions of the arrangements, the Group considers the cash flows in substance occur for the Group in the transactions where it directs the contracted banks to pay the suppliers on the Group's behalf. Therefore, when the banks pay the payable the Group owes its suppliers on its behalf, the Group presents a financing cash inflow and an operating, investing or financing cash outflow related to the affected payable the Group owes its suppliers. When the Group subsequently pays to the banks when the notes mature, the Group presents the cash flow as a financing cash outflow.

23 DEFERRED INCOME TAX

The amounts of offsetting deferred tax assets and liabilities were RMB1,571 million and RMB1,498 million as of June 30, 2025 and December 31, 2024, respectively.

The movements and amounts of the deferred tax assets before offsetting are as follows:

| | Six months ended June 30, | |
|--|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| At the beginning of the period | 8,102 | 7,983 |
| Debited to the condensed consolidated income statement | (10) | (495) |
| At the end of the period | 8,092 | 7,488 |

Notes to the Condensed Consolidated Interim Financial Information

23 DEFERRED INCOME TAX (CONTINUED)

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|---|---|---|
| The gross amount of deferred tax assets attributable to: | | |
| — Accrued liabilities and provisions | 2,466 | 2,796 |
| — Tax losses (Note a) | 3,807 | 3,562 |
| — Lease liabilities | 1,669 | 1,599 |
| — Others | 150 | 145 |
| Total gross deferred tax assets | 8,092 | 8,102 |

Note a: The deductible cumulative tax losses will expire within 10 years. The Group only recognizes deferred tax assets for cumulative tax losses if it is probable that future taxable amounts will be available to utilize those tax losses.

The movements and amounts of the deferred tax liabilities before offsetting are as follows:

| | Six months ended June 30, 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
|---|---|------------------------------------|
| At the beginning of the period | 1,511 | 1,893 |
| Debited/(credited) to the condensed consolidated income statement | 114 | (243) |
| At the end of the period | 1,625 | 1,650 |

Notes to the Condensed Consolidated Interim Financial Information

23 DEFERRED INCOME TAX (CONTINUED)

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|--|--|---|
| The gross amount of deferred tax liabilities attributable to: | | |
| — Right-of-use assets | 1,549 | 1,475 |
| — Others | 76 | 36 |
| Total gross deferred tax liabilities | 1,625 | 1,511 |

24 COMMITMENTS

Significant capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|------------------------|--|---|
| Property and equipment | 1,738 | 1,835 |
| Investments | 191 | 192 |
| | 1,929 | 2,027 |

25 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subjected to common control. Members of the Group's management and their close family members are also considered as related parties.

The following significant transactions were carried out between the Group and its related parties during the periods presented. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

Notes to the Condensed Consolidated Interim Financial Information

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions with the Group during the six months ended June 30, 2025 and 2024, and/or balances with the Group as of June 30, 2025 and December 31, 2024, respectively.

| Company | Relationship |
|---|--|
| Tencent Holdings Limited and its subsidiaries ("Tencent Group") | One of the Company's shareholders |
| Zhihu Inc. and its subsidiaries | Investee of the Group |
| SHAREit Technology Holdings Inc. and its subsidiaries | Investee of the Group |
| Yixin Youxuan Information Technology (Shandong) Group Co., Ltd. and its subsidiaries | Investee of the Group |
| Chengdu Qingsong Digital Information Technology Co., Ltd and its subsidiaries ("Chengdu Qingsong") | Entities controlled by senior management of the Group |

(b) Significant transactions with related parties

| | Six months ended June 30, | |
|----------------------------|------------------------------------|------------------------------------|
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| (i) Provision of services | | |
| Tencent Group | 208 | 183 |
| Others | 17 | 95 |
| | <u>225</u> | <u>278</u> |
| | | |
| | Six months ended June 30, | |
| | 2025 RMB'Million (Unaudited) | 2024 RMB'Million (Unaudited) |
| (ii) Purchases of services | | |
| Tencent Group | 2,021 | 1,844 |
| Others | 23 | — |
| | <u>2,044</u> | <u>1,844</u> |

Notes to the Condensed Consolidated Interim Financial Information

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|---------------------------------------|---|---|
| (i) Prepayments and other receivables | | |
| Tencent Group | 485 | 526 |
| Chengdu Qingsong | 252 | 252 |
| | <u>737</u> | <u>778</u> |
| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
| (ii) Trade receivables | | |
| Tencent Group | 164 | 197 |

Notes to the Condensed Consolidated Interim Financial Information

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Balances with related parties (Continued)

| | As of June 30, 2025 RMB'Million (Unaudited) | As of December 31, 2024 RMB'Million (Audited) |
|-------------------------|---|---|
| (iii) Accounts payables | | |
| Tencent Group | 352 | 282 |
| Others | 61 | 62 |
| | <u>413</u> | <u>344</u> |

All the balances with related parties above were business operation related and were considered as trade in nature as of June 30, 2025 and December 31, 2024. All the balances with the related parties above were unsecured, non-interest bearing and repayable on demand.

26 CONTINGENCIES

As of June 30, 2025, the Group did not have any material contingent liabilities.

27 SUBSEQUENT EVENTS

On August 21, 2025, the board of directors of the Company approved a special dividend of HK\$0.46 per ordinary share. The aggregate amount of the special dividend will be approximately HK\$2.0 billion, which is payable in HK\$ and in cash.

Except as disclosed above, there were no other material subsequent events during the period from July 1, 2025 to the approval date of the Interim Financial Information.

In this interim report, unless the context otherwise requires the following expressions have the following meanings.

| | |
|--|---|
| "2023 Share Incentive Scheme" | the share incentive scheme of the Company adopted at the annual general meeting held on June 16, 2023 |
| "AI" | artificial intelligence |
| "AIGC" | artificial intelligence generated content |
| "Articles" | the articles of association of the Company adopted on and with effect from June 13, 2024, as amended from time to time |
| "associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Audit Committee" | the audit committee of the Board |
| "Auditor" | PricewaterhouseCoopers, the external auditor of the Company |
| "Beijing One Smile" | Beijing One Smile Technology and Development Co., Ltd. (北京一笑科技发展有限公司), a limited liability company incorporated under the laws of the PRC on November 29, 2011 and a Consolidated Affiliated Entity |
| "Board" or "Board of Directors" | the board of Directors |
| "BVI" | the British Virgin Islands |
| "Chief Executive Officer" | the chief executive officer of the Company |
| "Class A Shares" | class A ordinary shares of the share capital of the Company with a par value of US\$0.0000053 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to 10 votes per share on any resolution tabled at the Company's general meeting, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share |
| "Class B Shares" | class B ordinary shares of the share capital of the Company with a par value of US\$0.0000053 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company's general meeting |
| "Companies Ordinance" | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time |



Definitions

| | |
|---|--|
| “Company”, “Kuaishou” or “we” | Kuaishou Technology (快手科技), an exempted company incorporated in the Cayman Islands with limited liability on February 11, 2014 |
| “Consolidated Affiliated Entities” | the entities we control through the Contractual Arrangements, namely the PRC Holdcos and their respective subsidiaries |
| “Contractual Arrangements” | the series of contractual arrangements entered into between WFOE, PRC Holdcos and the registered shareholders (as applicable) |
| “Controlling Shareholders” | has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. SU Hua, Mr. CHENG Yixiao, Reach Best and Ke Yong |
| “Corporate Governance Code” | the Corporate Governance Code as set out in Appendix C1 to the Listing Rules |
| “Corporate Governance Committee” | the corporate governance committee of the Board |
| “DAU(s)” | daily active user(s), which is/are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the day |
| “Designated Employees(s)” | certain employee(s) (including senior management) of the Group as designated by the Board or its delegate(s), the vesting of whose RSUs shall be subject to the satisfaction of the performance targets. The scope and criteria of the Designated Employee(s) are determined by the Board or its delegate(s) as he may in his absolute discretion deem appropriate and necessary taking into account, among other factors, the talent motivation strategy of the Group |
| “Director(s)” | the director(s) of the Company |
| “eCPM” | effective cost per mille |
| “Global Offering” | the global offering of the Class B Shares |
| “GMV” | gross merchandise value, the total value of all orders for products and services placed on, or directed to the Group’s partners through, the Group’s platform, regardless of whether the order is settled or returned, excluding single transactions of RMB100,000 or greater and any series of transactions from a single buyer totaling RMB1,000,000 or greater in a single day, unless they are settled |

| | |
|---|--|
| “Grantee” | the employee (including senior management) of the Group, who is an eligible participant under the 2023 Share Incentive Scheme and was granted RSUs under the 2023 Share Incentive Scheme on April 25, 2025 |
| “Group” | the Company, its subsidiaries and the Consolidated Affiliated Entities, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the subsidiaries as if they were the subsidiaries of the Company at the time |
| “Hangzhou Youqu” | Hangzhou Youqu Network Co., Ltd. (杭州遊趣網絡有限公司), a limited liability company incorporated under the laws of the PRC on July 7, 2008 and a Consolidated Affiliated Entity |
| “HK\$” or “HKD” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” or “HK” | the Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Stock Exchange” or “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “IASB” | International Accounting Standards Board |
| “IFRS Accounting Standards” | International Financial Reporting Standards, amendments and interpretations issued by the IASB |
| “Ke Yong” | Ke Yong Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. CHENG Yixiao |
| “KOL(s)” | key opinion leader(s) |
| “Kuaishou App” | collectively, Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps |
| “Kuaishou Concept” | an app that we launched in November 2018 to explore different user needs and preferences |
| “Kuaishou Express” | a variant of Kuaishou Flagship that was officially launched in August 2019 |
| “Kuaishou Flagship” | a mobile app that was derived from our original mobile app, <i>GlF Kuaishou</i> (launched in 2011) |



Definitions

| | |
|---------------------------------------|--|
| “Latest Practicable Date” | August 26, 2025, being the latest practicable date prior to the printing of this interim report for the purpose of ascertaining certain information contained in this interim report |
| “Listing” | the listing of the Class B Shares on the Main Board of the Stock Exchange |
| “Listing Date” | February 5, 2021, on which the Class B Shares were listed and dealings in the Class B Shares were first permitted to take place on the Main Board of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time) |
| “Main Board” | the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange |
| “MAUs” | monthly active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the calendar month |
| “Memorandum” | the memorandum of association of the Company adopted on and with effect from June 13, 2024 |
| “Model Code” | Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules |
| “Nomination Committee” | the nomination committee of the Board |
| “paying user(s)” | user account(s) that purchase(s) a particular service at least once during a given period |
| “Post-IPO RSU Scheme” | the post-IPO restricted share unit scheme adopted by the Company on January 18, 2021 and terminated on June 23, 2023 |
| “Post-IPO Share Option Scheme” | the post-IPO share option scheme adopted by the Company on January 18, 2021 and terminated on June 23, 2023 |
| “PRC” or “China” | the People’s Republic of China, but for the purposes of this interim report only (unless otherwise indicated) excluding Hong Kong, the Macau Special Administrative Region and Taiwan |

| | |
|---------------------------------|---|
| “PRC Holdcos” | (i) Hangzhou Youqu, (ii) Beijing Huayi Huilong Network Technology Co., Ltd., (iii) Beijing One Smile, and (iv) Chongqing Mizan Jiaoyan Culture Media Co., Ltd. (formerly known as Shandong Yixiang Culture Communication Co., Ltd.) |
| “Pre-IPO ESOP” | the pre-IPO employee incentive scheme adopted by the Company dated February 6, 2018 and terminated upon Listing |
| “Prospectus” | the prospectus of the Company dated January 26, 2021 |
| “Reach Best” | Reach Best Developments Limited, a limited liability company incorporated under the laws of the BVI which is controlled by Mr. SU Hua |
| “Remuneration Committee” | the remuneration committee of the Board |
| “Reporting Period” | the six months ended June 30, 2025 |
| “Reserved Matters” | those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of our auditors, and (iv) the voluntary liquidation or winding-up of the Company |
| “RMB” or “Renminbi” | the lawful currency of the PRC |
| “ROI” | return on investment |
| “Scheme Mandate Limit” | the limit on grant(s) of share option(s) and/or award(s) over new Shares under all share schemes of the Company approved by the Shareholders, which must not exceed 433,510,190 Shares (being 10% of the total number of issued Shares as at the date of the Shareholders’ approval of the Scheme Mandate Limit) |
| “senior management” | any person referred to as senior management in the corporate communication of the Company, or any other publications on the websites of the Stock Exchange or the Company |
| “Service Provider(s)” | have the same meaning as set out in Rule 17.03A of the Listing Rules and permitted under the 2023 Share Incentive Scheme |



Definitions

| | |
|---|---|
| “Service Provider Sublimit” | a sublimit under the Scheme Mandate Limit for grant(s) of share option(s) and/or award(s) over new Shares to the Service Providers under all share schemes of the Company approved by the Shareholders, which must not exceed 21,675,509 Shares (being 0.5% of the total number of issued Shares as at the date of the Shareholders’ approval of the Service Provider Sublimit) |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time |
| “Shareholder(s)” | holder(s) of the Shares |
| “Share(s)” | the Class A Shares and Class B Shares in the capital of the Company, as the context so requires |
| “subsidiary” or “subsidiaries” | has the meaning ascribed to it under the Companies Ordinance |
| “substantial shareholder” | has the meaning ascribed to it in the Listing Rules |
| “Tencent” | Tencent Holdings Limited (stock code: 700), or Tencent Holdings Limited and/or its subsidiaries, as the case may be |
| “treasury shares” | has the meaning ascribed to it under the Listing Rules |
| “United States” | the United States of America, its territories, its possessions and all areas subject to its jurisdiction |
| “US\$” or “USD” | United States dollars, the lawful currency for the time being of the United States |
| “WVR” or “weighted voting right” | has the meaning ascribed to it in the Listing Rules |
| “WVR Beneficiaries” | has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Mr. SU Hua and Mr. CHENG Yixiao, being the holders of the Class A Shares, entitling each to weighted voting rights |
| “%” | per cent |



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