KINGSOFT

(continued into the Cayman Islands with limited liability)
Stock Code: 03888

KINGSOFT CORPORATION LIMITED
2026 INTERIM REPORT

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CORPORATE INFORMATION

Legal Name of the Company

Kingsoft Corporation Limited

Stock Code

03888

Date of Listing

9 October 2007

Principal Place of Business in Beijing

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Haidian District

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Cayman Islands

Executive Director

Mr. Tao ZOU

Non-executive Directors

Mr. Jun LEI (Chairman)

Mr. Pak Kwan KAU

Mr. Leiwen YAO

Independent Non-executive Directors

Ms. Wenjie WU

Mr. Zuotao CHEN

Mr. Bo DU

Audit Committee

Ms. Wenjie WU (Chairman)

Mr. Zuotao CHEN

Mr. Bo DU

Remuneration Committee

Mr. Zuotao CHEN (Chairman)

Mr. Jun LEI

Ms. Wenjie WU

Mr. Bo DU

Nomination Committee

Mr. Jun LEI (Chairman)

Mr. Leiwen YAO

Ms. Wenjie WU

Mr. Zuotao CHEN

Mr. Bo DU

Environmental, Social and Governance Committee

Mr. Zuotao CHEN (Chairman)

Mr. Tao ZOU

Ms. Wenjie WU

Mr. Bo DU

CORPORATE INFORMATION (continued)

Joint Company Secretaries

Mr. Yu ZHAO

Ms. Hiu Lam CHAN

Authorised Representatives

Mr. Tao ZOU

Ms. Hiu Lam CHAN

Principal Share Registrar and Transfer Office

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Hong Kong Branch Share Registrar and Transfer Office

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Auditor

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Principal Bankers

China CITIC Bank Co., Ltd.

China Merchants Bank Co., Ltd.

Bank of Beijing Co., Ltd.

Bank of Communications Co., Ltd.

Industrial and Commercial Bank of China (Asia) Limited

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FINANCIAL HIGHLIGHTS

	For the three months ended				
	30 June 2026 RMB'000 (Unaudited)	**30 June 2025 RMB'000 (Unaudited)**	**Year-on-year Change %**	**31 March 2026 RMB'000 (Unaudited)**	**Quarter-on-quarter Change %**
Revenue	**2,510,419**	2,307,412	9	2,416,713	4
Office software and services	**1,700,038**	1,355,653	25	1,613,224	5
Online games and others	**810,381**	951,759	(15)	803,489	1
Operating profit	**418,668**	382,658	9	395,304	6
Profit attributable to owners of the parent	**547,974**	532,440	3	1,091,302	(50)
Non-IFRS Measure:					
Adjusted net profit attributable to owners of the parent[1]	**330,487**	240,721	37	250,088	32

	For the six months ended		
	30 June 2026 RMB'000 (Unaudited)	**30 June 2025 RMB'000 (Unaudited)**	**Year-on-year Change %**
Revenue	**4,927,132**	4,645,407	6
Office software and services	**3,313,262**	2,657,122	25
Online games and others	**1,613,870**	1,988,285	(19)
Operating profit	**813,972**	984,111	(17)
Profit attributable to owners of the parent	**1,639,276**	816,314	101
Non-IFRS Measure:			
Adjusted net profit attributable to owners of the parent[1]	**580,575**	666,417	(13)

Note:

1. See the section entitled "Non-IFRS Measure: Adjusted net profit attributable to owners of the parent" for more information about the non-IFRS measure.

OPERATIONAL HIGHLIGHTS

Office Software and Services

	In June 2026	In June 2025	Year-on-year Change %
Monthly Active Devices of WPS Office Globally[1] (Million)	**676**	651	4

	As at 30 June 2026	As at 30 June 2025	Year-on-year Change %
Accumulated Annual Paying Individual Subscribers[2] (Million)	**48.25**	41.79	15

Notes:

1. Monthly Active Devices of WPS Office Globally are defined as the monthly active devices of WPS Office across all platforms, excluding WPS Docs, Kingsoft Powerword and other products.

2. Accumulated Annual Paying Individual Subscribers are defined as paying individual subscribers in the past twelve months (excluding one-time purchase) in Chinese mainland.

BUSINESS REVIEW AND OUTLOOK

Results Summary

In the second quarter of 2026, the Group advanced its AI-driven long-term development strategy, continuously strengthening AI capabilities and integrating AI across its core business sectors — office, online games, and cloud. The office business remained focused on our core direction of "AI, Collaboration, and Internationalisation", and continued to drive the integration of AI technologies into office scenarios, developing future-oriented intelligent office products tailored to the full-scenario office needs of both individual and institutional users, while continuously exploring innovative business model. The online games business continued to optimise resources allocation to support the long-term operations of our classic JX series games and product innovation, while actively exploring new approaches to AI-empowered R&D and content production. The cloud business deepened its presence in the AI computing cloud sector, strengthening its full-stack AI capabilities, and as the strategic cloud platform for the Xiaomi and Kingsoft Ecosystem, actively seized growth opportunities arising from increasing AI demand both within and beyond the ecosystem.

In this quarter, the Group recorded total revenue of RMB2,510.4 million. Revenue from the office software and services business was RMB1,700.0 million, representing a year-on-year increase of 25%; revenue from the online games and others business was RMB810.4 million, representing a year-on-year decrease of 15%. Operating profit was RMB418.7 million, representing a year-on-year increase of 9%. Adjusted net profit attributable to owners of the Company was RMB330.5 million, representing a year-on-year increase of 37%. As at the end of the quarter, the Group's cash resources amounted to RMB27,156.6 million. Strong cash reserves provide a solid foundation for accelerating our AI development strategy, capturing business growth opportunities, and enhancing the Shareholders' returns.

Business Performance by Sector

Office Business

In this quarter, revenue from WPS individual business was RMB1,038.7 million, representing a year-on-year increase of 17%. In the domestic market, as of June 2026, the number of Accumulated Annual Paying Individual Subscribers reached 48.25 million, representing a year-on-year increase of 15%. We continued to deepen the integration of AI capabilities into WPS Office applications, further improving user productivity and experience. AI capabilities are gradually becoming an important driver of paid conversion and user value. In the overseas markets, WPS Office introduced two major features: integrated cloud and device capabilities for seamless cross-device synchronisation, and an embedded AI document assistant. The cloud-device integration enables seamless cross-device workflows, while the AI assistant integrates full-text translation, spell checking and intelligent writing enhancement, supporting translation across more than 100 languages. These enhancements are accelerating the adoption of AI services among overseas users.

In this quarter, WPS 365 business maintained rapid growth, with revenue of RMB253.1 million, representing a year-on-year increase of 61%. Guided by our strategic priorities of integration, intelligence and internationalisation, we continued to upgrade WPS 365 to further unlock the productivity potential of enterprise AI. Whilst consolidating our strengths among central and state-owned enterprises, we accelerated our expansion into private enterprises, multinational companies and local state-owned enterprises, while further developing our channel ecosystem to strengthen WPS 365's market presence. Meanwhile, we continued to advance the development of the international version of WPS 365, exploring product adaptation and business models for AI features across different markets.

In this quarter, revenue from WPS software business was RMB375.8 million, representing a year-on-year increase of 34%. We actively participated in procurement tenders for domestic office software by central and local government and enterprise customers, and continued to maintain a leading share in the flow-layout and fixed-layout document software market. To address the digitalisation and intelligent transformation needs of government and enterprise customers, we continued to expand application scenarios and advance the deployment of projects including unified online collaboration and shared document libraries. We also extended AI capabilities into scenarios such as official document drafting and proofreading, further enhancing our service capabilities.

While continuing to deepen the integration of AI capabilities into our existing WPS product portfolio to enhance user experience and productivity, we are also actively exploring AI-native office products, enterprise service models and commercialisation pathways for the AI era. Across both individual and institutional markets, we continued to innovate around AI-native interaction and task execution capabilities. We launched two AI-native office products: "WPS Lingxi", designed for individual users, and "WPS Comate", designed for institutional customers. At the same time, we are exploring upgrades to the WPS 365 business model, the Forward Deployed Engineer ("**FDE**") delivery model and enterprise AI use cases, advancing AI from enhancing existing products toward broader innovation across native applications, business models and delivery system.

WPS Lingxi is positioned as a professional personal office assistant. By deeply integrating the core capabilities of WPS Office applications, it supports end-to-end office workflows from information understanding and content generation to the delivery of professional documents, producing native documents that can be directly edited and reviewed. This further expands the application of AI across individual productivity scenarios. On commercialisation, building on our existing subscription model, we will explore new business models such as "subscription plus AI usage", with pricing better aligned with the value delivered by different AI features and their associated resource consumption, to gradually drive new revenue contributions from AI-native office products.

WPS Comate is positioned as an enterprise AI workspace, supporting customers progressively evolve from "human-human collaboration" to "human-AI collaboration". To address challenges in enterprise AI adoption, including fragmented knowledge, data silos, connectivity across business systems and security governance, WPS Comate provides an integrated platform covering knowledge understanding, data analysis, business collaboration and task execution, enhancing both the usability and deployment efficiency of enterprise AI. WPS Comate has also introduced modules including "Experts" and "Applications", enabling enterprises to capture and reuse internal expertise and business know-how, and to rapidly build and deploy AI applications based on actual business needs. Those help accelerate the scaled adoption of AI in specific business scenarios.

To date, we have deployed 26 representative Experts use cases across 11 major functions, including human resources, administration, finance, legal, marketing, and product and R&D. Since the launch of WPS Comate, we have engaged with a number of medium-sized and large enterprise customers across manufacturing, education, financial services, logistics and retail to explore joint development opportunities, further advancing enterprise AI from product validation toward deployment in real-world business scenarios.

Meanwhile, in response to how enterprise customers use AI products and their evolving needs, we are actively exploring upgrades to the WPS 365 business model. Building on the subscription model, we are exploring a "seat-plus-AI usage" model to better align with varying levels of AI adoption and business needs across enterprise customers, thereby further expanding customer value potential.

Through the FDE model, we aim to bring AI-powered office capabilities into real-world business scenarios. We work closely with customers across specific industries, going deep into their business workflows. While ensuring data security and compliance, we seek to further integrate WPS 365 with customers' existing business systems and organisational processes, continuously enhancing delivery quality and the value customers derive from our products and services.

Online Games Business

In this quarter, revenue from the online games business declined year-on-year, primarily due to lifecycle changes in certain existing games and the competitive industry environment. We proactively pursued strategic adjustments, optimised resources allocation, and refocused on the R&D and content investments for our classic JX series games, while advancing AI-empowered game development and content creation. These capabilities will be built up gradually through product iteration and operational optimisation, and their value will take time to materialise.

We actively explored the application of AI-driven creative paradigms in game development, leveraging AI to enhance content production efficiency and drive deep integration between AI technology and the online games business, laying the foundation for optimising long-standing classic IPs and expanding new games, with practical implementation already underway in key games.

Since the beginning of the year, we have further increased R&D resources investment in our flagship game JX3 Online (劍網3), continuing to enhance content quality and player experience through long-term operations. In April, we launched the "Anying Qianji" expansion pack, improving user retention and community engagement through content updates, gameplay expansion, and optimised progression systems for both new and existing players, further strengthening the foundation for the game's long-term operations.

We also made steady progress in exploring new categories within social games. Since its public beta launch on January 7, the mobile game Goose Goose Duck (鵝鴨殺) has gained user recognition for its differentiated social gameplay. According to QuestMobile data for June 2026, Goose Goose Duck ranked in the top three in terms of monthly active users among mobile games newly launched in China in 2026. We continued to enhance product engagement through content updates and IP collaborations — the collaboration with Empresses in the Palace (甄嬛傳) in April and the Journey to the West (西遊記) in July successively drove the game to a top-five ranking on the App Store's top-grossing chart and the No. 1 position on the iOS free chart, respectively.

Cloud Business

Kingsoft Cloud continued to implement its strategy of "Technology-driven Approach" and "High Quality and Sustainable Development", seizing industry opportunities as the AI cloud business evolves from resources supply toward value delivery.

As inference demand related to AI Coding and Agent applications continued to grow, enterprise customers accelerated the adoption of AI in actual business scenarios, driving increased demand for computing power and AI computing solutions. Kingsoft Cloud continued to advance its AI cloud infrastructure, Model as a Service ("**MaaS**"), and FDE businesses, while upgrading its full-stack AI capabilities to meet the growing demand for AI computing implementation and AI applications. In this quarter, the Starflow MaaS platform improved the performance of multi-model services in high-concurrency inference scenarios, and officially launched the "Star Origin AgentKit" platform to better support AI Agent development.

In terms of ecosystem synergy, Kingsoft Cloud continued to capture AI cloud service demand within the Xiaomi and Kingsoft Ecosystem, with business opportunities within the ecosystem being realised at an accelerated pace. At the same time, Kingsoft Cloud actively expanded its customer base beyond the ecosystem, with its AI cloud services now covering sectors such as internet, frontier AI laboratories, embodied intelligence, autonomous driving, AI for Science, fintech, game, and audio and video, further diversifying its customer mix.

Business Outlook

In the first half of 2026, we continued to advance the implementation of our AI strategy and further strengthened the synergy of our office, online games, and cloud businesses within our overall AI strategic framework. Looking ahead, we will continue to prioritise AI as the core strategic direction, leveraging the application advantages of our office and online games businesses, together with Kingsoft Cloud's capabilities in AI infrastructure, platforms, and enterprise services, while actively exploring collaboration opportunities with the Xiaomi ecosystem in areas such as large language models, smart devices, and cloud services. The office business will continue to advance product innovation and commercialisation of AI-native office products across individual and organisational scenarios, while increasing investment in R&D and product resources. The online games business will continue to focus on core IPs and user ecosystem development, gradually improving operating performance through content iteration, technology upgrades, and operational optimisation, while prudently exploring new game categories. Kingsoft Cloud will seize growth opportunities arising from increasing AI cloud service demand, continuing to enhance computing power delivery and resources utilisation efficiency, and improving earnings quality and cash flow. We will measure the effectiveness of AI strategy through product, customer, and commercialisation outcomes, continuously enhancing long-term competitiveness and the Shareholders' value.

Second Quarter of 2026 Compared with Second Quarter of 2025 and First Quarter of 2026

	For the three months ended		
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)	31 March 2026 RMB'000 (Unaudited)
Revenue			
Office software and services	**1,700,038**	1,355,653	1,613,224
Online games and others	**810,381**	951,759	803,489
	2,510,419	2,307,412	2,416,713
Cost of revenue	**(538,780)**	(453,784)	(486,847)
Gross profit	**1,971,639**	1,853,628	1,929,866
Research and development costs	**(930,868)**	(853,753)	(941,761)
Selling and distribution expenses	**(384,518)**	(424,031)	(394,833)
Administrative expenses	**(187,431)**	(173,641)	(188,424)
Share-based compensation costs	**(93,694)**	(71,090)	(88,730)
Other income	**47,440**	53,909	79,298
Other expenses	**(3,900)**	(2,364)	(112)
Operating profit	**418,668**	382,658	395,304
Other gains, net	**42,748**	442,852	81,605
Finance income	**149,479**	165,505	145,793
Finance costs	**(2,511)**	(9,456)	(2,334)
Share of profits and losses of:			
Joint ventures	**251,346**	(7,637)	1,858,909
Associates	**263,614**	(170,109)	(110,897)
Profit before tax	**1,123,344**	803,813	2,368,380
Income tax expense	**(106,672)**	(104,251)	(229,578)
Profit for the period	**1,016,672**	699,562	2,138,802
Attributable to:			
Owners of the parent	**547,974**	532,440	1,091,302
Non-controlling interests	**468,698**	167,122	1,047,500
	1,016,672	699,562	2,138,802

Revenue

Revenue for the second quarter of 2026 increased 9% year-on-year and 4% quarter-on-quarter to RMB2,510.4 million. Revenue from office software and services, and online games and others represented 68% and 32% of the Group's total revenue for the second quarter of 2026, respectively.

Revenue from office software and services business for the second quarter of 2026 increased 25% year-on-year and 5% quarter-on-quarter to RMB1,700.0 million. The increases were mainly attributable to the growth across three principal businesses. The steady growth of WPS individual business was mainly driven by the continued integration of AI capabilities into core office scenarios, further enhancing user experience and product value and driving higher conversion rates. The robust year-on-year growth of WPS 365 business was primarily driven by AI-powered product upgrades, and the continued deployment of intelligent office solutions across key industries. The growth of WPS software business was primarily driven by sustained localisation demand and the continued adoption of digital and intelligent solutions by government and enterprise customers.

Revenue from online games and others business for the second quarter of 2026 decreased 15% year-on-year and increased 1% quarter-on-quarter to RMB810.4 million. The year-on-year decrease was mainly due to declined revenue from certain existing games, partially offset by the revenue contribution of Goose Goose Duck and certain other games.

Cost of Revenue and Gross Profit

Cost of revenue for the second quarter of 2026 increased 19% year-on-year and 11% quarter-on-quarter to RMB538.8 million. The increases were primarily due to greater usage of AI products features from office software and services business, and higher revenue sharing costs of online games business.

Gross profit for the second quarter of 2026 increased 6% year-on-year and 2% quarter-on-quarter to RMB1,971.6 million. The Group's gross profit margin decreased by one percentage point year-on-year and quarter-on-quarter to 79%.

R&D Costs

R&D costs for the second quarter of 2026 increased 9% year-on-year and decreased 1% quarter-on-quarter to RMB930.9 million. The year-on-year increase was mainly driven by increased headcount, reflecting continued investments in AI and collaboration capabilities of office software and services business.

Selling and Distribution Expenses

Selling and distribution expenses for the second quarter of 2026 decreased 9% year-on-year and 3% quarter-on-quarter to RMB384.5 million. The decreases were mainly due to lower marketing expenditures related to online games business, partially offset by higher headcount and personnel-related expenses, as well as increased promotional spending of office software and services business.

Administrative Expenses

Administrative expenses for the second quarter of 2026 increased 8% year-on-year and decreased 1% quarter-on-quarter to RMB187.4 million. The year-on-year increase was mainly due to greater personnel-related expenses of office software and services business.

Share-based Compensation Costs

Share-based compensation costs for the second quarter of 2026 increased 32% year-on-year and 6% quarter-on-quarter to RMB93.7 million. The increases were mainly due to the grants of awarded shares to the selected employees of certain subsidiaries of the Company.

Other Gains, net

Net other gains for the second quarter of 2026 were RMB42.7 million, compared with gains of RMB442.9 million and RMB81.6 million for the second quarter of 2025 and the first quarter of 2026, respectively. The gains in the second quarter of 2025 were mainly due to that we recognised gain on deemed disposal of Kingsoft Cloud as a result of the dilution impact of issue of new shares of it.

Share of Profits and Losses of Joint Ventures

Share of profits of joint ventures were RMB251.3 million for the second quarter of 2026, compared with losses of RMB7.6 million for the second quarter of 2025 and profits of RMB1,858.9 million for the first quarter of 2026, respectively. The profits in this quarter and the first quarter of 2026 were primarily due to the net unrealised gains on equity investments, which were excluded from our adjusted net profit attributable to owners of the parent.

Share of Profits and Losses of Associates

Share of profits of associates were RMB263.6 million for the second quarter of 2026, compared with losses of RMB170.1 million and RMB110.9 million for the second quarter of 2025 and first quarter of 2026, respectively. The profits in this quarter were primarily due to the net unrealised gains on equity investments, which were excluded from our adjusted net profit attributable to owners of the parent.

Income Tax Expense

Income tax expense for the second quarter of 2026 was RMB106.7 million, compared with income tax expense of RMB104.3 million and RMB229.6 million for the second quarter of 2025 and the first quarter of 2026, respectively.

Profit Attributable to Owners of the Parent

As a result of the reasons discussed above, profit attributable to owners of the parent was RMB548.0 million for the second quarter of 2026, compared with profit of RMB532.4 million and RMB1,091.3 million for the second quarter of 2025 and the first quarter of 2026, respectively.

Adjusted Net Profit Attributable to Owners of the Parent

Adjusted net profit attributable to owners of the parent for the second quarter of 2026 was RMB330.5 million, compared with profit of RMB240.7 million and RMB250.1 million for the second quarter of 2025 and the first quarter of 2026, respectively. The adjusted net profit margin attributable to owners of the parent was 13%, 10% and 10% for the second quarter of 2026, the second quarter of 2025 and the first quarter of 2026, respectively.

First Half of 2026 Compared with First Half of 2025

	For the six months ended 30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Revenue		
Office software and services	**3,313,262**	2,657,122
Online games and others	**1,613,870**	1,988,285
	4,927,132	4,645,407
Cost of revenue	**(1,025,627)**	(873,193)
Gross profit	**3,901,505**	3,772,214
Research and development costs	**(1,872,629)**	(1,681,606)
Selling and distribution expenses	**(779,351)**	(764,499)
Administrative expenses	**(375,855)**	(333,929)
Share-based compensation costs	**(182,424)**	(124,775)
Other income	**126,738**	123,029
Other expenses	**(4,012)**	(6,323)
Operating profit	**813,972**	984,111
Other gains, net	**124,353**	420,561
Finance income	**295,272**	353,182
Finance costs	**(4,845)**	(54,345)
Share of profits and losses of:		
Joint ventures	**2,110,255**	(19,966)
Associates	**152,717**	(322,833)
Profit before tax	**3,491,724**	1,360,710
Income tax expense	**(336,250)**	(152,584)
Profit for the period	**3,155,474**	1,208,126
Attributable to:		
Owners of the parent	**1,639,276**	816,314
Non-controlling interests	**1,516,198**	391,812
	3,155,474	1,208,126

Revenue

Revenue for the first half of 2026 increased 6% year-on-year to RMB4,927.1 million. Revenue from office software and services, and online games and others represented 67% and 33% of the Group's total revenue for the first half of 2026, respectively.

Revenue from office software and services business for the first half of 2026 increased 25% year-on-year to RMB3,313.3 million. Each of its key businesses achieved growth at varying rates. The steady growth of WPS individual business was primarily driven by enhanced AI capabilities, which improved user experience and product value, supporting higher conversion rates. The robust growth of WPS 365 business was mainly driven by continued AI-powered product upgrades and broader adoption of AI capabilities across enterprise use cases. The growth of WPS software business was primarily driven by the continued release of localisation demand and the further deployment of digital and intelligent solutions among government and enterprise customers.

Revenue from online games and others business for the first half of 2026 decreased 19% year-on-year to RMB1,613.9 million. The decrease was mainly due to declined revenue from certain existing games, partially offset by revenue contributions from new games.

Cost of Revenue and Gross Profit

Cost of revenue for the first half of 2026 increased 17% year-on-year to RMB1,025.6 million. The increase was mainly due to growing usage of AI product features and greater server and bandwidth costs from office software and services business, as well as higher revenue sharing costs from online games business.

Gross profit for the first half of 2026 increased 3% year-on-year to RMB3,901.5 million. The Group's gross profit margin decreased by two percentage points year-on-year to 79%, which was mainly due to the changes in revenue mix.

R&D Costs

R&D costs for the first half of 2026 increased 11% year-on-year to RMB1,872.6 million. The increase was primarily driven by increased headcount from office software and services business, reflecting its continued strategic investments in technology and product innovation.

Selling and Distribution Expenses

Selling and distribution expenses for the first half of 2026 increased 2% year-on-year to RMB779.4 million. The increase was mainly due to higher headcount and personnel-related expenses, as well as increased marketing expenditures for office software and services business, partially offset by decreased marketing expenditures related to online games business.

Administrative Expenses

Administrative expenses for the first half of 2026 increased 13% year-on-year to RMB375.9 million. The increase was mainly due to higher personnel-related expenses of office software and services business and increased depreciation arising from the completion and operation of Wuhan Campus.

Share-based Compensation Costs

Share-based compensation costs for the first half of 2026 increased 46% year-on-year to RMB182.4 million. The increase was mainly due to the grants of awarded shares to the selected employees of certain subsidiaries of the Company.

Other Gains, net

Net other gains for the first half of 2026 were RMB124.4 million, compared with gains of RMB420.6 million in the same period last year. The gains for the first half of 2025 were mainly due to that we recognised gain on deemed disposal of Kingsoft Cloud as a result of the dilution impact of issue of new shares of it.

Share of Profits and Losses of Joint Ventures

We recorded share of profits of joint ventures of RMB2,110.3 million for the first half of 2026, compared with losses of RMB20.0 million for the first half of 2025. The profits in the first half of 2026 were primarily due to the net unrealised gains on equity investments, which were excluded from our adjusted net profit attributable to owners of the parent.

Share of Profits and Losses of Associates

Share of profits of associates were RMB152.7 million for the first half of 2026, compared with losses of RMB322.8 million for the first half of 2025. The profits in the first half of 2026 were primarily due to the net unrealised gains on equity investments, which were excluded from our adjusted net profit attributable to owners of the parent.

Income Tax Expense

Income tax expense was RMB336.3 million and RMB152.6 million for the first half of 2026 and 2025, respectively. The increase was mainly due to the taxable temporary differences recognised associated to net unrealised gains on certain equity investments.

Profit Attributable to Owners of the Parent

As a result of the reasons discussed above, profit attributable to owners of the parent was RMB1,639.3 million for the first half of 2026, compared with profit of RMB816.3 million in the same period last year.

Adjusted Net Profit Attributable to Owners of the Parent

Adjusted net profit attributable to owners of the parent for the first half of 2026 was RMB580.6 million, compared with profit of RMB666.4 million in the same period last year. The adjusted net profit margin attributable to owners of the parent was 12% and 14% for the first half of 2026 and 2025, respectively.

Non-IFRS Measure: Adjusted Net Profit Attributable to Owners of the Parent

To supplement our consolidated results which are prepared and presented in accordance with all applicable IFRS Accounting Standards, we utilise non-IFRS adjusted net profit attributable to owners of the parent as an additional financial measure, which is defined as profit for the period attributable to owners of the parent before (i) share-based compensation costs, (ii) net fair value changes on investments, (iii) net foreign exchange differences, (iv) share of profits and losses of joint ventures and associates excluding Kingsoft Cloud Group, and (v) income tax effects of the non-IFRS adjustments.

We believe that the adjusted net profit attributable to owners of the parent will enable the investors to better understand the Group's overall operating performance, by eliminating any potential impact of items that our management does not consider to be indicative of our operating performance such as certain non-cash items and the impact of certain investment transactions. When assessing the Group's operating performance, investors should not consider this data in isolation or as a substitute for the Group's profit or any other operating performance measure that is calculated in accordance with IFRS Accounting Standards. In addition, the Group's adjusted net profit attributable to owners of the parent may not be comparable to similarly titled measures utilised by other companies.

The following tables set forth reconciliations of the Group's non-IFRS measures for the second quarter of 2026, the second quarter of 2025 and the first quarter of 2026, as well as the first half of 2026 and 2025, to the nearest measures prepared in accordance with IFRS Accounting Standards.

	For the three months ended		
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)	31 March 2026 RMB'000 (Unaudited)
Profit for the period	**1,016,672**	699,562	2,138,802
Adjusted for:			
Share-based compensation costs	**93,694**	71,090	88,730
Net fair value changes on investments[1]	**(10,660)**	(395,904)	(6,665)
Net foreign exchange differences	**(21,239)**	(29,831)	(52,141)
Share of profits and losses of joint ventures and associates excluding Kingsoft Cloud Group[2]	**(534,950)**	66,772	(1,827,948)
Income tax effects[3]	**57,550**	33,219	184,376
Adjusted net profit	**601,067**	444,908	525,154
Attributable to:			
Owners of the parent	**330,487**	240,721	250,088
Non-controlling interests	**270,580**	204,187	275,066

	For the six months ended	
	30 June 2026 RMB'000 (Unaudited)	30 June 2025 RMB'000 (Unaudited)
Profit for the period	**3,155,474**	1,208,126
Adjusted for:		
Share-based compensation costs	**182,424**	124,775
Net fair value changes on investments[1]	**(17,325)**	(356,600)
Net foreign exchange differences	**(73,380)**	(37,261)
Share of profits and losses of joint ventures and associates excluding Kingsoft Cloud Group[2]	**(2,362,897)**	159,542
Income tax effects[3]	**241,925**	27,700
Adjusted net profit	**1,126,221**	1,126,282
Attributable to:		
Owners of the parent	**580,575**	666,417
Non-controlling interests	**545,646**	459,865

Notes:

1. Net fair value changes on investments primarily include net fair value gains/(losses) on equity investments measured at fair value through profit or loss, net gains/(losses) on deemed disposals/disposals/partial disposals of investee companies, and the impairment provisions for investments. These items are unrelated to operating performance and subject to market fluctuations, and exclusion of which provides investors with more relevant and useful information to evaluate our performance.

2. Share of profits and losses of joint ventures and associates excluding Kingsoft Cloud Group includes all such items from investee entities except Kingsoft Cloud Group, as cloud business is one of our core businesses and should not be adjusted. In addition, adjustments related to share of losses of Kingsoft Cloud Group are measured based on its non-IFRS financial measures, whose calculation method is consistent with one of non-GAAP financial measures used by management of Kingsoft Cloud Group.

3. Income tax effects of non-IFRS adjustments.

Liquidity and Financial Resource

The Group had a strong cash position towards the end of Reporting Period. As at 30 June 2026, the Group had major financial resources in the forms of cash and bank deposits and restricted cash amounting to RMB24,494.1 million and RMB2.9 million, respectively, which together represented 58% of the Group's total assets.

As at 30 June 2026, the Group's gearing ratio, representing total liabilities divided by total assets, was 17%, which kept flat with that of 31 December 2025.

Note:
The cash resources which the Group considered in cash management include cash and bank deposits, restricted cash, part of financial assets at fair value through profit or loss, and financial assets at amortised cost. As at 30 June 2026, the aggregate amount of cash resources of the Group was RMB27,156.6 million.

Foreign Currency Risk Management

As at 30 June 2026, RMB3,795.5 million of the Group's financial assets were held in cash and bank deposits, financial assets at fair value through profit or loss, and financial assets at amortised cost denominated in non-RMB currencies. As there are no cost-effective hedges against the fluctuation of RMB, there is a risk that we may experience a loss as a result of any foreign currency exchange rate fluctuation in connection with our deposits and investments.

Net Cash Generated from Operating Activities

Net cash generated from the operating activities reflected the Group's profit for the six-month period mentioned above, as the case may be, as adjusted for non-cash items, such as share of profits and losses of joint ventures and associates, finance income, and share-based compensation costs, as well as the effect of changes in certain items of statement of financial position, such as contract liabilities, other payables and accruals.

Net cash generated from operating activities was RMB709.6 million and RMB664.9 million for the six months ended 30 June 2026 and 30 June 2025, respectively.

Capital Expenditures

Capital expenditures represent cash payments for fixed assets and intangible assets. Cash used for capital expenditures was RMB114.2 million and RMB202.6 million for the six months ended 30 June 2026 and 30 June 2025, respectively.

Material Investments

The Group's investments with a fair value of 5% or more of Group's total assets are considered as material investments. Set out below are certain information on the Group's material investments as at 30 June 2026:

Kingsoft Cloud

Kingsoft Cloud Group offers a comprehensive suite of cutting-edge cloud products and well-architected industry-specific solutions across public cloud and enterprise cloud services. It helps customers achieve digitalisation through its extensive cloud infrastructure, advanced cloud products based on its vigorous cloud technology R&D capabilities, industry-specific solutions and end-to-end fulfillment and deployment covering all project stages for customers. Following completion of the spin-off and separate listing on 8 May 2020, Kingsoft Cloud ceased to be a subsidiary and has been accounted as an associate of the Company. We continue to hold the investment in Kingsoft Cloud, as cloud business is one of our core businesses.

As at 30 June 2026, we held 1,492,621,584 shares of Kingsoft Cloud, which accounted for 32.94% of its voting power. The fair value of the equity interest of Kingsoft Cloud held by the Group was approximately RMB6,133.5 million (31 December 2025: RMB7,428.4 million) which was estimated based on the market price of Kingsoft Cloud, accounted for 14% (31 December 2025: 19%) of the Group's total assets. The carrying amount of the investment in Kingsoft Cloud was approximately RMB2,915.0 million (31 December 2025: RMB3,073.5 million), accounted for 7% (31 December 2025: 8%) of the Group's total assets. Net loss from Kingsoft Cloud for the first half of 2026 was RMB418.7 million (the first half of 2025: RMB802.3 million).

Beijing Shunjin Shunying Enterprise Management Partnership (Limited Partnership) ("Shunjin Shunying")

Shunjin Shunying is a joint venture of the Group and engaged in the investment business, focusing primarily on investments in enterprises in the large scale pre-trained model and artificial intelligence generative content ("**AIGC**") sectors from start-up to mature stages, and seeks to achieve long-term capital appreciation by acquiring, holding and disposing of equity interests in investee companies. The establishment of, and the scope of investments undertaken by, Shunjin Shunying are also in line with the AI strategy of the Group.

As at 30 June 2026, our investment cost in Shunjin Shunying was RMB700 million. We serve as the sole limited partner of Shunjin Shunying and hold 99.9986% of its partnership interests. Pursuant to the partnership agreement of Shunjin Shunying, decisions on matters such as initial investments, follow-on investments or exits require the unanimous consent of all partners. Accordingly, the Group is able to exercise significant influence over Shunjin Shunying, which is therefore accounted for as a joint venture. The fair value of the partnership interest of Shunjin Shunying held by the Group was approximately RMB3,047.6 million (31 December 2025: RMB923.3 million), accounted for 7% (31 December 2025: 2%) of the Group's total assets. Net gain from Shunjin Shunying for the first half of 2026 was RMB2,124.2 million (the first half of 2025: RMB1.3 million).

Save for the disclosures set out above, there were no other material investments as at 30 June 2026.

Future Plans for Material Investments or Capital Assets

As of 30 June 2026, we did not have any plans for material investments or capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

In the first half of 2026, we did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

OTHER INFORMATION

Directors' and Chief Executive's Interests in Securities

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company and their respective associates in the shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of the SFO which (a) were 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 under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Interests in the Shares and underlying Shares

Name of Directors	Capacity	Number of Shares interested	% of the total number of issued Shares (Note 1)	Nature of Shares interested
Jun LEI	Interest of controlled corporation	273,005,848	19.76	Long position
	Other	90,000,000	6.51	Long position
	Total	363,005,848 (Note 2)	26.27	Long position
Pak Kwan KAU	Interest of controlled corporation	90,000,000 (Note 3)	6.51	Long position
Tao ZOU	Beneficial owner	10,788,907	0.78	Long position

Notes:

1. % of the total number of issued Shares was calculated on basis of the total number of issued Shares as at 30 June 2026, which was 1,381,814,510.

2. As at 30 June 2026, among these 363,005,848 Shares, (i) 174,818,191 Shares are held by Color Link Management Limited, a British Virgin Islands company owned as to 100% by Mr. Jun LEI; (ii) 98,187,657 Shares are held by wholly-owned subsidiaries of Xiaomi, a company controlled by Mr. Jun LEI under the SFO; and (iii) 90,000,000 Shares are deemed to be interested by Mr. Jun LEI under the SFO because under a voting consent agreement and its supplemental agreement entered into by Mr. Jun LEI and Mr. Pak Kwan KAU, Mr. Pak Kwan KAU would vote in the same way as Mr. Jun LEI with these Shares.

3. As at 30 June 2026, these Shares are held by Topclick Holdings Limited, a British Virgin Islands company wholly owned by Mr. Pak Kwan KAU. In addition, Mr. Jun LEI is also deemed to be interested in these Shares under the SFO because under a voting consent agreement and its supplemental agreement entered into by Mr. Jun LEI and Mr. Pak Kwan KAU, Mr. Pak Kwan KAU would vote in the same way as Mr. Jun LEI with these Shares.

Interests in the shares and underlying shares of associated corporations of the Company

Seasun Holdings (Note 1)

Name of Director	Capacity	Number of shares interested	% of issued share capital in class (Note 2)	Nature of shares interested
Tao ZOU	Beneficial owner	18,123,462	1.97	Long position

Notes:

1. Seasun Holdings is a non-wholly owned subsidiary of the Company.
2. % of issued share capital in class was calculated on basis of the issued ordinary shares of Seasun Holdings as at 30 June 2026, which was 920,289,438.

Kingsoft Cloud (Note 1)

Name of Director	Capacity	Number of shares interested	% of issued share capital in class (Note 2)	Nature of shares interested
Tao ZOU	Beneficial owner	2,000,000	0.04	Long position

Notes:

1. Kingsoft Cloud is owned as to 32.94% by the Company as at 30 June 2026 and an associated corporation of the Company.
2. % of issued share capital in class was calculated on basis of the issued ordinary shares of Kingsoft Cloud as at 30 June 2026, which was 4,531,784,801.

Cheetah Mobile (Note 1)

Name of Director	Capacity	Number of shares interested	% of issued share capital in class (Note 2)	Nature of shares interested
Jun LEI (Note 3)	Interest of controlled corporation	17,660,264	3.41	Long position

Notes:

1. The Company held 42.90% ownership interest and 23.92% voting power of Cheetah Mobile as at 30 June 2026, which is listed on the NYSE.
2. % of issued share capital in class was calculated on basis of the issued Class A Cheetah Shares as at 30 June 2026, which was 518,104,900.
3. Among these 17,660,264 shares, (i) 14,285,714 shares are held by Xiaomi, a company owned as to more than 30% voting power by Mr. Jun LEI under the SFO; (ii) 3,374,550 shares are held by Team Guide Limited, a wholly-owned subsidiary of Techno Frontier Investments Limited. The entire interests in Techno Frontier Investments Limited are held by ARK Trust (Hong Kong) Limited as trustee for the trusts established by Mr. Jun LEI (as settlor) for the benefit of Mr. Jun LEI and his family.

Save as disclosed above, none of the Directors or chief executive of the Company and their associates, had interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations as at 30 June 2026.

Share Scheme

2024 Share Scheme

The 2024 Share Scheme was approved and adopted at the annual general meeting by the Shareholders on 23 May 2024. The purpose of the 2024 Share Scheme is to provide incentives or rewards to eligible participants thereunder for their contribution to the Group and to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The eligible participants comprise the employee participants, the related entity participants and the service provider or with the approval of the Board or the Scheme Administrator, any special-purpose vehicle (such as a trust or a private company) that is set up for the only purpose of holding the options or awards on behalf of any eligible participant or a group thereof. Under the 2024 Share Scheme, the Board may at its absolute discretion determine, subject to the Listing Rules, the eligibility of the participants, the number of Shares to be comprised in the options or awards, performance targets, the exercise period and vesting period of options or awards. The maximum number of new Shares issuable under the 2024 Share Scheme and any other schemes of the Company (if any) in aggregate will be 133,916,711 Shares, being 10% of the total number of Shares in issue on 23 May 2024 (excluding any treasury shares) (the "**Scheme Mandate Limit**"). For the avoidance of doubt, the total number of new Shares which may be issued in respect of all options and awards to be granted under all share schemes of the Company which are funded by issue of new Shares (including the 2024 Share Scheme) must not exceed 10% of the Shares in issue (excluding any treasury shares) as at the date of approval by the Shareholders of a share scheme or a refreshment of scheme mandate under a share scheme, whichever is the latest. Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to service provider participants under the 2024 Share Scheme shall not exceed 13,391,671 Shares, being 1% of the total number of Shares in issue on 23 May 2024 (the "**Service Provider Sublimit**"). As of 1 January 2026, 133,916,711 Shares and 13,391,671 Shares were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively. As of 30 June 2026, 133,666,711 Shares and 13,391,671 Shares were available for grant under the Scheme Mandate Limit and the Service Provider Sublimit, respectively. The number of Shares that may be issued in respect of awards and upon exercise of the share options granted under the 2024 Share Scheme during the Reporting Period divided by the weighted average number of the number of Shares in issue for the Reporting Period was 0.02%. Please refer to the circular of the Company dated 30 April 2024 and note 13 to the financial statements for details of 2024 Share Scheme.

The changes in the outstanding awarded shares under the 2024 Share Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of awarded shares in the first half of 2026					
Grantee/Participant	**Date of grant**	**Vesting period**	**Outstanding as at 1 Jan 2026**	**Granted**	**Vested**	**Lapsed**	**Cancelled**	**Outstanding as at 30 Jun 2026**
Other employees	3 September 2024	10 February 2025~ 10 February 2029	1,211,805	—	(299,576)	(21,089)	—	891,140
Other employees	21 August 2025	10 February 2026~ 1 April 2030	2,621,445	—	(517,722)	(40,988)	—	2,062,735
Other employees	13 January 2026	10 February 2026~ 10 February 2030	—	234,500	(51,936)	(8,525)	—	174,039
Other employees	4 June 2026	1 June 2027~ 1 June 2031	—	250,000	—	—	—	250,000
Total			**3,833,250**	**484,500**	**(869,234)**	**(70,602)**	**—**	**3,377,914**

Note:

1. The weighted average closing price of the Shares immediately before the date on which the share awards were vested during the Reporting Period under the 2024 Share Scheme (i.e., 10 February 2026, 10 February 2026, 10 February 2026, 1 April 2026, and 1 April 2026) is HK$26.95.

The fair values of the awarded Shares granted on 13 January 2026 and 4 June 2026 under the 2024 Share Scheme were RMB6,408,000 and RMB4,751,000, respectively, which were calculated based on the closing prices of the Shares on the respective grant dates. The closing prices of the Shares immediately before the above grant dates were HK$31.94 and HK$22.36, respectively. No performance target is attached to such awarded Shares granted. Please refer to note 13 to the financial statements for details of accounting standards and policies for the fair value of awards granted as at the dates of grant. The grantees are not required to pay any purchase price for such awarded Shares granted during the reporting period.

The following share options were outstanding under the 2024 Share Scheme during the six months ended 30 June 2026.

Name or category of participant	Vesting period	Exercise period	Number of share options At 1 Jan 2026	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30 Jun 2026	Date of grant of share options	Exercise price of share options HK$ per share
Other employees	12 June 2027~ 12 June 2031	12 June 2027~ 12 June 2036	—	250,000	—	—	—	250,000	12 June 2026	23.48
Total			**—**	**250,000**	**—**	**—**	**—**	**250,000**		

Note:

1. The weighted average closing price of the Shares immediately before the date on which the options granted under the 2024 Share Scheme (i.e., 12 June 2026) is HK$23.80.

The fair value of the share options granted on 12 June 2026 under the 2024 Share Scheme was RMB5,098,000, which was calculated based on the closing price of the Shares on the grant date. The closing price of the Shares immediately before the above grant date was HK$23.80. For the performance targets, please refer to the Company's announcement dated 12 June 2026. Please refer to note 13 to the financial statements for details of accounting standards and policies for the fair value of share options granted as at the date of grant. The grantee shall pay HK$1.00 upon acceptance of the grant of the share options.

Share Option Schemes

2011 Share Option Scheme

The Company operates the 2011 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants. Eligible participants of the 2011 Share Option Scheme include (a) employee(s) (whether full time or part time employee(s), including any executive director but not any non-executive director); and (b) any non-executive director (including independent non-executive directors) of the Group or any invested entity. The 2011 Share Option Scheme became effective on 9 December 2011 and expired on 8 December 2021, thus, there were no share options available for grant under the 2011 Share Option Scheme as at 1 January 2026 or 30 June 2026. The number of Shares that may be issued upon exercise of the share options granted under the 2011 Share Option Scheme during the Reporting Period divided by the weighted average number of the number of Shares in issue for the Reporting Period was 0.

The following share options were outstanding under the 2011 Share Option Scheme during the six months ended 30 June 2026.

Name or category of participant	Vesting period	Exercise period	Number of share options At 1 Jan 2026	Granted during the period	Exercised during the period	Lapsed during the period	Cancelled during the period	At 30 Jun 2026	Date of grant of share options	Exercise price of share options HK$ per share
Executive Director										
Tao ZOU	1 December 2017~ 1 December 2021	1 December 2017~ 20 April 2027	2,529,800	—	—	—	—	2,529,800	21 April 2017	20.25
Total			**2,529,800**	**—**	**—**	**—**	**—**	**2,529,800**		

2021 Share Option Scheme

On 9 December 2021, the Company adopted the 2021 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, recruiting and retaining high-calibre employees and attracting valuable human resources in the anticipation of the expiration of the 2011 Share Option Scheme. No further options may be granted under the 2021 Share Option Scheme since the adoption of the 2024 Share Scheme. Therefore, the number of share options available for future grant under the 2021 Share Option Scheme as at 1 January 2026 and 30 June 2026 was 0 and 0. For details, please refer to the circular of the Company dated 30 April 2024. The number of Shares that may be issued upon exercise of the share options granted under the 2021 Share Option Scheme during the Reporting Period divided by the weighted average number of the number of Shares in issue for the Reporting Period was 0.

The following share options were outstanding under the 2021 Share Option Scheme during the six months ended 30 June 2026.

			Number of share options							
Name or category of participant	**Vesting period**	**Exercise period**	**At 1 Jan 2026**	**Granted during the period**	**Exercised during the period**	**Lapsed during the period**	**Cancelled during the period**	**At 30 Jun 2026**	**Date of grant of share options**	**Exercise price of share options HK$ per share**
Executive Director										
Tao ZOU	4 July 2023~ 4 July 2027	4 July 2023~ 3 July 2032	5,500,000	—	—	—	—	5,500,000	4 July 2022	31.69
Total			**5,500,000**	**—**	**—**	**—**	**—**	**5,500,000**		

The number of Shares that may be issued in respect of awards and upon exercise of the share options granted under the 2024 Share Scheme, 2011 Share Option Scheme and 2021 Share Option Scheme during the Reporting Period divided by the weighted average number of the number of Shares in issue for the Reporting Period was 0.02%.

Seasun Holdings Share Option Scheme

On 27 June 2013, the Shareholders and Seasun Holdings, approved and adopted the Seasun Holdings Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Seasun Holdings, its subsidiaries or its invested entities are entitled to participate. The Seasun Holdings Share Option Scheme will remain in force for 10 years from 27 June 2013. The Seasun Holdings Share Option Scheme was amended and refreshed on 26 December 2016 and 24 May 2017, and was expired on 26 June 2023.

The Seasun Holdings Share Option Scheme is not a share option scheme of the Company or a principal subsidiary of the Company, therefore, it does not constitute a share scheme subject to Chapter 17 of the Listing Rules.

More details regarding the share option schemes are set out in note 13 to the financial statements.

Share Award Schemes

Share Award Scheme

The Share Award Scheme was adopted by the Board on 31 March 2008. On 5 July 2021, the Board resolved to amend certain provisions of the Share Award Scheme to, among others, (i) allow the Company to allot and issue new Shares as the awarded shares, and (ii) extend the termination date of the Share Award Scheme to 30 March 2027. For details of the amendments to the Share Award Scheme, please refer to the announcement of the Company dated 5 July 2021.

The purpose of the Share Award Scheme is to recognise the contributions by certain employees (including without limitation to employees who are also directors) of the Group and to give incentives thereto in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its absolute discretion and subject to such terms and conditions as it may think fit (including the basis of eligibility of each employee determined by the Board from time to time) select an employee for participation in the Share Award Scheme and determine the number of Shares to be awarded. The vesting period of the awarded shares granted under the Share Award Scheme is determined at the discretion of the Board and varied from one to five years. The Board shall not grant any award of Shares which would result in the total number of Shares which are the subject of awards granted by the Board under the Share Award Scheme (but not counting any which have lapsed or have been cancelled) representing in aggregate over 10% of the issued Shares as at the date of such grant. No further awards may be granted under the Share Award Scheme since the adoption of the 2024 Share Scheme. Therefore, the number of share awards available for future grant under the Share Award Scheme as at 1 January 2026 and 30 June 2026 was 0 and 0. For details, please refer to the circular of the Company dated 30 April 2024. The number of Shares that may be issued in respect of awards granted under the Share Award Scheme during the Reporting Period divided by the weighted average number of Shares in issue (excluding treasury shares) for the Reporting Period was 0.

No award of shares shall be granted to any grantee which would result in the maximum number of awarded shares which are the subject of the awards of Shares granted to such grantee (including any which have lapsed or have been forfeited) under the Share Award Scheme in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the issued share capital of the Company as at the date of such grant. Such Shares will be acquired at the cost of the Company and therefore the grantee is not required to pay any purchase price for such Shares. In addition, the grantee is not required to pay any amount for accepting the awarded shares granted.

The changes in the outstanding awarded shares under the Share Award Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of awarded shares in the first half of 2026					
Grantee/Participant	**Date of grant**	**Vesting period**	**Outstanding as at 1 Jan 2026**	**Granted**	**Vested**	**Lapsed**	**Cancelled**	**Outstanding as at 30 Jun 2026**
Executive director								
Tao ZOU	1 July 2022	1 July 2023~ 1 July 2027	880,000	—	—	—	—	880,000
Subtotal for director			**880,000**	**—**	**—**	**—**	**—**	**880,000**
Other employees	25 March 2022	25 March 2023~ 25 March 2027	8,320	—	(4,160)	—	—	4,160
Other employees	19 July 2022	19 July 2023~ 19 July 2027	160,000	—	—	—	—	160,000
Other employees	27 March 2023	27 March 2023~ 27 March 2026	2,280	—	(2,280)	—	—	—
Other employees	27 March 2023	27 March 2024~ 27 March 2028	30,240	—	(10,080)	—	—	20,160
Other employees	21 April 2023	10 February 2024~ 10 February 2028	184,194	—	(61,401)	—	—	122,793
Other employees	20 October 2023	10 February 2024~ 10 February 2028	712,447	—	(237,478)	—	—	474,969
Other employees	1 December 2023	1 December 2024~ 1 December 2028	198,000	—	—	—	—	198,000
Other employees	4 December 2023	10 February 2024~ 10 February 2028	63,782	—	(21,260)	—	—	42,522
Other employees	21 March 2024	21 March 2025~ 21 March 2029	91,200	—	(22,800)	(4,800)	—	63,600
Subtotal for other employees			**1,450,463**	**—**	**(359,459)**	**(4,800)**	**—**	**1,086,204**
Total			**2,330,463**	**—**	**(359,459)**	**(4,800)**	**—**	**1,966,204**

Note:

1. The weighted average closing price of the Shares immediately before the dates on which the awarded shares were vested during the Reporting Period under the Share Award Scheme (i.e., 10 February 2026, 10 February 2026, 10 February 2026, 21 March 2026, 25 March 2026, 27 March 2026 and 27 March 2026) is HK$26.92.

Kingsoft Office Share Award Schemes

For the purpose of providing incentives and rewards to eligible participants, including the senior management, core management personnel, technical backbones of the Kingsoft Office Group as determined by the board of Kingsoft Office (as the case may be), the shareholders of Kingsoft Office approved and adopted the 2022 Kingsoft Office Share Award Scheme on 28 April 2022, approved and adopted the 2023 Kingsoft Office Share Award Scheme on 6 June 2023, approved and adopted the 2024 Kingsoft Office Share Award Scheme on 28 May 2024, approved and adopted the 2025 Kingsoft Office Share Award Scheme on 4 June 2025, and approved and adopted the 2026 Kingsoft Office Share Award Scheme on 1 June 2026, in which selected employees of Kingsoft Office Group are entitled to participate. The participants of Kingsoft Office Share Award Schemes are not required to pay any amount for accepting the awarded shares of Kingsoft Office granted under the Kingsoft Office Share Award Schemes. The Kingsoft Office Share Award Schemes are valid and effective from the grant date of the share awards to the date when all the granted share awards are vested or lapsed, which should be no longer than 60 months. The vesting periods under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, 2025 Kingsoft Office Share Award Scheme, and 2026 Kingsoft Office Share Award Scheme are determinable by the board of directors of Kingsoft Office, and varied from 1 to 3.5 years, 1 to 3 years, 1 to 3 years, 1 to 5 years, and 1 to 3 years, respectively. The exercise period of the restricted shares granted under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, 2025 Kingsoft Office Share Award Scheme, and 2026 Kingsoft Office Share Award Scheme shall be at any time after the end of the vesting period and before the first anniversary of the vested date.

The shares of Kingsoft Office that the directors of Kingsoft Office are authorised to issue under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, 2025 Kingsoft Office Share Award Scheme, and 2026 Kingsoft Office Share Award Scheme are up to 1,000,000 shares, 1,000,000 shares, 997,000 shares, 3,460,000 shares, and 1,000,000 shares representing approximately 0.22%, 0.22%, 0.21%, 0.75%, and 0.22% of the total issued share capital of Kingsoft Office as at 30 June 2026, respectively. As at 1 January 2026, the 2026 Kingsoft Office Share Award Scheme was not yet adopted, and the number of awards available for future grant under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme was 0, 0, 0, and 0, respectively. As at 30 June 2026, the number of awards available for future grant under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, 2025 Kingsoft Office Share Award Scheme, and 2026 Kingsoft Office Share Award Scheme was 0, 0, 0, 0, and 200,000 shares, respectively. The number of shares that may be issued in respect of awards granted under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, 2025 Kingsoft Office Share Award Scheme, and 2026 Kingsoft Office Share Award Scheme during the Reporting Period divided by the weighted average number of shares in issue for the Reporting Period was 0, 0, 0, 0, and approximately 0.17%, respectively.

The number of share awards granted to any grantee through all the share award schemes of Kingsoft Office within the validity period shall not exceed 1% of the total issued shares of Kingsoft Office as at the date that the share award scheme is submitted to the shareholders' meeting of Kingsoft Office for consideration. The grant price of the restricted shares granted under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, 2025 Kingsoft Office Share Award Scheme, and 2026 Kingsoft Office Share Award Scheme is RMB45.86, RMB150.00, RMB146.74, RMB151.46, and RMB125.58 respectively, i.e., the grantees who have satisfied the conditions of grant and conditions of vesting shall have the right to subscribe for the restricted shares to be issued by the Kingsoft Office to them at such prices. The grantee is not required to pay any amount for accepting the awarded shares granted under the Kingsoft Office Share Award Schemes. An independent pricing methodology is adopted for determining the grant price of the restricted shares, the grant price and pricing methodology. Kingsoft Office has arrived at the grant price and pricing methodology upon taking into account factors including the prevailing market price per share of Kingsoft Office, the roles and responsibilities of the incentive participants, the effectiveness of the incentive scheme and the impact of the share payment costs of Kingsoft Office. As a result of the dividend distributions, the grant price of the restricted shares under the 2022 Kingsoft Office Share Award Scheme, 2023 Kingsoft Office Share Award Scheme, 2024 Kingsoft Office Share Award Scheme, and 2025 Kingsoft Office Share Award Scheme have been adjusted to RMB42.65, RMB147.49, RMB144.96, and RMB150.56, respectively, as of the date of this interim report.

The changes in the outstanding restricted shares under the 2022 Kingsoft Office Share Award Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of restricted shares in the first half of 2026					
Grantee/Participant	Date of grant	Exercise period	Outstanding as at 1 Jan 2026	Granted	Exercised	Lapsed	Cancelled	Outstanding as at 30 Jun 2026
Other employees	29 April 2022	29 April 2023~ 29 October 2026	2,210	—	(2,210)	—	—	—
Other employees	28 December 2022	28 December 2023~ 28 December 2026	62,050	—	(62,050)	—	—	—
Total			**64,260**	**—**	**(64,260)**	**—**	**—**	**—**

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the dates on which the restricted shares were exercised under the 2022 Kingsoft Office Share Award Scheme (i.e., 3 February 2026 and 3 February 2026) is RMB322.65.
2. During the Reporting Period, none of restricted shares were vested, and 64,260 restricted shares were exercised. For details, please refer to note 13 to the financial statements.
3. As at 1 January 2026, all restricted shares have been vested therefore the vesting period is not applicable.

The changes in the outstanding restricted shares under the 2023 Kingsoft Office Share Award Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of restricted shares in the first half of 2026					
Grantee/Participant	Date of grant	Exercise period	Outstanding as at 1 Jan 2026	Granted	Exercised	Lapsed	Cancelled	Outstanding as at 30 Jun 2026
Other employees	6 June 2023	6 June 2024~ 6 June 2027	247,622	—	(244,732)	(2,890)	—	—
Other employees	28 December 2023	28 December 2024~ 28 December 2027	131,052	—	(64,548)	—	—	66,504
Total			**378,674**	**—**	**(309,280)**	**(2,890)**	**—**	**66,504**

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the date on which the restricted shares were exercised under the 2023 Kingsoft Office Share Award Scheme (i.e., 3 February 2026 and 11 June 2026) is RMB236.87.
2. During the Reporting Period, 244,732 restricted shares were vested, and 309,280 restricted shares were exercised. For details, please refer to note 13 to the financial statements.
3. The vesting periods of the outstanding restricted shares granted under the 2023 Kingsoft Office Share Award Scheme was 3 years.

The changes in the outstanding restricted shares under the 2024 Kingsoft Office Share Award Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of restricted shares in the first half of 2026					
Grantee/Participant	**Date of grant**	**Exercise period**	**Outstanding as at 1 Jan 2026**	**Granted**	**Exercised**	**Lapsed**	**Cancelled**	**Outstanding as at 30 Jun 2026**
Other employees	29 May 2024	29 May 2025~ 29 May 2028	511,880	—	(244,365)	(11,665)	—	255,850
Other employees	27 December 2024	27 December 2025~ 27 December 2028	194,000	—	(64,020)	(3,015)	—	126,965
Total			**705,880**	**—**	**(308,385)**	**(14,680)**	**—**	**382,815**

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the date on which the restricted shares were exercised under the 2024 Kingsoft Office Share Award Scheme (i.e., 3 February 2026, 10 June 2026 and 11 June 2026) is RMB244.36.

2. During the Reporting Period, 244,365 restricted shares were vested, and 308,385 restricted shares were exercised. For details, please refer to note 13 to the financial statements.

3. The vesting periods of the outstanding restricted shares granted under the 2024 Kingsoft Office Share Award Scheme were various from 2 to 3 years.

The changes in the outstanding restricted shares under the 2025 Kingsoft Office Share Award Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of restricted shares in the first half of 2026					
Grantee/Participant	**Date of grant**	**Exercise period**	**Outstanding as at 1 Jan 2026**	**Granted**	**Exercised**	**Lapsed**	**Cancelled**	**Outstanding as at 30 Jun 2026**
Other employees	4 June 2025	4 June 2026~ 4 June 2031	2,771,500	—	(355,310)	(10,300)	—	2,405,890
Other employees	29 December 2025	29 December 2026~ 29 December 2031	669,000	—	—	(28,000)	—	641,000
Total			**3,440,500**	**—**	**(355,310)**	**(38,300)**	**—**	**3,046,890**

Notes:

1. The weighted average closing price of the shares of Kingsoft Office immediately before the date on which the restricted shares were exercised under the 2025 Kingsoft Office Share Award Scheme (i.e., 11 June 2026) is RMB214.25.

2. During the Reporting Period, 355,310 restricted shares were vested and exercised. For details, please refer to note 13 to the financial statements.

3. The vesting periods of the outstanding restricted shares granted under the 2025 Kingsoft Office Share Award Scheme were various from 1 to 5 years.

The changes in the outstanding restricted shares under the 2026 Kingsoft Office Share Award Scheme in the first half of 2026 are summarised as follows:

			Changes in the number of restricted shares in the first half of 2026					
Grantee/Participant	Date of grant	Exercise period	Outstanding as at 1 Jan 2026	Granted	Exercised	Lapsed	Cancelled	Outstanding as at 30 Jun 2026
Other employees	1 June 2026	1 June 2027~ 1 June 2030	—	800,000	—	(12,700)	—	787,300
Total			**—**	**800,000**	**—**	**(12,700)**	**—**	**787,300**

Notes:

1. During the Reporting Period, no restricted shares were vested or exercised. For details, please refer to note 13 to the financial statements.
2. The vesting periods of the outstanding restricted shares granted under the 2026 Kingsoft Office Share Award Scheme were various from 1 to 3 years.

During the six months ended 30 June 2026, the fair value of the restricted shares granted on 1 June 2026 under the 2026 Kingsoft Office Share Award Scheme was RMB111,727,000, which was estimated by management on the grant date. The closing price of the shares immediately before the above date on which the awards were granted was RMB238.50.

Grantee/Participant	Date of grant	Total number granted	Fair value of restricted shares granted RMB'000
Other employees	1 June 2026	800,000	111,727
Total		**800,000**	**111,727**

Note: Please refer to note 13 to the financial statements for details of accounting standards and policies for the fair value of restricted shares granted as at the respective date of grant.

Under the 2026 Kingsoft Office Share Award Scheme, vesting of the restricted shares granted during the period ended 30 June 2026 is subject to the achievement of certain pre-established performance targets, such as the growth rate of overseas operating revenue and the growth rate of operating revenue from WPS 365 business of Kingsoft Office Group at the company's level and individual performance assessment at the participant's level. Kingsoft Office will determine the company-level vesting ratio and the participant-level vesting ratio according to the results of the relevant performance assessments at the company's level and participant's level. For details of the performance targets at the company's level and the participant's level, please refer to the Company's announcement dated 1 June 2026. The number of restricted shares that may actually be vested to the participants in the relevant year shall be calculated based on the following formula: the number of restricted shares planned to be vested to the participants in the current year x the company-level vesting ratio x the participant-level vesting ratio.

If the restricted shares to be vested to such grantees for a vesting period cannot be vested due to assessment reasons, the restricted shares shall lapse and be cancelled by Kingsoft Office and shall not be deferred to the following years.

Seasun Holdings Share Award Scheme

On 21 March 2017, the shareholders and directors of Seasun Holdings approved and adopted the General Share Award Scheme, the Special Share Award Scheme (A) and the Special Share Award Scheme (B) in which selected employees of Seasun Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Seasun Holdings, the Seasun Holdings Share Award Scheme is valid and effective for a term of ten years commencing from 21 March 2017. The directors of Seasun Holdings are authorised to issue up to 50,832,211 shares, among which the total number of shares pursuant to the Special Share Award Scheme (A) shall be no greater than 3,138,889 and the total number of shares pursuant to the General Share Award Scheme and the Special Share Award Scheme (B) shall be no greater than 47,693,322, as at the date of such grant.

Kingsoft Shiyou Holdings Share Award Scheme

On 13 April 2022, the shareholders and directors of Kingsoft Shiyou Holdings approved and adopted the General Share Award Scheme and the Special Share Award Scheme in which selected employees of Kingsoft Shiyou Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Kingsoft Shiyou Holdings, the Kingsoft Shiyou Holdings Share Award Scheme is valid and effective for a term of ten years commencing from 13 April 2022. The directors of Kingsoft Shiyou Holdings are authorised to issue up to 50,000,000 shares pursuant to the General Share Award Scheme and the Special Share Award Scheme as at the date of such grant. On 27 May 2026, the shareholders and directors of Kingsoft Shiyou Holdings approved amendments to the General Share Award Scheme and the Special Share Award Scheme to increase the aggregate share limit from 50,000,000 shares to not more than 67,357,222 shares.

Both the Seasun Holdings Share Award Scheme and Kingsoft Shiyou Holdings Share Award Scheme are not share award schemes of the Company or its principal subsidiary, therefore, none of the Seasun Holdings Share Award Scheme and Kingsoft Shiyou Holdings Share Award Scheme constitute a share award scheme subject to Chapter 17 of the Listing Rules.

More details regarding the share award schemes, including the accounting standard and policy adopted, are set out in note 13 to the financial statements.

Substantial Shareholders

As at 30 June 2026, as far as the Directors are aware of, the following, other than the Directors or chief executive of the Company, had an interest in the Shares or underlying Shares which would 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 kept by the Company under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the issued capital of the Company:

Interests in the Shares and underlying Shares

Name of substantial shareholders	Capacity	Number of Shares interested	% of the total number of issued Shares (Note 1)	Nature of Shares interested
Color Link Management Limited (Note 2)	Beneficial owner	174,818,191	12.65	Long position
Xiaomi (Note 3)	Interest of controlled corporation	98,187,657	7.11	Long position
Fast Pace Limited	Beneficial owner	35,298,057	2.55	Long position
	Interest of controlled corporation (Note 4)	62,889,600	4.55	Long position
	Total	98,187,657	7.11	Long position
Tencent Holdings Limited (Note 5)	Interest of controlled corporation	96,091,515	6.95	Long position
Topclick Holdings Limited (Note 6)	Beneficial owner	90,000,000	6.51	Long position

Notes:

1. % of the total number of issued Shares was calculated on basis of the total number of issued Shares as at 30 June 2026, which was 1,381,814,510. Any discrepancies between total and sum of percentage listed therein are due to rounding.

2. Mr. Jun LEI is deemed to be interested in Color Link Management Limited's interests in the Company pursuant to Part XV of the SFO because Color Link Management Limited is wholly owned by Mr. Jun LEI.

3. These Shares are held by Fast Pace Limited and Green Better Limited, each being a wholly-owned subsidiary of Xiaomi. Accordingly, Xiaomi is deemed to be interested in Fast Pace Limited and Green Better Limited's interests in the Company pursuant to Part XV of the SFO. In addition, Mr. Jun LEI is deemed to be interested in Xiaomi's interests in the Company pursuant to Part XV of the SFO because Xiaomi is controlled by Mr. Jun LEI under the SFO.

4. These Shares are held by Green Better Limited, a wholly-owned subsidiary of Fast Pace Limited. As such, Fast Pace Limited is deemed to be interested in Green Better Limited's interests in the Company pursuant to Part XV of the SFO.

5. These shares are held by TCH Saffron Limited, a wholly-owned subsidiary of Tencent Holdings Limited. As such, Tencent Holdings Limited, MIH TC Holdings Limited and Naspers Limited, its beneficial owners, are deemed to be interested in TCH Saffron Limited's interests in the Company pursuant to Part XV of the SFO.

6. As at 30 June 2026, these Shares are held by Topclick Holdings Limited, a British Virgin Islands company wholly owned by Mr. Pak Kwan KAU. In addition, Mr. Jun LEI is also deemed to be interested in these shares under the SFO because under a voting consent agreement and its supplemental agreement entered into by Mr. Jun LEI and Mr. Pak Kwan KAU, Mr. Pak Kwan KAU would vote in the same way as Mr. Jun LEI with these Shares.

Save as disclosed above, the Directors confirm that they are not aware of any other person who has beneficial interests or short positions in any of the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, directly or indirectly, be interested in 5% or more of the nominal value of the Shares carrying the right to vote in all circumstances at general meetings of the Company.

Employee and Remuneration Policies

As at 30 June 2026, the Group had 9,067 full-time employees (30 June 2025: 8,471), inclusive of all its staff in China and overseas offices, most of whom are based in Beijing, Zhuhai and Wuhan, the PRC. The number of employees employed by the Group varies from time to time depending on business needs. Employee remuneration is determined in accordance with prevailing industry practice and employees' educational backgrounds, experiences and performance. The remuneration policy and package of the Group's employees are periodically reviewed. Apart from pension funds, in-house training programs, discretionary bonuses, medical insurance and mandatory provident fund, share awards and share options may be granted to employees according to the assessment of individual performance.

The total remuneration cost incurred by the Group for the six months ended 30 June 2026 was RMB2,385.4 million (for the six months ended 30 June 2025: RMB2,160.5 million).

Directors' Remuneration

Please refer to note 17 to the financial statements for details of the Directors' remuneration.

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

In February 2026, the Company repurchased 6,899,600 of the ordinary Shares on the Stock Exchange at a price range from HK$26.8 to HK$29.34. In March 2026, the Company repurchased 2,214,800 of the ordinary Shares on the Stock Exchange at a price range from HK$22.26 to HK$22.88. In April 2026, the Company repurchased 5,159,400 of the ordinary Shares on the Stock Exchange at a price range from HK$22.2 to HK$24.3. During the six months ended 30 June 2026, the Company repurchased a total of 14,273,800 of the ordinary Shares on the Stock Exchange at a total cost of approximately HK$359.94 million. The Company considered that it is in the best interest of the Shareholders to return some surplus funds to them which will in turn enhance the Shareholders' value. The Company did not have any treasury share (as defined in the Listing Rules) during the six months ended 30 June 2026.

Convertible Bonds

The Company completed the issue of the 2020 Convertible Bonds in the principal amount of HK$3,100,000,000 on 29 April 2020. Unless previously redeemed, converted or purchased and cancelled, the Company will redeem each 2020 Convertible Bonds at 105.85% of its principal amount together with accrued and unpaid interest thereon on 29 April 2025. The net proceeds from the subscription of the 2020 Convertible Bonds, after deduction of commissions and other related expenses, were approximately HK$3,033.94 million. The net proceeds of approximately HK$3,033.94 million represents a net issue price of approximately HK$35.0016 per conversion share based on the initial conversion price of HK$35.7637 per conversion share.

The initial conversion price for each conversion share was HK$35.7637, which represented (i) a premium of approximately 27.5% over the last closing price of HK$28.05 per share as quoted on the Stock Exchange on 23 April 2020, being the trading day on which the subscription agreement was signed; (ii) a premium of approximately 30.2% over the average closing price of approximately HK$27.46 per share as quoted on the Stock Exchange for the five consecutive trading days up to and including 23 April 2020; and (iii) a premium of approximately 36.6% over the average closing price of approximately HK$26.19 per share as quoted on the Stock Exchange for the ten consecutive trading days up to and including 23 April 2020. The 2020 Convertible Bonds were offered and sold to no less than six independent placees (who were independent individual, corporate and/or institutional investors). The 2020 Convertible Bonds have been listed on the Stock Exchange since 4 May 2020. The interest is 0.625% per annum of the principal amount of the 2020 Convertible Bonds, payable semi-annually in arrear in equal instalments of HK$3,125 per calculation amount (i.e. interest in respect of any 2020 Convertible Bond shall be calculated per HK$1,000,000 in principal amount of the

2020 Convertible Bonds) on 29 April and 29 October in each year. The Company intended to use the net proceeds from the subscription primarily for general corporate purposes, for strategic investments and acquisitions, if appropriate, and to supplement working capital, which is in accordance with the proposed uses as disclosed in the announcement of the Company dated 24 April 2020. The Directors are of the view that the issue of the 2020 Convertible Bonds can provide the Company with additional funds at lower funding cost for the said purposes.

In accordance with the terms and conditions of the 2020 Convertible Bonds, the dividend payments made after the issuance of the 2020 Convertible Bonds resulted in adjustments to the conversion price of the 2020 Convertible Bonds and the conversion price of the 2020 Convertible Bonds was adjusted to HK$34.77 per share after the latest adjustment became effective on 8 June 2024.

During the period from 11 April 2025 to 17 April 2025, the Company issued a total number of 65,401,193 shares to the bondholders from which it received conversion notices. Such convertible bonds, representing principal amount of approximately HK$2,274 million in aggregate, had been converted at the prevailing adjusted conversion price of HK$34.77 per share and cancelled in accordance with the terms and conditions of the 2020 Convertible Bonds.

Pursuant to the terms and conditions of the 2020 Convertible Bonds, on 29 April 2025 (i.e., the maturity date of the 2020 Convertible Bonds), the Company has fully redeemed the outstanding 2020 Convertible Bonds at the principal amount of approximately HK$826 million together with all accrued and unpaid interests and fees thereon. Accordingly, there are no outstanding 2020 Convertible Bonds in issue following the aforesaid redemption and the 2020 Convertible Bonds have been cancelled and delisted from the Stock Exchange as at 29 April 2025.

The actual use of the net proceeds raised from the issue of the 2020 Convertible Bonds as at 30 June 2026 and the expected timeline for use of unutilised proceeds is set out as follows:

Proposed use of proceeds	Amount utilised during the first half of 2026 (HK$ million)	Actual use of proceeds as at 30 June 2026 (HK$ million)	Unutilised proceeds (HK$ million)	Expected timeline for use of unutilised proceeds
Strategic investments and acquisitions	–	1,104.87	1,295.12	By 2027
General corporate purposes	–	633.95	–	–

As at 30 June 2026, the net proceeds raised from the issue of the 2020 Convertible Bonds were utilised according to the intentions previously disclosed in the announcement of the Company dated 24 April 2020, the annual reports and interim reports of the Company.

References are made to the announcements of the Company dated 24 April 2020 and 29 April 2020 for principal terms of the 2020 Convertible Bonds. For details of the adjustments to the conversion price of the 2020 Convertible Bonds, please refer to the announcements of the Company dated 26 May 2021 and 23 May 2024. For details of the partial conversion of the 2020 Convertible Bonds, please refer to the announcements of the Company dated 14 April 2025, 15 April 2025, 16 April 2025 and 17 April 2025. References are made to the announcement of the Company dated 29 April 2025 for fully redeemed the outstanding 2020 Convertible Bonds upon maturity.

Review by Audit Committee

The Audit Committee has been established since year 2007 with responsibility of assisting the Board in providing an independent review of the financial statements and internal control system. It acts in accordance with its terms of reference which clearly defines its membership, authority, duties and frequency of meetings. It meets regularly with our management, external auditor and internal audit personnel to discuss accounting principles and practices adopted by the Group and internal control and financial reporting matters. The Audit Committee is comprised of independent non-executive Directors, namely Ms. Wenjie WU (chairman), Mr. Zuotao CHEN, and Mr. Bo DU.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters. The Audit Committee has reviewed the Group's unaudited interim financial information for the six months ended 30 June 2026.

Compliance with Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry to all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the six months ended 30 June 2026.

Corporate Governance Code

The Directors, having reviewed the corporate governance practices of the Company, confirm that the Company has complied with all the applicable code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules except for the code provision D.1.2 of the CG Code.

The code provision D.1.2 of the CG Code requires management to provide all members of the board with monthly updates on the issuer's business. The management of the Company currently reports to the Board quarterly on the Group's performance, position and prospects. The Board believes that with the executive Directors overseeing the daily operation of the Group and the effective communication among the executive Directors, the management and the non-executive Directors (including the independent non-executive Directors) on the Group's affairs, the current practice is sufficient enough for the members of the Board to discharge their duties. The Board will continue to review this practice and shall make necessary changes when appropriate and report to the Shareholders accordingly.

Appreciation

On behalf of the Board, I would like to express our sincere thanks to our Shareholders and investors for their continuous support and confidence in us. I would like to thank our employees for their hard work and valuable contributions which are the core elements of the Company's success.

On behalf of the Board
Kingsoft Corporation Limited

Jun Lei
Chairman

Hong Kong, 19 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	NOTES	FOR THE THREE MONTHS ENDED 30 JUNE 2026 RMB'000 (UNAUDITED)	FOR THE THREE MONTHS ENDED 30 JUNE 2025 RMB'000 (UNAUDITED)	FOR THE SIX MONTHS ENDED 30 JUNE 2026 RMB'000 (UNAUDITED)	FOR THE SIX MONTHS ENDED 30 JUNE 2025 RMB'000 (UNAUDITED)
REVENUE	4	**2,510,419**	2,307,412	**4,927,132**	4,645,407
Cost of revenue		**(538,780)**	(453,784)	**(1,025,627)**	(873,193)
Gross profit		**1,971,639**	1,853,628	**3,901,505**	3,772,214
Research and development costs		**(930,868)**	(853,753)	**(1,872,629)**	(1,681,606)
Selling and distribution expenses		**(384,518)**	(424,031)	**(779,351)**	(764,499)
Administrative expenses		**(187,431)**	(173,641)	**(375,855)**	(333,929)
Share-based compensation costs		**(93,694)**	(71,090)	**(182,424)**	(124,775)
Other income	4	**47,440**	53,909	**126,738**	123,029
Other expenses		**(3,900)**	(2,364)	**(4,012)**	(6,323)
Operating profit		**418,668**	382,658	**813,972**	984,111
Other gains, net	5	**42,748**	442,852	**124,353**	420,561
Finance income		**149,479**	165,505	**295,272**	353,182
Finance costs		**(2,511)**	(9,456)	**(4,845)**	(54,345)
Share of profits and losses of:					
Joint ventures		**251,346**	(7,637)	**2,110,255**	(19,966)
Associates		**263,614**	(170,109)	**152,717**	(322,833)
PROFIT BEFORE TAX	6	**1,123,344**	803,813	**3,491,724**	1,360,710
Income tax expense	7	**(106,672)**	(104,251)	**(336,250)**	(152,584)
PROFIT FOR THE PERIOD		**1,016,672**	699,562	**3,155,474**	1,208,126
Attributable to:					
Owners of the parent		**547,974**	532,440	**1,639,276**	816,314
Non-controlling interests		**468,698**	167,122	**1,516,198**	391,812
		1,016,672	699,562	**3,155,474**	1,208,126
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8				
Basic		**RMB0.40**	RMB0.39	**RMB1.19**	RMB0.60
Diluted		**RMB0.40**	RMB0.38	**RMB1.19**	RMB0.59

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	FOR THE THREE MONTHS ENDED 30 JUNE		FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)	2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
PROFIT FOR THE PERIOD	**1,016,672**	699,562	**3,155,474**	1,208,126
OTHER COMPREHENSIVE INCOME/(LOSS)				
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:				
Exchange differences:				
Exchange differences on translation into presentation currency	**87,547**	52,993	**176,606**	67,676
Reclassification to profit or loss from deemed disposal of associates	**(1,016)**	(2,530)	**(937)**	(2,590)
Share of other comprehensive income/(loss) of associates	**(36,577)**	11,947	**(62,455)**	15,316
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods	**49,954**	62,410	**113,214**	80,402
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:				
Exchange differences:				
Exchange differences of the Company on translation into presentation currency	**(171,627)**	(123,618)	**(380,970)**	(140,571)
Equity investments designated at fair value through other comprehensive income:				
Changes in fair value, net of tax	**—**	(8,462)	**—**	(17,814)
Share of other comprehensive income of an associate	**387**	—	**334**	—
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	**(171,240)**	(132,080)	**(380,636)**	(158,385)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX	**(121,286)**	(69,670)	**(267,422)**	(77,983)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**895,386**	629,892	**2,888,052**	1,130,143
Attributable to:				
Owners of the parent	**434,055**	465,729	**1,386,659**	747,489
Non-controlling interests	**461,331**	164,163	**1,501,393**	382,654
	895,386	629,892	**2,888,052**	1,130,143

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	NOTES	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
NON-CURRENT ASSETS			
Property, plant and equipment		**2,362,850**	2,442,303
Investment properties		**55,572**	56,338
Right-of-use assets		**545,168**	318,223
Goodwill		**185,564**	185,564
Other intangible assets		**86,478**	80,958
Investments in joint ventures		**3,075,289**	964,273
Investments in associates		**4,674,004**	4,567,502
Financial assets at fair value through profit or loss		**715,303**	729,853
Financial assets at amortised cost		**207,016**	—
Deferred tax assets		**81,939**	79,936
Other non-current assets		**38,911**	38,311
Total non-current assets		**12,028,094**	9,463,261
CURRENT ASSETS			
Inventories		**12,131**	12,615
Trade receivables	9	**966,422**	788,145
Prepayments, other receivables and other assets		**2,435,414**	2,195,899
Financial assets at fair value through profit or loss		**2,246,110**	4,477,643
Financial assets at amortised cost		**206,707**	—
Restricted cash	10	**2,923**	8,392
Cash and bank deposits	10	**24,494,092**	22,587,238
Total current assets		**30,363,799**	30,069,932
CURRENT LIABILITIES			
Trade payables	11	**643,236**	543,007
Other payables and accruals		**1,220,241**	1,510,605
Lease liabilities		**47,459**	8,839
Contract liabilities		**3,221,249**	3,023,581
Income tax payable		**149,805**	196,918
Interest-bearing bank loans		**10,000**	10,000
Total current liabilities		**5,291,990**	5,292,950
NET CURRENT ASSETS		**25,071,809**	24,776,982
TOTAL ASSETS LESS CURRENT LIABILITIES		**37,099,903**	34,240,243

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

30 June 2026

	NOTES	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
NON-CURRENT LIABILITIES			
Contract liabilities		**1,218,597**	1,230,233
Deferred tax liabilities		**590,710**	356,414
Lease liabilities		**210,908**	16,414
Other non-current liabilities		**10,397**	10,500
Total non-current liabilities		**2,030,612**	1,613,561
NET ASSETS		**35,069,291**	32,626,682
EQUITY			
Equity attributable to owners of the parent			
Issued capital	12	**5,354**	5,420
Share premium account	12	**3,210,846**	3,842,422
Treasury shares	12	**(333,189)**	(504,830)
Reserves		**24,200,074**	22,691,334
		27,083,085	26,034,346
Non-controlling interests		**7,986,206**	6,592,336
TOTAL EQUITY		**35,069,291**	32,626,682

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	ATTRIBUTABLE TO OWNERS OF THE PARENT											
	ISSUED CAPITAL RMB'000 (UNAUDITED)	SHARE PREMIUM ACCOUNT RMB'000 (UNAUDITED)	TREASURY SHARES RMB'000 (UNAUDITED)	STATUTORY RESERVES RMB'000 (UNAUDITED)	SHARE-BASED COMPENSATION RESERVE RMB'000 (UNAUDITED)	OTHER CAPITAL RESERVE RMB'000 (UNAUDITED)	FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RMB'000 (UNAUDITED)	FOREIGN CURRENCY TRANSLATION RESERVE RMB'000 (UNAUDITED)	RETAINED PROFITS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)	NON-CONTROLLING INTERESTS RMB'000 (UNAUDITED)	TOTAL EQUITY RMB'000 (UNAUDITED)
At 1 January 2026	**5,420**	**3,842,422**	**(504,830)**	**1,567,306#**	**799,211#**	**6,171,390#**	**(2,919)#**	**196,385#**	**13,959,961#**	**26,034,346**	**6,592,336**	**32,626,682**
Profit for the period	–	–	–	–	–	–	–	–	1,639,276	1,639,276	1,516,198	3,155,474
Other comprehensive income/(loss) for the period:												
Exchange differences on translation into presentation currency	–	–	–	–	–	–	–	(189,559)	–	(189,559)	(14,805)	(204,364)
Reclassification to profit or loss from deemed disposal of associates	–	–	–	–	–	–	–	(937)	–	(937)	–	(937)
Share of other comprehensive income of associates	–	–	–	–	–	–	334	(62,455)	–	(62,121)	–	(62,121)
Total comprehensive income/(loss) for the period	–	–	–	–	–	–	334	(252,951)	1,639,276	1,386,659	1,501,393	2,888,052
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(281,877)	(281,877)
Final 2025 dividend declared (note 15)	–	(154,559)	–	–	–	–	–	–	–	(154,559)	–	(154,559)
Share-based compensation costs (note 13)	–	–	–	–	97,871	–	–	–	–	97,871	84,719	182,590
Vesting and settlement of share-based awards (note 12)	–	6,286	25,019	–	(31,305)	–	–	–	–	–	–	–
Exercise and vesting of share-based awards issued by subsidiaries	–	–	–	–	(126,602)	202,025	–	–	–	75,423	71,083	146,506
Shares repurchased for share award scheme (note 12)	–	–	(17,865)	–	–	–	–	–	–	(17,865)	–	(17,865)
Shares repurchased for cancellation (note 12)	–	–	(318,882)	–	–	–	–	–	–	(318,882)	–	(318,882)
Shares cancelled (note 12)	(66)	(483,303)	483,369	–	–	–	–	–	–	–	–	–
Changes in the ownership of interests in subsidiaries	–	–	–	–	–	(17,721)	–	–	–	(17,721)	17,721	–
Share of reserves of associates	–	–	–	–	–	(2,187)	–	–	–	(2,187)	831	(1,356)
At 30 June 2026	**5,354**	**3,210,846**	**(333,189)**	**1,567,306#**	**739,175#**	**6,353,507#**	**(2,585)#**	**(56,566)#**	**15,599,237#**	**27,083,085**	**7,986,206**	**35,069,291**

\# These reserve accounts comprise the consolidated reserves of RMB24,200,074,000 (31 December 2025: RMB22,691,334,000) in the interim condensed consolidated statement of financial position.

	ATTRIBUTABLE TO OWNERS OF THE PARENT												
	ISSUED CAPITAL RMB'000 (UNAUDITED)	SHARE PREMIUM ACCOUNT RMB'000 (UNAUDITED)	TREASURY SHARES RMB'000 (UNAUDITED)	EQUITY COMPONENT OF CONVERTIBLE BONDS RMB'000 (UNAUDITED)	STATUTORY RESERVES RMB'000 (UNAUDITED)	SHARE-BASED COMPENSATION RESERVE RMB'000 (UNAUDITED)	OTHER CAPITAL RESERVE RMB'000 (UNAUDITED)	FAIR VALUE RESERVE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RMB'000 (UNAUDITED)	FOREIGN CURRENCY TRANSLATION RESERVE RMB'000 (UNAUDITED)	RETAINED PROFITS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)	NON-CONTROLLING INTERESTS RMB'000 (UNAUDITED)	TOTAL EQUITY RMB'000 (UNAUDITED)
At 1 January 2025	5,187	1,439,985	(137,342)	468,700	1,367,405	796,519	5,973,165	10,434	376,749	12,155,474	22,456,276	5,956,126	28,412,402
Profit for the period	–	–	–	–	–	–	–	–	–	816,314	816,314	391,812	1,208,126
Other comprehensive income/(loss) for the period:													
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	–	–	–	–	–	–	–	(12,936)	–	–	(12,936)	(4,878)	(17,814)
Exchange differences on translation into presentation currency	–	–	–	–	–	–	–	–	(68,615)	–	(68,615)	(4,280)	(72,895)
Reclassification to profit or loss from deemed disposal of associates	–	–	–	–	–	–	–	–	(2,590)	–	(2,590)	–	(2,590)
Share of other comprehensive income of associates	–	–	–	–	–	–	–	–	15,316	–	15,316	–	15,316
Total comprehensive income for the period	–	–	–	–	–	–	–	(12,936)	(55,889)	816,314	747,489	382,654	1,130,143
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(252,826)	(252,826)
Final 2024 dividend declared (note 15)	–	(190,472)	–	–	–	–	–	–	–	–	(190,472)	–	(190,472)
Share-based compensation costs (note 13)	–	–	–	–	–	70,180	–	–	–	–	70,180	54,724	124,904
Vesting and settlement of share-based awards (note 12)	–	13,845	1,555	–	–	(15,400)	–	–	–	–	–	–	–
Exercise and vesting of share-based awards issued by subsidiaries	–	–	–	–	–	(148,317)	177,667	–	–	–	29,350	28,904	58,254
Conversion of convertible bonds (note 14)	237	2,589,509	–	(343,814)	–	–	–	–	–	–	2,245,932	–	2,245,932
Redemption of convertible bonds (note 14)	–	–	–	(124,886)	–	–	127,118	–	(2,232)	–	–	–	–
Shares repurchased for share award scheme (note 12)	–	–	(75,211)	–	–	–	–	–	–	–	(75,211)	–	(75,211)
Shares repurchased for cancellation (note 12)	–	–	(48,014)	–	–	–	–	–	–	–	(48,014)	–	(48,014)
Shares cancelled (note 12)	(4)	(20,148)	20,152	–	–	–	–	–	–	–	–	–	–
Changes in the ownership of interests in subsidiaries	–	–	–	–	–	–	(109,623)	–	–	–	(109,623)	(104,543)	(214,166)
Share of reserves of an associate	–	–	–	–	–		(1,937)	–	–	–	(1,937)	–	(1,937)
Disposal of a subsidiary	–	–	–	–	(1,115)	–	–	–	–	1,115	–	–	–
At 30 June 2025	5,420	3,832,719	(238,860)	–	1,366,290	702,982	6,166,390	(2,502)	318,628	12,972,903	25,123,970	6,065,039	31,189,009

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	NOTES	FOR THE SIX MONTHS ENDED 30 JUNE 2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**3,491,724**	1,360,710
Adjustments for:			
Gain on disposal of property, plant and equipment		**(264)**	(80)
Depreciation of property, plant and equipment	6	**104,268**	80,507
Depreciation of investment properties	6	**766**	3,017
Depreciation of right-of-use assets	6	**29,741**	18,812
Amortisation of other intangible assets	6	**13,812**	13,200
Finance costs	6	**4,845**	54,345
Finance income		**(295,272)**	(353,182)
Fair value gains on financial instruments at fair value through profit or loss, net	5	**(37,176)**	(25,297)
Share-based compensation costs		**182,424**	124,775
Impairment of trade and other receivables	6	**3,177**	3,199
Share of profits and losses of joint ventures		**(2,110,255)**	19,966
Share of profits and losses of associates		**(152,717)**	322,833
Foreign exchange differences, net	5	**(73,380)**	(37,261)
Gain on deemed disposal of a joint venture	5	**(761)**	—
Loss on disposal and partial disposal of associates	5	**—**	4,683
Gain on deemed disposal of associates	5	**(13,036)**	(362,686)
		1,147,896	1,227,541
Increase in trade receivables		**(184,986)**	(38,411)
(Increase)/Decrease in prepayments, other receivables and other assets		**(47,029)**	45,218
(Increase)/Decrease in other non-current assets		**(600)**	1,103
Decrease/(Increase) in inventories		**484**	(238)
Increase in trade payables		**101,083**	116,312
Increase in contract liabilities		**186,032**	19,947
Decrease in other payables and accruals		**(196,866)**	(470,323)
Cash generated from operations		**1,006,014**	901,149
Interest received		**17,434**	48,464
Income tax paid		**(313,803)**	(284,751)
Net cash flows from operating activities		**709,645**	664,862

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2026

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**192,948**	262,487
Purchases of property, plant and equipment	**(101,528)**	(187,516)
Purchases of other intangible assets	**(12,681)**	(15,116)
(Increase)/Decrease in time deposits with original maturity of over three months when acquired	**(1,191,760)**	2,108,244
Investments in associates	**(5,000)**	(538,916)
Liquidation of a joint venture	**206**	—
Redemption of financial assets at fair value through profit or loss	**2,277,233**	237,675
Disposal of property, plant and equipment	**249**	639
Disposal of a subsidiary	**—**	(549)
Proceeds from disposal and partial disposal of associates	**—**	49,538
Decrease in other loan	**—**	1,000
Purchase of financial assets at amortised cost	**(415,294)**	—
Net cash flows from investing activities	**744,373**	1,917,486

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the six months ended 30 June 2026

	NOTES	FOR THE SIX MONTHS ENDED 30 JUNE 2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of shares		**(336,747)**	(123,225)
Proceeds from exercise of share options issued by a subsidiary		**146,555**	61,490
Cash settlement of share options issued by a subsidiary		**(49)**	(3,236)
Principal portion of lease payments		**(23,579)**	(6,360)
Dividends paid to owners of the parent	15	**(154,559)**	(190,472)
Dividends paid to non-controlling interests		**(250,418)**	(312,910)
Interest paid		**(4,520)**	(3,239)
Redemption of convertible bonds		**—**	(811,593)
Repayment of financial liabilities		**—**	(75,418)
Capital injection from non-controlling shareholders		**—**	4,880
Acquisition of non-controlling interests		**—**	(216,423)
Net cash flows used in financing activities		**(623,317)**	(1,676,506)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**830,701**	905,842
Cash and cash equivalents at beginning of the period		**3,121,180**	3,703,586
Effect of foreign exchange rate changes, net		**(125,312)**	(16,731)
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**3,826,569**	4,592,697
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	10	**3,122,105**	2,535,688
Non-pledged time deposits with original maturity of less than three months when acquired	10	**704,464**	2,057,009
CASH AND CASH EQUIVALENTS AS STATED IN THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS		**3,826,569**	4,592,697

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2026

1. CORPORATE INFORMATION

Kingsoft Corporation Limited (the "Company") was incorporated under the Companies Act of the British Virgin Islands on 20 March 1998. On 15 November 2005, the Company was redomiciled to the Cayman Islands under the Company Law (2004 revision) of the Cayman Islands. The registered office of the Company is located at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The Company's shares have been listed on the Stock Exchange of Hong Kong Limited since 9 October 2007.

The principal place of business of the Company is located at Building D, Xiaomi Campus, No. 33 Xierqi Middle Road, Haidian District, Beijing, the People's Republic of China ("PRC").

During the six months ended 30 June 2026, the Company and its subsidiaries (together, the "Group") were involved in the following principal activities:

- research and development and provision of WPS Office, WPS 365, WPS Lingxi, WPS Comate and other office products and services; and
- research and development of games, and provision of PC games, mobile games services, etc.

2. BASIS OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, issued by the International Accounting Standards Board.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. The interim condensed consolidated statements of profit or loss for the three months ended 30 June 2026 and 2025 included in page 34 of the interim financial information is only for reference.

2.2. Changes in material accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Annual Improvements to IFRS Accounting Standards — Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7

2. BASIS OF PREPARATION AND CHANGES IN MATERIAL ACCOUNTING POLICIES (continued)

2.2. Changes in material accounting policies (continued)

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) *Annual Improvements to IFRS Accounting Standards — Volume 11* set out narrow scope amendments to IFRS 1, IFRS 7 (and the accompanying *Guidance on implementing IFRS 7*), IFRS 9, IFRS 10 and IAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding IFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

(a) the office software and services segment engages in the research and development and provision of WPS Office, WPS 365, WPS Lingxi, WPS Comate and other office products and services; and

(b) the entertainment software and others segment engages in the research and development of games, and provision of PC games, mobile games services, etc.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that net other gains, finance income, non-lease-related finance costs as well as share of profits and losses of joint ventures and associates are excluded from such measurement.

3. SEGMENT INFORMATION (continued)

For the six months ended 30 June 2026

	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Segment revenue			
Sales	**3,313,262**	**1,613,870**	**4,927,132**
Segment results	**872,926**	**(63,697)**	**809,229**
Reconciliation:			
Other gains, net			**124,353**
Finance income			**295,272**
Finance costs (other than interest on lease liabilities)			**(102)**
Share of profits and losses of:			
Joint ventures			**2,110,255**
Associates			**152,717**
Profit before tax			**3,491,724**

For the six months ended 30 June 2025

	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Segment revenue			
Sales	2,657,122	1,988,285	4,645,407
Segment results	656,834	326,435	983,269
Reconciliation:			
Other gains, net			420,561
Finance income			353,182
Finance costs (other than interest on lease liabilities)			(53,503)
Share of profits and losses of:			
Joint ventures			(19,966)
Associates			(322,833)
Profit before tax			1,360,710

3. SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
Chinese mainland	**4,590,263**	4,375,679
Hong Kong	**180,091**	143,696
Other countries/regions	**156,778**	126,032
Total	**4,927,132**	4,645,407

The revenue information above is based on the locations of the Group's operations.

(b) Non-current assets:

	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
Chinese mainland	**3,240,552**	3,101,068
Other countries/regions	**17,155**	2,598
Total	**3,257,707**	3,103,666

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and investments in associates and joint ventures.

4. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
Revenue from contracts with customers	**4,907,460**	4,638,445
Revenue from other sources		
Gross rental income:		
Lease payments, including fixed payments	**19,672**	6,962
Total	**4,927,132**	4,645,407

4. REVENUE AND OTHER INCOME (continued)

Disaggregated revenue information — for revenue from contracts with customers

For the six months ended 30 June 2026

SEGMENTS	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Types of goods or services			
Sales and subscription of software and related services	**3,298,726**	**—**	**3,298,726**
Game services	**—**	**1,370,778**	**1,370,778**
Royalties	**—**	**142,047**	**142,047**
Others	**13,489**	**82,420**	**95,909**
Total	**3,312,215**	**1,595,245**	**4,907,460**
Geographical markets			
Chinese mainland	**3,102,217**	**1,468,374**	**4,570,591**
Hong Kong	**128,587**	**51,504**	**180,091**
Other countries/regions	**81,411**	**75,367**	**156,778**
Total	**3,312,215**	**1,595,245**	**4,907,460**

For the six months ended 30 June 2025

SEGMENTS	OFFICE SOFTWARE AND SERVICES RMB'000 (UNAUDITED)	ENTERTAINMENT SOFTWARE AND OTHERS RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Types of goods or services			
Sales and subscription of software and related services	2,641,639	—	2,641,639
Game services	—	1,792,485	1,792,485
Royalties	—	112,646	112,646
Others	14,848	76,827	91,675
Total	2,656,487	1,981,958	4,638,445
Geographical markets			
Chinese mainland	2,512,689	1,856,028	4,368,717
Hong Kong	86,783	56,913	143,696
Other countries/regions	57,015	69,017	126,032
Total	2,656,487	1,981,958	4,638,445

4. REVENUE AND OTHER INCOME (continued)

Other income

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	**2025 RMB'000 (UNAUDITED)**
Value-added tax refund	**82,611**	95,393
Government grants*	**22,725**	21,842
Others	**21,402**	5,794
Total	**126,738**	123,029

* There are no unfulfilled conditions or contingencies relating to these government grants.

5. OTHER GAINS, NET

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	**2025 RMB'000 (UNAUDITED)**
Gain on deemed disposal of associates	**13,036**	362,686
Gain on deemed disposal of a joint venture	**761**	—
Loss on disposal and partial disposal of associates	**—**	(4,683)
Foreign exchange differences, net	**73,380**	37,261
Fair value gains on financial instruments at fair value through profit or loss, net	**37,176**	25,297
Total other gains, net	**124,353**	420,561

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	**2025 RMB'000 (UNAUDITED)**
Employee benefit expenses	**2,385,441**	2,160,535
Depreciation of property, plant and equipment	**104,268**	80,507
Depreciation of investment properties	**766**	3,017
Depreciation of right-of-use assets	**29,741**	18,812
Amortisation of other intangible assets	**13,812**	13,200
Interest on lease liabilities, convertible bonds and other liabilities	**4,845**	54,345
Impairment of trade and other receivables	**3,177**	3,199

7. INCOME TAX EXPENSE

PRC corporate income tax represents the tax charged on the estimated assessable profits arising in the Chinese mainland during the period. In general, the PRC subsidiaries of the Group are subject to the PRC corporate income tax rate of 25% except for certain PRC subsidiaries which are entitled to tax holidays and preferential tax rates.

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%).

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	**2025 RMB'000 (UNAUDITED)**
Current income tax	**103,996**	109,536
Deferred income tax	**232,254**	43,048
Income tax expense	**336,250**	152,584

Pillar Two income taxes

The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and accounts for the Pillar Two income taxes as current tax when incurred. Pillar Two model rules have become effective in certain jurisdictions in which certain subsidiaries of the Group are incorporated and as more countries prepare to enact the Pillar Two model rules, the Group is in the process of assessing the top up tax impact exposure for the year ending 31 December 2026 and afterwards.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,373,220,349 (six months ended 30 June 2025: 1,355,942,458) outstanding during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, adjusted to reflect the impact on earnings arising from the share option schemes and the award share schemes adopted by the Group's subsidiaries. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	**2025 RMB'000 (UNAUDITED)**
Earnings		
Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation:	**1,639,276**	816,314
Decrease in earnings adjusted for the share option schemes and the share award schemes adopted by the Group's subsidiaries	**(3,072)**	(7,850)
	1,636,204	808,464

	NUMBER OF SHARES FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 (UNAUDITED)	**2025 (UNAUDITED)**
Shares		
Weighted average number of ordinary shares outstanding less shares held for the share award schemes during the period used in the basic earnings per share calculation*	**1,373,220,349**	1,355,942,458
Effect of dilution — weighted average number of ordinary shares:		
Share options	**483,563**	1,842,835
Awarded shares	**2,860,052**	3,155,784
Total	**1,376,563,964**	1,360,941,077

* The weighted average number of shares was after taking into account the effect of treasury shares held by the trust on behalf of the Company for the Company's share award arrangements and future share cancellation.

9. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
0–30 days	**282,231**	311,857
31–60 days	**91,272**	59,533
61–90 days	**39,072**	40,721
91–365 days	**367,167**	249,871
1 to 2 years	**119,609**	75,822
Over 2 years	**67,071**	50,341
Total	**966,422**	788,145

10. CASH AND BANK DEPOSITS AND RESTRICTED CASH

	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
Cash and bank balances	**3,122,105**	1,539,866
Non-pledged time deposits with original maturity of less than three months when acquired	**704,464**	1,581,314
Subtotal	**3,826,569**	3,121,180
Non-pledged time deposits with original maturity of over three months when acquired	**20,667,523**	19,466,058
Cash and bank deposits	**24,494,092**	22,587,238
Restricted cash	**2,923**	8,392
Total	**24,497,015**	22,595,630

Notes:

(i) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of one day to a year depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

(ii) The RMB is not freely convertible into other currencies, however, under Chinese mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

11. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
0–30 days	**167,656**	233,603
31–60 days	**72,446**	50,938
61–90 days	**58,061**	30,170
91–365 days	**186,184**	131,875
Over 1 years	**158,889**	96,421
Total	**643,236**	543,007

12. SHARE CAPITAL

The movement of the Company's share capital is as follows:

	NUMBER OF SHARES IN ISSUE (UNAUDITED)	ISSUED SHARE CAPITAL RMB'000 (UNAUDITED)	SHARE PREMIUM ACCOUNT RMB'000 (UNAUDITED)	TREASURY SHARES RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
At 1 January 2026	**1,381,537,004**	**5,420**	**3,842,422**	**(504,830)**	**3,343,012**
Final 2025 dividend declared	**—**	**—**	**(154,559)**	**—**	**(154,559)**
Vesting and settlement of awarded shares	**1,228,693**	**—**	**6,286**	**25,019**	**31,305**
Shares repurchased for share award scheme	**(725,400)**	**—**	**—**	**(17,865)**	**(17,865)**
Shares repurchased for cancellation	**(14,273,800)**	**—**	**—**	**(318,882)**	**(318,882)**
Shares cancelled	**—**	**(66)**	**(483,303)**	**483,369**	**—**
At 30 June 2026	**1,367,766,497***	**5,354**	**3,210,846**	**(333,189)**	**2,883,011**

* Excluding 14,048,013 (31 December 2025: 18,888,786) shares held by the trust on behalf of the Company as at 30 June 2026 for the Company's share award arrangements and future share cancellation.

Share options

Details of the Company's share option schemes and the share options issued under these schemes are included in note 13 to the financial statement.

13. SHARE-BASED COMPENSATION COSTS

The Company's share award arrangements

(a) The Company adopted the 2011 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants. Eligible participants of the 2011 Share Option Scheme include the directors and other employees of the Group or any of the Group's invested entities. The 2011 Share Option Scheme became effective on 9 December 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Any options granted before the termination date of the 2011 Share Option Scheme shall continue to be valid and effective until the options' expiry date.

The following table illustrates the numbers of and movements in the share options outstanding under the 2011 Share Option Scheme during the six months ended 30 June 2026 and 2025, and their weighted average exercise prices ("WAEP"):

	2026		2025	
	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP HK$ PER SHARE (UNAUDITED)	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP HK$ PER SHARE (UNAUDITED)
Outstanding at 1 January and 30 June	**2,529,800**	**20.25**	2,529,800	20.25
Exercisable at 30 June	**2,529,800**	**20.25**	2,529,800	20.25

The share options outstanding as at the end of reporting period were granted on 21 April 2017 and the vesting periods of these share options varied from 1 to 5 years. The exercise period of the share options granted under the 2011 Share Option Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

(b) The Company operates the 2021 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants. Eligible participants of the 2021 Share Option Scheme include the directors and other employees of the Group or any of the Group's invested entities. The 2021 Share Option Scheme became effective on 9 December 2021 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The following table illustrates the numbers of and movements in the share options outstanding under the 2021 Share Option Scheme during the six months ended 30 June 2026 and 2025, and their WAEP:

	2026		2025	
	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP HK$ PER SHARE (UNAUDITED)	NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP HK$ PER SHARE (UNAUDITED)
Outstanding at 1 January and 30 June	**5,500,000**	**31.69**	5,500,000	31.69
Exercisable at 30 June	**3,300,000**	**31.69**	2,200,000	31.69

The share options outstanding as at the end of reporting period were granted on 4 July 2022 and the vesting periods of these share options varied from 1 to 5 years. The exercise period of the share options granted under the 2021 Share Option Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

13. SHARE-BASED COMPENSATION COSTS (continued)

The Company's share award arrangements (continued)

(c) On 31 March 2008, the directors of the Company approved and adopted the Share Award Scheme in which selected employees of the Group are entitled to participate. Unless early terminated by the directors of the Company, the Share Award Scheme is valid and effective for a term of five years commencing from 31 March 2008. On 25 November 2010, the directors of the Company resolved to extend the termination date of the Share Award Scheme from 30 March 2013 to 30 March 2017. On 19 November 2016, the directors of the Company resolved to extend the termination date of the Share Award Scheme from 30 March 2017 to 30 March 2022. On 5 July 2021, the directors of the Company resolved to extend the termination date of the Share Award Scheme from 30 March 2022 to 30 March 2027.

The following table illustrates the numbers of and movements in the awarded shares outstanding under the Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026 NUMBER OF AWARDED SHARES (UNAUDITED)	2025 NUMBER OF AWARDED SHARES (UNAUDITED)
Outstanding at 1 January	**2,330,463**	3,316,846
Forfeited during the period	**(4,800)**	—
Vested during the period	**(359,459)**	(371,945)
Outstanding at 30 June	**1,966,204**	2,944,901

(d) On 23 May 2024, the shareholders of the Company (the "Shareholders") approved and adopted the 2024 Share Scheme in which selected eligible participants of the Group are entitled to participate for the purpose of providing incentives and rewards to eligible participants. Unless early terminated by the directors of the Company, the 2024 Share Scheme is valid and effective for a term of ten years commencing from 23 May 2024.

The following table illustrates the numbers of and movements in the awarded shares outstanding under the 2024 Share Scheme during the six months ended 30 June 2026 and 2025.

	2026 NUMBER OF AWARDED SHARES (UNAUDITED)	2025 NUMBER OF AWARDED SHARES (UNAUDITED)
Outstanding at 1 January	**3,833,250**	1,527,400
Granted during the period	**484,500**	—
Forfeited during the period	**(70,602)**	(10,123)
Vested during the period	**(869,234)**	(305,472)
Outstanding at 30 June	**3,377,914**	1,211,805

13. SHARE-BASED COMPENSATION COSTS (continued)

The Company's share award arrangements (continued)

(d) (continued)

The following table illustrates the numbers of and movements in the share options outstanding under the 2024 Share Scheme during the six months ended 30 June 2026, and their WAEP.

	2026 NUMBER OF SHARE OPTIONS (UNAUDITED)	WAEP HK$ PER SHARE (UNAUDITED)
Outstanding at 1 January	—	—
Granted during the period	250,000	23.48
Outstanding at 30 June	250,000	23.48
Exercisable at 30 June	—	—

The share options outstanding as at the end of reporting period were granted on 12 June 2026 and the vesting periods of these share options varied from 1 to 5 years. The exercise period of the share options granted under the 2024 Share Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

Kingsoft Office's share award arrangements

(a) On 2 June 2021, the shareholders of Beijing Kingsoft Office Software, Inc. ("Beijing Kingsoft Office"), a subsidiary of the Company, approved and adopted the Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the Kingsoft Office Share Award Scheme which may be issued upon exercise of all restricted share units (the "RSUs") with option feature to be granted may not in aggregate exceed 870,000 shares (representing 0.19% of the shares of Beijing Kingsoft Office in issue on 2 June 2021). The Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 2 June 2021. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers of and the movements in the RSUs outstanding under the Kingsoft Office Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026		2025	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	—	—	32,300	42.95
Exercised during the period	—	—	(32,300)	42.95
Outstanding at 30 June	—	—	—	—
Exercisable at 30 June	—	—	—	—

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(a) (continued)

The exercise period of the RSUs granted under the Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

(b) On 28 April 2022, the shareholders of Beijing Kingsoft Office approved and adopted the 2022 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2022 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue on 28 April 2022). The 2022 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 29 April 2022. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers of and the movements in the RSUs outstanding under the 2022 Kingsoft Office Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026		**2025**	
	NUMBER OF RSUs (UNAUDITED)	**WAEP RMB PER SHARE (UNAUDITED)**	**NUMBER OF RSUs (UNAUDITED)**	**WAEP RMB PER SHARE (UNAUDITED)**
Outstanding at 1 January	**64,260**	**42.65**	387,747	43.55
Forfeited during the period	**—**	**—**	(12,614)	43.55
Exercised during the period	**(64,260)**	**42.65**	(310,193)	43.55
Outstanding at 30 June	**—**	**—**	64,940	43.55
Exercisable at 30 June	**—**	**—**	—	—

The RSUs outstanding as at the end of reporting period were granted during 29 April 2022 to 28 December 2022 and the vesting periods of these RSUs varied from 1 to 3.5 years. The exercise period of the RSUs granted under the 2022 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

(c) On 6 June 2023, the shareholders of Beijing Kingsoft Office approved and adopted the 2023 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2023 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue on 6 June 2023). The 2023 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 6 June 2023. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(c) (continued)

The following table illustrates the numbers of and the movements in the RSUs outstanding under the 2023 Kingsoft Office Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026		2025	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	**378,674**	**147.49**	703,316	148.39
Forfeited during the period	**(2,890)**	**147.49**	(10,275)	148.39
Exercised during the period	**(309,280)**	**147.49**	(311,157)	148.39
Outstanding at 30 June	**66,504**	**147.49**	381,884	148.39
Exercisable at 30 June	**—**	**—**	—	—

The RSUs outstanding as at the end of reporting period were granted during 6 June 2023 to 28 December 2023 and the vesting periods of these RSUs varied from 1 to 3 years. The exercise period of the RSUs granted under the 2023 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

(d) On 28 May 2024, the shareholders of Beijing Kingsoft Office approved and adopted the 2024 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2024 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue on 28 May 2024). The 2024 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 28 May 2024. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers of and the movements in the RSUs outstanding under the 2024 Kingsoft Office Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026		2025	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	**705,880**	**144.96**	990,500	145.86
Forfeited during the period	**(14,680)**	**144.96**	(8,500)	145.86
Exercised during the period	**(308,385)**	**144.96**	(258,390)	145.86
Outstanding at 30 June	**382,815**	**144.96**	723,610	145.86
Exercisable at 30 June	**—**	**—**	—	—

The RSUs outstanding as at the end of reporting period were granted during 29 May 2024 to 27 December 2024 and the vesting periods of these RSUs varied from 1 to 3 years. The exercise period of the RSUs granted under the 2024 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(e) On 4 June 2025, the shareholders of Beijing Kingsoft Office approved and adopted the 2025 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2025 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 3,460,000 shares (representing 0.75% of the shares of Beijing Kingsoft Office in issue on 4 June 2025). The 2025 Kingsoft Office Share Award Scheme shall be valid and effective for a term of seven years commencing on 4 June 2025. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

The following table illustrates the numbers of and the movements in the RSUs outstanding under the 2025 Kingsoft Office Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026		2025	
	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)	NUMBER OF RSUs (UNAUDITED)	WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	**3,440,500**	**150.56**	—	—
Granted during the period	**—**	**—**	2,791,000	151.46
Forfeited during the period	**(38,300)**	**150.56**	—	—
Exercised during the period	**(355,310)**	**150.56**	—	—
Outstanding at 30 June	**3,046,890**	**150.56**	2,791,000	151.46
Exercisable at 30 June	**—**	**—**	—	—

The RSUs outstanding as at the end of reporting period were granted during 4 June 2025 to 29 December 2025 and the vesting periods of these RSUs varied from 1 to 5 years. The exercise period of the RSUs granted under the 2025 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the seventh anniversary of the grant date.

(f) On 1 June 2026, the shareholders of Beijing Kingsoft Office approved and adopted the 2026 Kingsoft Office Share Award Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Beijing Kingsoft Office and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the 2026 Kingsoft Office Share Award Scheme which may be issued upon exercise of all RSUs with option feature to be granted may not in aggregate exceed 1,000,000 shares (representing 0.22% of the shares of Beijing Kingsoft Office in issue on 1 June 2026). The 2026 Kingsoft Office Share Award Scheme shall be valid and effective for a term of five years commencing on 1 June 2026. The exercise price and exercise period of RSUs are determinable by the board of Beijing Kingsoft Office.

13. SHARE-BASED COMPENSATION COSTS (continued)

Kingsoft Office's share award arrangements (continued)

(f) (continued)

The following table illustrates the numbers of and the movements in the RSUs outstanding under the 2026 Kingsoft Office Share Award Scheme during the six months ended 30 June 2026.

	2026 NUMBER OF RSUs (UNAUDITED)	2026 WAEP RMB PER SHARE (UNAUDITED)
Outstanding at 1 January	**—**	**—**
Granted during the period	**800,000**	**125.58**
Forfeited during the period	**(12,700)**	**125.58**
Outstanding at 30 June	**787,300**	**125.58**
Exercisable at 30 June	**—**	**—**

The RSUs outstanding as at the end of reporting period were granted on 1 June 2026 and the vesting periods of these RSUs varied from 1 to 3 years. The exercise period of the RSUs granted under the 2026 Kingsoft Office Share Award Scheme shall be any time after the end of the vesting period and before the fifth anniversary of the grant date.

(g) On 3 December 2012, the directors of the Company and Kingsoft Office Software Holdings Limited ("KOS Holdings") approved and adopted the share award scheme (the "KOS Share Award Scheme"), in which selected employees of KOS Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of KOS Holdings, the KOS Share Award Scheme shall be valid and effective for a term of ten years from 3 December 2012. In November 2015, pursuant to the approval of the directors and the shareholders of KOS Holdings and a series of agreements, all the outstanding awarded shares under the KOS Share Award Scheme were replaced by the restricted shares of Beijing Kingsoft Office, held through certain limited partnerships. The limited partnerships were set up for the purpose of holding the shares of Beijing Kingsoft Office, which is a similar arrangement for the benefit of employees as the KOS Share Award Scheme.

The following table illustrates the numbers of and movements in the restricted shares outstanding under the KOS Share Award Scheme during the six months ended 30 June 2026 and 2025.

	2026 NUMBER OF RESTRICTED SHARES (UNAUDITED)	2025 NUMBER OF RESTRICTED SHARES (UNAUDITED)
Outstanding at 1 January	**—**	465,183
Vested during the period	**—**	(10,650)
Outstanding at 30 June	**—**	454,533

13. SHARE-BASED COMPENSATION COSTS (continued)

Seasun Holdings' share award arrangements

(a) On 27 June 2013 (the "Seasun Holdings Share Option Adoption Date"), the Shareholders and the shareholders of Seasun Holdings Limited ("Seasun Holdings"), a subsidiary of the Company, approved and adopted the Seasun Holdings Share Option Scheme for the purpose of providing incentives and rewards to eligible participants, in which selected employees of Seasun Holdings and its subsidiaries are entitled to participate. The maximum number of ordinary shares under the Seasun Holdings Share Option Scheme which may be issued upon exercise of all share options to be granted may not in aggregate exceed 80,000,000 shares (representing 10% of the shares in issue). On 24 May 2017, the Shareholders and the shareholders of Seasun Holdings approved to amend the maximum number of ordinary shares, which may be issued upon exercise in the Seasun Holdings Share Option Scheme, to 40,000,000 shares. The Seasun Holdings Share Option Scheme shall be valid and effective for a term of ten years commencing on the Seasun Holdings Share Option Adoption Date. The exercise price and exercise period of share options are determinable by the board of Seasun Holdings.

The following table illustrates the numbers of and movements in share options outstanding under the Seasun Holdings Share Option Scheme during the six months ended 30 June 2026 and 2025.

	2026		**2025**	
	NUMBER OF SHARE OPTIONS (UNAUDITED)	**WAEP RMB PER SHARE (UNAUDITED)**	**NUMBER OF SHARE OPTIONS (UNAUDITED)**	**WAEP RMB PER SHARE (UNAUDITED)**
Outstanding at 1 January	**17,138,889**	**4.90**	18,550,489	4.85
Forfeited during the period	**(30,000)**	**5.97**	(132,000)	4.37
Cancelled during the period	**(10,000)**	**1.00**	(811,600)	2.80
Outstanding at 30 June	**17,098,889**	**4.90**	17,606,889	4.94
Exercisable at 30 June	**17,058,889**	**4.90**	17,148,712	4.89

The share options outstanding as at the end of reporting period were granted during 18 July 2013 to 1 April 2022 and the vesting periods of these share options varied from 4 to 5 years. The exercise period of the share options granted under the Seasun Holdings Share Option Scheme shall be any time after the end of the vesting period and before the tenth anniversary of the grant date.

(b) On 21 March 2017, the directors of the Company and Seasun Holdings approved and adopted the Seasun Holdings Share Award Scheme, in which selected employees of Seasun Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Seasun Holdings, the Seasun Holdings Share Award Scheme is valid and effective for a term of ten years commencing from 21 March 2017. The directors of Seasun Holdings will not grant those awarded shares which would result in the total number of shares (but not counting any shares which have lapsed or have been forfeited) greater than 50,832,211 shares, as at the date of such grant.

13. SHARE-BASED COMPENSATION COSTS (continued)

Seasun Holdings' share award arrangements (continued)

(b) (continued)

The following table illustrates the numbers of and movements in the awarded shares outstanding under the Seasun Holdings Awarded Shares during the six months ended 30 June 2026 and 2025.

	2026 NUMBER OF AWARDED SHARES (UNAUDITED)	2025 NUMBER OF AWARDED SHARES (UNAUDITED)
Outstanding at 1 January	**48,790,030**	48,940,030
Forfeited during the period	**—**	(50,000)
Outstanding at 30 June	**48,790,030**	48,890,030

Kingsoft Shiyou Holdings' share award arrangements

(a) On 13 April 2022, the shareholders and directors of the Kingsoft Shiyou Holdings Limited ("Kingsoft Shiyou Holdings"), a subsidiary of the Company, approved and adopted the General Share Award Scheme and the Special Share Award Scheme ("Kingsoft Shiyou Holdings Share Award Scheme"), in which selected employees of Kingsoft Shiyou Holdings and its subsidiaries are entitled to participate. Unless early terminated by the directors of Kingsoft Shiyou Holdings, the Kingsoft Shiyou Holdings Share Award Scheme shall be valid and effective for a term of ten years commencing from 13 April 2022. The directors of Kingsoft Shiyou Holdings will not grant those awarded shares which would result in the total number of shares (but not counting any shares which have lapsed or have been forfeited) greater than 50,000,000 shares, as at the date of such grant. On 27 May 2026, the shareholders and directors of Kingsoft Shiyou Holdings approved the amendments to increase the aggregated share limit from 50,000,000 shares to no greater than 67,357,222 shares.

No share awards were granted under the Kingsoft Shiyou Holdings Share Award Scheme since its adoption.

14. CONVERTIBLE BONDS

On 29 April 2020, the Company issued five-year convertible bonds in the principal amount of HK$3,100,000,000 (equivalent to RMB2,827,820,000) which bear interest at a rate of 0.625% per annum payable semi-annually (the "2020 Convertible Bonds"). The 2020 Convertible Bonds are convertible at the option of the bondholders into ordinary shares of the Company from 9 June 2020 to the date falling 10 days prior to the maturity date, at a price of HK$35.7637 per share, subject to adjustments. On the maturity date, any 2020 Convertible Bonds not converted will be redeemed by the Company at 105.85% of the principal amount together with accrued and unpaid interest thereon.

The fair value of the liability component was estimated at the issuance date using an equivalent market interest rate for a similar bond without a conversion option. The residual amount is assigned as the equity component and is included in Shareholders' equity.

In accordance with the terms and conditions of the 2020 Convertible Bonds, the dividend payments made after the issuance of the 2020 Convertible Bonds resulted in adjustments to the conversion price of the 2020 Convertible Bonds and the conversion price of the 2020 Convertible Bonds was adjusted to HK$34.77 per share after the latest adjustment became effective on 8 June 2024.

During the period from 11 April 2025 to 17 April 2025, the Company issued a total number of 65,401,193 shares to the bondholders from which it received conversion notices. Such convertible bonds, representing approximately principal amount of HK$2,274 million in aggregate, had been converted at the prevailing adjusted conversion price of HK$34.77 per share.

Pursuant to the terms and conditions of the 2020 Convertible Bonds, on 29 April 2025 (i.e., the maturity date of the 2020 Convertible Bonds), the Company has fully redeemed the outstanding 2020 Convertible Bonds at the principal amount of approximately HK$826 million together with all accrued and unpaid interests and fees thereon. Accordingly, there are no outstanding 2020 Convertible Bonds in issue following the aforesaid redemption.

The movements of the liability component and the equity component of the 2020 Convertible Bonds for the six months ended 30 June 2025 are set out below:

	LIABILITY COMPONENT RMB'000 (UNAUDITED)	EQUITY COMPONENT RMB'000 (UNAUDITED)
At 1 January 2025	2,985,899	468,700
Conversion of the convertible bonds	(2,236,285)	(343,814)
Redemption of the convertible bonds	(811,593)	(124,886)
Interest expenses	53,503	—
Interest paid	(2,397)	—
Exchange realignment	10,873	—
At 30 June 2025	—	—

15. DIVIDENDS

A final dividend of HK$0.13 per ordinary share for 2025 proposed by the board of directors of the Company ("Board") was approved by the Shareholders on 28 May 2026. The actual payment of 2025 final dividend was HK$177,951,000 (equivalent to RMB154,559,000) in June 2026.

The Board has resolved not to declare any interim dividend in respect of the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

16. COMMITMENTS

The Group had the following contractual commitments as at the end of the reporting period:

	NOTE	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
Development of land and buildings		**6,440**	34,568
Capital contributions	17(a)(ix)	**300,000**	300,000
Total		**306,440**	334,568

17. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	NOTES	FOR THE SIX MONTHS ENDED 30 JUNE 2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
Interest income from an associate of the Group	(i)	**—**	19,210
Interest income from other related parties		**1,083**	1,296
Provision of licensing and subscription services to a company controlled by a director of the Company	(ii)	**1,293**	1,737
Provision of promotion services to a company controlled by a director of the Company	(iii)	**13,105**	14,238
Provision of services to associates	(iv)	**23,015**	5,403
Licence fee from a company whose parent has a significant influence on the Company	(v)	**55,967**	65,736
Purchases of products from a company controlled by a director of the Company		**2,552**	1,105
Licence fee to a joint venture	(vi)	**29,384**	36,341
Rental to a company controlled by a director of the Company	(vii)	**22,913**	9,404
Purchase of cloud services from associates	(viii)	**227,524**	177,618
Contribution to funds controlled by a director of the Company	(ix)	**—**	150,000

(i) On 4 December 2023, the Group and Kingsoft Cloud Holdings Limited and its subsidiaries (collectively, "Kingsoft Cloud Group"), associates of the Company, entered into a loan facility framework agreement in relation to the provision of the loan facility in the principal amount of up to RMB1,500,000,000 for the period from 5 December 2023 to 31 December 2025.

In 2023, the Group entered into a short-term loan agreement with Kingsoft Cloud Group, pursuant to which, the Group provided a loan of RMB500,000,000 to Kingsoft Cloud Group with an interest rate of 3.75% per annum which was repayable on 30 September 2024. This loan to the associate and the related interest receivable were fully repaid in 2024.

In 2024, the Group entered into loan agreements with Kingsoft Cloud Group, pursuant to which, the Group provided loans of RMB500,000,000, RMB200,000,000 and RMB300,000,000 to Kingsoft Cloud Group with an interest rate of 4.05% per annum which are repayable on 11 September 2025, 29 September 2025 and 17 October 2025, respectively. Kingsoft Cloud Group provided charge over fixed assets to the Group with value equal to 120% of relevant drawdown amount. As at 30 June 2025, the outstanding balance due from Kingsoft Cloud Group under these loan agreements was RMB1,003,679,000 including accumulated unpaid principal and interests receivable of RMB1,000,000,000 and RMB3,679,000 respectively. The interest income from Kingsoft Cloud Group during six months ended 30 June 2025 was RMB19,210,000. All the loans provided in 2024 according to the loan facility framework agreement and the related interest receivable have been fully repaid in the year 2025 and no new loans were provided since then.

17. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

(ii) The Group entered into framework agreements with a company controlled by a director of the Company. Pursuant to the framework agreements, the Group provides licensing and subscription services to this related company and its affiliates at the prevailing fair market price in the same industry for similar transactions.

(iii) The Group entered into framework agreements with a company controlled by a director of the Company. Pursuant to the framework agreements, the Group provides promotion services to this related company and its affiliates at the prevailing fair market price in the same industry for similar transactions.

(iv) The Group entered into agreements with associates to provide leasing services to them at the prevailing fair market price.

(v) The Group entered into various licensing agreements with a company whose parent has a significant influence on the Company to operate the Group's online games with this related company at the prevailing fair market price.

(vi) The Group entered into the game joint development and operation agreement with a joint venture to jointly develop and operate the Group's online games at the prevailing fair market price.

(vii) The Group entered into lease agreements with a company controlled by a director of the Company at the prevailing market rent of similar properties and business nature in nearby locations. As at 30 June 2026, the carrying amounts of right-of-use assets and lease liabilities in respect with the lease agreements were RMB234,822,000 (31 December 2025: nil) and RMB237,338,000 (31 December 2025: nil), respectively.

(viii) The Group entered into cloud service agreements with associates. Pursuant to the agreements, the associates provide cloud services to the Group at the prevailing fair market price.

(ix) In 2024, the Group entered into a partnership agreement in relation to the formation of a fund with some other companies. Pursuant to the partnership agreement, the Group shall participate in the fund as a limited partner and agreed to make a contribution in the amount of RMB500 million. During the six months ended 30 June 2025, the Group contributed RMB150 million (accumulated contribution up to 30 June 2026 was RMB200 million) to the fund.

(x) The Group entered into framework agreements with a company controlled by a director of the Company. Pursuant to the framework agreements, the Group jointly operates the Group's online games operations with affiliates of this related company by ways of exclusive and non-exclusive licensing. The Group is entitled to receive licensing fee under the exclusive arrangements and the affiliate of this related company acted as a distribution platform to collect payments from players on behalf of the Group through the non-exclusive arrangements. The net amount remitted to the Group during the period amounted to RMB6,928,000 (six months ended 30 June 2025: RMB2,016,000), including the licensing fee collected on behalf of the Group after deduction of commission in accordance with the co-operation agreements, which is charged at the prevailing fair market price.

(b) Compensation of key management personnel of the Group (including directors' remuneration):

	FOR THE SIX MONTHS ENDED 30 JUNE	
	2026 RMB'000 (UNAUDITED)	2025 RMB'000 (UNAUDITED)
Salaries, allowances, and benefits in kind	**5,530**	4,613
Pension scheme contributions	**162**	187
Share-based compensation costs	**7,681**	19,335
Total compensation paid to key management personnel	**13,373**	24,135

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	CARRYING AMOUNTS		FAIR VALUES	
	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)	30 JUNE 2026 RMB'000 (UNAUDITED)	31 DECEMBER 2025 RMB'000 (AUDITED)
Financial assets				
Loans receivable	**16,836**	18,031	**15,344**	16,433
Financial assets at fair value through profit or loss	**2,961,413**	5,207,496	**2,961,413**	5,207,496
Financial assets at amortised cost	**413,723**	—	**413,723**	—
Total	**3,391,972**	5,225,527	**3,390,480**	5,223,929

Management has assessed that the fair values of cash and bank deposits, restricted cash, trade receivables, trade payables, financial assets included in prepayments, other receivables and other assets and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer ("CFO") and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the CFO and the valuation process and results are discussed with the audit committee.

The fair values of the financial assets are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of loans receivable has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair value of financial assets at amortised cost is estimated by discounting the expected future cash flows using contractual interest rates.

The fair values of financial assets at fair value through profit or loss have been estimated as follows: (i) for wealth management products, the fair values have been estimated by using discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks; (ii) for subscription options, the fair values have been estimated by using the Black Scholes Model. The valuation requires the directors to make estimates about the life of option, dividend yield and expected volatility; and (iii) for other financial assets at fair value through profit or loss, the fair values have been estimated by reference to market approach or discount cashflow approach, and using equity valuation allocation model. The valuation requires the directors to make estimates about the underlying equity value, expected volatility and risk-free rate. The estimation of the underlying equity value is based on estimation of price multiple or expected future cash flows. These valuation techniques are based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values resulting from these valuation techniques, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in the consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2026

	FAIR VALUE MEASUREMENT USING			
	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) RMB'000 (UNAUDITED)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) RMB'000 (UNAUDITED)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) RMB'000 (UNAUDITED)	TOTAL RMB'000 (UNAUDITED)
Financial assets at fair value through profit or loss	**—**	**—**	**2,961,413**	**2,961,413**

As at 31 December 2025

	FAIR VALUE MEASUREMENT USING			
	QUOTED PRICES IN ACTIVE MARKETS (LEVEL 1) RMB'000 (AUDITED)	SIGNIFICANT OBSERVABLE INPUTS (LEVEL 2) RMB'000 (AUDITED)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3) RMB'000 (AUDITED)	TOTAL RMB'000 (AUDITED)
Financial assets at fair value through profit or loss	—	—	5,207,496	5,207,496

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movement of assets in fair value measurements in Level 3 during the period is as follows:

	RMB'000
Financial assets at fair value through profit or loss:	
At 1 January 2026	**5,207,496**
Disposals	**(2,277,233)**
Total gains recognised in profit or loss	**37,176**
Exchange realignment	**(6,026)**
At 30 June 2026 (Unaudited)	**2,961,413**

Set out below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 30 June 2026:

	VALUATION TECHNIQUES	SIGNIFICANT UNOBSERVABLE INPUTS	SENSITIVITY OF FAIR VALUE TO THE INPUT
Financial assets at fair value through profit or loss	Black Scholes Model	Fair value per share	5% increase/(decrease) in fair value per share would result in increase/(decrease) in fair value by RMB2,111,000/ RMB(70,000)

Liabilities measured at fair value:

There were no liabilities measured at fair value as at 30 June 2026 and 31 December 2025.

19. CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no significant contingent liabilities (31 December 2025: nil).

20. APPROVAL OF THE FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the Board on 19 August 2026.

TERMS AND GLOSSARIES

"2011 Share Option Scheme"	the share option scheme adopted by the Company on 9 December 2011
"2020 Convertible Bonds"	the convertible bonds issued by the Company on 29 April 2020
"2021 Share Option Scheme"	the share option scheme adopted by the Company on 9 December 2021
"2022 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 28 April 2022
"2023 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 6 June 2023
"2024 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 28 May 2024
"2024 Share Scheme"	the share scheme adopted by the Company on 23 May 2024
"2025 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 4 June 2025
"2026 Kingsoft Office Share Award Scheme"	the share award scheme adopted by Kingsoft Office on 1 June 2026
"AI"	artificial intelligence
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Cheetah Mobile"	Cheetah Mobile Inc., an associated corporation of the Company and was listed on NYSE in May 2014
"Class A Cheetah Shares"	the class A ordinary shares of Cheetah Mobile, par value US$0.000025 per share
"Company" or "Kingsoft"	Kingsoft Corporation Limited, an exempted limited liability company incorporated in the British Virgin Islands on 20 March 1998 and discontinued in the British Virgin Islands and continued into the Cayman Islands on 15 November 2005, with the Shares listed on the Stock Exchange (stock code: 03888)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"IAS"	International Accounting Standard issued by the International Accounting Standards Board
"IFRSs"	International Financial Reporting Standards
"Kingsoft Cloud"	Kingsoft Cloud Holdings Limited, an associate of the Company, and the American Depository Shares and the shares of which are listed on NASDAQ and the Stock Exchange, respectively
"Kingsoft Cloud Group"	Kingsoft Cloud and its subsidiaries
"Kingsoft Office"	Beijing Kingsoft Office Software, Inc., a subsidiary of the Company and was listed on the STAR Market of Shanghai Stock Exchange in November 2019
"Kingsoft Office Group"	Kingsoft Office and its subsidiaries
"Kingsoft Office Share Award Schemes"	the share award schemes adopted by Kingsoft Office on 28 April 2022, 6 June 2023, 28 May 2024, 4 June 2025 and 1 June 2026
"Kingsoft Shiyou Holdings"	Kingsoft Shiyou Holdings Limited, a subsidiary of the Company
"Kingsoft Shiyou Holdings Share Award Scheme"	the share option scheme adopted by Kingsoft Shiyou Holding on 13 April 2022
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules
"NASDAQ"	National Association of Securities Dealers Automated Quotations
"NYSE"	New York Stock Exchange
"PRC" or "China"	the People's Republic of China
"R&D"	research and development
"Reporting Period"	for the six months ended 30 June 2026
"RMB"	the lawful currency of the PRC
"Seasun Holdings"	Seasun Holdings Limited, a subsidiary of the Company
"Seasun Holdings Share Award Scheme"	the General Share Award Scheme, the Special Share Award Scheme (A) and the Special Share Award Scheme (B) approved and adopted by the shareholders and directors of Seasun Holdings on 21 March 2017

"Seasun Holdings Share Option Scheme"	the share option scheme of Seasun Holdings approved and adopted by the shareholders of the Company and Seasun Holdings on 27 June 2013
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share Award Scheme"	the share award scheme of the Company adopted by the Board on 31 March 2008, as amended on 5 July 2021
"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0005 each
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"US$"	United States dollars, the lawful currency of the United States of America
"Xiaomi"	Xiaomi Corporation (Stock Code: 1810), a limited liability company incorporated under the laws of Cayman Islands and listed on the Stock Exchange
"%"	percent