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## Kuaishou Technology 快手科技

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

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

### ANNOUNCEMENT OF THE RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2025

The Board of Directors of Kuaishou Technology (快手科技) is pleased to announce the unaudited consolidated results of the Company for the three months ended March 31, 2025. These interim results have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and reviewed by PricewaterhouseCoopers, the independent auditor of the Company (the “Auditor”), in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board. These interim results have also been reviewed by the Audit Committee.

#### KEY HIGHLIGHTS

#### Financial Summary

	Unaudited Three Months Ended March 31,				Year-over- year change
	2025		2024		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	
(RMB millions, except for percentages)					
Revenues	32,608	100.0	29,408	100.0	10.9%
Gross profit	17,792	54.6	16,120	54.8	10.4%
Operating profit	4,259	13.1	3,994	13.6	6.6%
Profit for the period	3,979	12.2	4,120	14.0	(3.4%)

#### Non-IFRS Accounting Standards

##### Measures:

Adjusted net profit <sup>(1)</sup>	4,580	14.0	4,388	14.9	4.4%
Adjusted EBITDA <sup>(2)</sup>	6,434	19.7	5,979	20.3	7.6%

#### Notes:

<sup>(1)</sup> We define “adjusted net profit” as profit for the period adjusted by share-based compensation expenses and net fair value changes on investments.

<sup>(2)</sup> We define “adjusted EBITDA” as adjusted net profit for the period adjusted by income tax expenses/(benefits), depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, and finance expense/(income), net.

## Financial Information by Segment

Unaudited Three Months Ended March 31, 2025				
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	(RMB millions)			
Revenues	31,293	1,315	—	32,608
Operating profit/(loss)	4,345	28	(114)	4,259

  

Unaudited Three Months Ended March 31, 2024				
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	(RMB millions)			
Revenues	28,417	991	—	29,408
Operating profit/(loss)	3,991	(268)	271	3,994

  

Year-over-year change				
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	(Percentages %)			
Revenues	10.1	32.7	—	10.9
Operating profit/(loss)	8.9	N/A	N/A	6.6

Note:

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

## Operating Metrics

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

	Three Months Ended March 31,	
	2025	2024
Average DAUs (in millions)	408.0	393.8
Average MAUs (in millions)	711.7	697.4
Average online marketing services revenue per DAU (in RMB)	44.1	42.3
Total e-commerce GMV <sup>(1)</sup> (RMB in millions)	332,325.2	288,072.5

Note:

<sup>(1)</sup> Placed on or directed to our partners through our platform.

## BUSINESS REVIEW

In the first quarter of 2025, despite a complex and dynamic global macroeconomic environment, we achieved solid financial performance by continuing to integrate artificial intelligence (AI) technology across our business. These intelligent upgrades strengthened both our content and business ecosystems, elevating experience for both users and content creators on our platform and improving operational efficiency for merchants and online marketing clients. The average DAUs on the Kuaishou App reached a new record high of 408 million in the first quarter of 2025. Our total revenue grew by 10.9% year-over-year to RMB32.6 billion, with gross profit margin approaching 55.0%. The adjusted net profit reached RMB4.6 billion with a 14.0% adjusted net margin.

Concurrently, our new business initiatives continued to generate promising results, demonstrating robust momentum as the second growth curve. **Kling AI (可靈AI)** accelerated its commercialization, generating over RMB150 million in revenue in the first quarter of 2025. Our focused strategy on core international markets has yielded tangible results after two years of implementation, achieving a positive quarterly operating profit for the overall overseas business for the first time in the first quarter of 2025.

### AI business

For **Kling AI (可靈AI)**, we launched **Kling AI (可靈AI)** 2.0 globally in April 2025, marking a significant upgrade to the large video generation model. The new version maintains global leadership in aspects such as motion quality, semantic responsiveness and visual aesthetics. In this **Kling AI (可靈AI)** 2.0 model iteration, **Kling AI (可靈AI)** officially introduced the breakthrough concept of **Multi-modal Visual Language (MVL, 多模態視覺語言)**. Building on this concept, we launched a multi-modal editing feature that allows users to integrate various inputs, such as images, videos, voice and motion paths to produce creative videos. In addition, creators can add, remove, or replace visual elements in a generated video, providing them greater flexibility throughout the editing process. Currently, **Kling AI (可靈AI)** is being widely applied across various industries, such as advertising, short plays and smart devices. This growing adoption reinforces our conviction in **Kling AI (可靈AI)**'s potential to become the foundational infrastructure for video creation in the new AI era.

We have integrated AI technology across our content and business ecosystems. AI technology is embedded across our online marketing solutions, which included the AIGC marketing material production, marketing placement agent and large marketing recommendation models boosting our clients' marketing conversion efficiency. In the first quarter of 2025, average daily advertising spending on AIGC marketing materials was around RMB30 million. We also introduced a real-time interaction feature for our digital human live-streaming rooms, which led to an increase in conversion rates.

## User and content ecosystem

In the first quarter of 2025, the average DAUs on the Kuaishou App reached 408 million and MAUs reached 712 million, increasing by 3.6% and 2.1% year-over-year, respectively. The average DAUs on the Kuaishou App surpassed 400 million for the third consecutive quarter, setting a new record. The average daily time spent per DAU on the Kuaishou App was 133.8 minutes, while total user time spent rose by 5.9% year-over-year in the first quarter of 2025. Our refined user growth strategy has successfully lowered average acquisition costs per new user. By consistently delivering rich, high-quality contents, enhancing our traffic distribution mechanisms and offering diverse community features, we elevated the users' content consumption experience, leading to a higher new user retention rate.

The Chinese New Year has always been a key opportunity for user growth and brand marketing. For the 2025 Chinese New Year holiday, we created a festive online community full of Chinese New Year atmosphere for over 400 million users, offering engaging interactive features and an extensive content matrix. The interactive elements sparked greater social interactions across the platform. During the campaign, the pairs of average daily new mutual followers increased by over 40.0% year-over-year and the number of average daily private messages among users with mutual followers relationship surged by over 100.0% year-over-year. Our extensive Chinese New Year content line-up, including **online festive fairs** (雲上廟會), **Kuaishou Village Winter Games** (快手村冬奧) and **Liaoning TV Spring Festival Gala** (遼寧衛視春晚), delivered a deeply immersive content consumption experience for users. The above content generated over 15 billion live streaming views and over 200 billion short video views.

## Online marketing services

In the first quarter of 2025, revenue from online marketing services grew by 8.0% year-over-year to RMB18.0 billion. Through end-to-end empowerment of online marketing solutions with AI, we enabled clients across various sectors to improve their brand marketing efficiency and drive better conversion outcomes. We also applied content understanding and reasoning capabilities of large language models to improve the results of our marketing content recommendations. Combined with chain-of-thought reasoning based on user behaviors, those improvements further enhanced the conversion efficiency of marketing materials.

In the first quarter of 2025, external marketing services continued to be the primary growth driver for online marketing services, with particularly strong contributions from the content-consumption sectors and local services sectors. For the content-consumption sectors, marketing spending from short plays experienced rapid year-over-year growth in the first quarter of 2025. Marketing clients aligned their campaigns with native in-platform content operations, such as short plays, mini-games and novels, which increased content value and fostered user stickiness, while also deepened the platform's understanding of user preferences. For the local services sectors, we offered multiple lead-based solutions, including native private messaging and lead form collection, helping them to reach customers and improve conversion rates. In the first quarter of 2025, marketing spending from the local services industry increased by more than 50.0% year-over-year. In terms of intelligent product placement solution, total marketing spending through **Universal Auto X (UAX, 全自動投放)** placement solutions accounted for more than 60.0% of total external marketing spending in the first quarter of 2025.

Additionally, we actively explored and refined our closed-loop marketing solutions to support e-commerce merchants in building more intelligent omni-domain operations on Kuaishou. In the pan-shelf-based e-commerce segment, we introduced merchants' high-quality contents and products through optimized marketing placement funnels, while our enhanced algorithm strategies improved matching efficiency. In terms of intelligent efficiency enhancement, our Omni-platform Marketing Agent 4.0 delivered greater stability in merchants' omni-domain ad-placements. In the first quarter of 2025, total marketing spending by e-commerce merchants using the Omni-platform Marketing Agent 4.0 or smart hosting products contributed 60.0% of total closed-loop marketing spending.

## E-commerce

In the first quarter of 2025, e-commerce GMV grew by 15.4% year-over-year to RMB332.3 billion, with the number of e-commerce monthly average active paying users reaching 135 million. As we continued to optimize consumers' shopping experience, we empowered more merchants and KOLs to expand their operations on Kuaishou by capitalizing on the omni-domain synergies between content-based scenarios and pan-shelf-based e-commerce.

In the first quarter of 2025, small-and medium-sized merchants on Kuaishou grew rapidly, mainly driven by our ongoing efforts to enhance supports for new merchants and the broader application of large models across various scenarios. The number of newly onboard merchants rose by over 30.0% year-over-year in the first quarter of 2025, benefiting from our early-stage traffic supports and a series of cost-reduction policies for new merchants. At the same time, we advanced the integration of AI large models across merchant operations. In the first quarter of 2025, we equipped live-streaming merchants with a comprehensive set of intelligent streaming tools, including AI-generated scripts, description prompts and intelligent product selection. The adoption of these tools helped more new merchants achieve operational breakthroughs.

In the first quarter of 2025, we advanced our KOL e-commerce by establishing dedicated merchandise operation centers to support KOLs in distributing high-quality products at a greater scale, further strengthening our control over merchandise selection and supply. We also deployed KOLs and operational resources across our platform to engage socialized brands through structured **Platform-endorsed Groups (官方團)**. During the Chinese New Year shopping season, we launched the **Blockbusters Initiative (爆品計劃)** to focus on high-demand product categories and integrate platform-wide selling capabilities to introduce premium products at competitive prices. For small-and medium-sized KOLs, we supported their growth through initiatives like **Rising Star Initiative (新星計劃)**, offering traffic incentives and city-level operations. During the Women's Day promotion, GMV from KOLs rose by over 30.0% and GMV from small-and medium-sized KOLs surged by over 50.0%, both on a year-over-year basis. These results highlight how KOLs across different tiers are achieving strong and efficient growth driven by our major promotion initiatives.

In terms of diversified scenarios, we continued to enhance our three-in-one business model that integrates live streaming, shopping mall and short videos. In the first quarter of 2025, pan-shelf-based e-commerce GMV once again outperformed overall GMV growth, accounting for around 30.0% of our total e-commerce GMV with steady improvements on both the supply and demand sides. In the first quarter of 2025, average daily active merchants in our shopping mall grew by over 40.0% year-over-year, driven by our proactive efforts to tap into industrial zones to attract quality merchants, enrich our supply base and broaden our product selection. We also benefited from enhanced traffic support across recommendations, search, channels and stores for such growth. Meanwhile, short video e-commerce GMV saw strong momentum, increasing by over 40.0% year-over-year in the first quarter of 2025. This synergy between the short video and live streaming formats boosted content diversity and drove more efficient user conversion.

Furthermore, our AI large models have elevated the overall service capabilities available to e-commerce merchants. In the first quarter of 2025, utilizing large model agent technology and multi-modal capabilities, problem-solving rate of our intelligent customer service increased to around 80.0%, which significantly reduced merchants' costs and shortened the average response time, improving the overall user experience. Our AI capabilities continued to drive the upgrade of our e-commerce infrastructure, strengthening customer-product matching, and streamlining content production for merchants. These advancements injected incremental momentum into our e-commerce ecosystem.



## Live streaming

In the first quarter of 2025, live-streaming revenue resumed its positive growth trajectory, increasing by 14.4% year-over-year to RMB9.8 billion. We further strengthened operations across core categories, including multi-host and group live streaming. By the end of the first quarter of 2025, the number of our partner talent agencies had grown by over 25.0% year-over-year, and talent agency-managed streamers increased by over 40.0% year-over-year. We also doubled down on developing premium **Grand Stage** (直播大舞台) content to help streamers and KOLs efficiently retain followers and unlock more monetization potential. At the same time, we implemented targeted support policies and optimized traffic mechanisms, bringing offline entertainment and cultural consumption formats online.

In addition, we continued to strengthen our gaming content ecosystem. By deeply integrating short video, live streaming and community operations, we helped game developers break through traditional promotional boundaries. We also collaborated with major e-sports events on live-streaming copyrights and co-created IP-based events, while operating our own e-sports team, KSG. Beyond content, our “live streaming+” strategy continued to empower traditional industries. In the first quarter of 2025, the average daily number of users submitting resumes on **Kwai Hire** (快聘) increased by over 110.0% year-over-year, and the number of matches grew by over 300.0% year-over-year. In **Ideal Housing** (理想家), daily lead generation surged by over 150.0% compared with the same period last year.

## Overseas

In the first quarter of 2025, our overseas business continued to make steady progress, with revenue rising by 32.7% year-over-year to RMB1.3 billion. Online marketing services sustained strong year-over-year growth. Through effective cost and expense control, our overseas business achieved quarterly operating profitability for the first time. We further improved overseas customer acquisition efficiency by focusing targeted promotions on high-value demographics, which contributed to steady DAU growth in Brazil, one of our core international markets. Supported by our ongoing algorithm and traffic optimizations, the average daily time spent per DAU in Brazil continued to grow steadily, both year-over-year and quarter-over-quarter. On the monetization front, we leveraged our strong base of extensive local content to assist advertisers in developing new content-driven marketing approaches that use multiple product formats to accurately reach their target user groups. Meanwhile, our e-commerce business in Brazil maintained healthy year-over-year growth in order volume, supported by rigorous ROI management.

## Local services

In the first quarter of 2025, our local services business deepened its operations in lower-tier cities, by continuing to leverage our user advantages and refining our operations through offering users high-value-for-money local products and services. We achieved a rapid year-over-year increase in GMV for local services in the first quarter of 2025, with over 65.0% of that growth coming from lower-tier cities. On the supply side, the number of active merchants and available merchandise grew by 81.0% and 71.3% year-over-year, respectively. We also encouraged merchants to adopt self-operated live streaming, together with their employees’ promotions and KOL distribution. With the support from AIGC-driven content creation tools, this approach allowed us to scale the volume of content and improve the quality more efficiently, and help merchants gain high-quality traffic exposure. Higher product and content supply density drove user transaction conversion, with the number of average monthly paying users increasing by 73.1% year-over-year in the first quarter of 2025. Regarding monetization, we further optimized our local advertising products, reinforcing the effectiveness of merchants’ marketing placements. As a result, local services revenue rose twofold year-over-year in the first quarter of 2025. In addition, our dual-engine promotion strategy — combining big promotions with targeted small-scale promotions — simultaneously enhanced merchant marketing efficiency and our subsidy utilization, leading to continued narrowing losses of local services business.

## MANAGEMENT DISCUSSION AND ANALYSIS

### First Quarter of 2025 Compared to First Quarter of 2024

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

	Unaudited			
	Three Months Ended March 31,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
<b>Revenues</b>	<b>32,608</b>	<b>100.0</b>	29,408	100.0
Cost of revenues	(14,816)	(45.4)	(13,288)	(45.2)
<b>Gross profit</b>	<b>17,792</b>	<b>54.6</b>	16,120	54.8
Selling and marketing expenses	(9,897)	(30.4)	(9,384)	(31.9)
Administrative expenses	(828)	(2.5)	(462)	(1.6)
Research and development expenses	(3,298)	(10.1)	(2,843)	(9.7)
Other income	53	0.2	118	0.4
Other gains, net	437	1.3	445	1.6
<b>Operating profit</b>	<b>4,259</b>	<b>13.1</b>	3,994	13.6
Finance (expense)/income, net	(24)	(0.1)	114	0.4
Share of profits/(losses) of investments accounted for using the equity method	2	0.0	(3)	(0.0)
<b>Profit before income tax</b>	<b>4,237</b>	<b>13.0</b>	4,105	14.0
Income tax (expenses)/benefits	(258)	(0.8)	15	0.0
<b>Profit for the period</b>	<b>3,979</b>	<b>12.2</b>	4,120	14.0
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit	4,580	14.0	4,388	14.9
Adjusted EBITDA	6,434	19.7	5,979	20.3

## Revenues

Our revenues increased by 10.9% to RMB32.6 billion for the first quarter of 2025 from RMB29.4 billion for the same period of 2024. The increase was primarily attributable to the growth of our online marketing services, live streaming business and e-commerce business.

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

	Unaudited Three Months Ended March 31,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	17,977	55.1	16,650	56.6
Live streaming	9,814	30.1	8,575	29.2
Other services	4,817	14.8	4,183	14.2
<b>Total</b>	<b>32,608</b>	<b>100.0</b>	<b>29,408</b>	<b>100.0</b>

### *Online marketing services*

Revenue from our online marketing services increased by 8.0% to RMB18.0 billion for the first quarter of 2025 from RMB16.7 billion for the same period of 2024, primarily attributable to the increased consumption from marketing clients driven by our intelligent product placement solutions and the application of AI technology in online marketing solutions.

### *Live streaming*

Revenue from our live streaming business increased by 14.4% to RMB9.8 billion for the first quarter of 2025 from RMB8.6 billion for the same period of 2024, primarily due to our refined operations and diversified high-quality content.

### *Other services*

Revenue from our other services increased by 15.2% to RMB4.8 billion for the first quarter of 2025 from RMB4.2 billion for the same period of 2024, primarily due to the growth of our e-commerce business, represented by the growth in our e-commerce GMV. The growth in e-commerce GMV was driven by increases in the number of e-commerce monthly active paying users and monthly active merchants as a result of our continuous refined omni-domain operations.



## Cost of Revenues

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

	Unaudited Three Months Ended March 31,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Revenue sharing costs and related taxes	9,942	30.5	8,339	28.4
Bandwidth expenses and server custody costs <sup>(1)</sup>	1,477	4.5	1,399	4.8
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	1,235	3.8	1,544	5.3
Employee benefit expenses	690	2.1	703	2.4
Payment processing costs	768	2.4	596	2.0
Other cost of revenues	704	2.1	707	2.3
<b>Total</b>	<b>14,816</b>	<b>45.4</b>	<b>13,288</b>	<b>45.2</b>

*Note:*

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

Our cost of revenues increased by 11.5% to RMB14.8 billion for the first quarter of 2025 from RMB13.3 billion for the same period of 2024, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth, partially offset by decreases in depreciation of property and equipment and right-of-use assets, and amortization of intangible assets.

## Gross Profit and Gross Profit Margin

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

	Unaudited Three Months Ended March 31,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Gross profit	17,792	54.6	16,120	54.8

As a result of the foregoing, our gross profit increased by 10.4% to RMB17.8 billion for the first quarter of 2025 from RMB16.1 billion for the same period of 2024. Our gross profit margin slightly decreased to 54.6% for the first quarter of 2025, compared to 54.8% for the same period of 2024.

### ***Selling and Marketing Expenses***

Our selling and marketing expenses increased by 5.5% to RMB9.9 billion for the first quarter of 2025 from RMB9.4 billion for the same period of 2024, primarily attributable to the increased spending in promotion activities. As a percentage of our total revenues, selling and marketing expenses decreased to 30.4% for the first quarter of 2025 from 31.9% for the same period of 2024, primarily due to our efforts to improve operating efficiency.

### ***Administrative Expenses***

Our administrative expenses increased by 79.2% to RMB828 million for the first quarter of 2025, from RMB462 million for the same period of 2024, primarily due to an increase in employee benefit expenses, including the related share-based compensation expenses.

### ***Research and Development Expenses***

Our research and development expenses increased by 16.0% to RMB3.3 billion for the first quarter of 2025 from RMB2.8 billion for the same period of 2024, primarily attributable to an increase in employee benefit expenses, including the related share-based compensation expenses.

### ***Other Income***

Our other income decreased to RMB53 million for the first quarter of 2025, from RMB118 million for the same period of 2024.

### ***Other Gains, Net***

Our other gains, net was RMB437 million and RMB445 million for the first quarter of 2025 and 2024, respectively.

### ***Operating Profit***

As a result of the foregoing, we had an operating profit of RMB4.3 billion and an operating margin of 13.1% for the first quarter of 2025, compared to an operating profit of RMB4.0 billion and an operating margin of 13.6% for the same period of 2024.

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

	<b>Unaudited</b>		
	<b>Three Months Ended March 31,</b>		
	<b>2025</b>	<b>2024</b>	<b>Year-over-year change</b>
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>4,345</b>	3,991	8.9%
Overseas	<b>28</b>	(268)	N/A
Unallocated items	<b>(114)</b>	271	N/A
<b>Total</b>	<b><u>4,259</u></b>	<b><u>3,994</u></b>	<b>6.6%</b>

Our operating profit from the domestic segment increased to RMB4.3 billion for the first quarter of 2025, from RMB4.0 billion for the same period of 2024, mainly due to a 10.1% year-over-year growth in domestic revenues.

Our operating profit from the overseas segment was RMB28 million for the first quarter of 2025, compared to an operating loss of RMB268 million for the same period of 2024. The change was primarily attributable to a 32.7% year-over-year growth in overseas revenues.

#### ***Finance (Expense)/Income, Net***

Our finance expense, net was RMB24 million for the first quarter of 2025, compared to finance income, net of RMB114 million for the same period of 2024. The change was primarily attributable to an increase in interest expense from borrowings.

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

Our share of profits of investments accounted for using the equity method was RMB2 million for the first quarter of 2025, compared to share of losses of RMB3 million for the same period of 2024.

#### ***Profit before Income Tax***

As a result of the foregoing, we had a profit before income tax of RMB4.2 billion for the first quarter of 2025, compared to a profit before income tax of RMB4.1 billion for the same period of 2024.

#### ***Income Tax (Expenses)/Benefits***

Our income tax expenses were RMB258 million for the first quarter of 2025, compared to income tax benefits of RMB15 million for the same period of 2024. The change was primarily due to the decrease of deferred income tax benefits recognized on tax losses.

#### ***Profit for the Period***

As a result of the foregoing, we had a profit of RMB4.0 billion for the first quarter of 2025, compared to a profit of RMB4.1 billion for the same period of 2024.

## First Quarter of 2025 Compared to Fourth Quarter of 2024

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

	Unaudited Three Months Ended			
	March 31, 2025		December 31, 2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
<b>Revenues</b>	<b>32,608</b>	<b>100.0</b>	35,384	100.0
Cost of revenues	(14,816)	(45.4)	(16,261)	(46.0)
<b>Gross profit</b>	<b>17,792</b>	<b>54.6</b>	19,123	54.0
Selling and marketing expenses	(9,897)	(30.4)	(11,317)	(32.0)
Administrative expenses	(828)	(2.5)	(866)	(2.4)
Research and development expenses	(3,298)	(10.1)	(3,451)	(9.8)
Other income	53	0.2	187	0.5
Other gains, net	437	1.3	592	1.8
<b>Operating profit</b>	<b>4,259</b>	<b>13.1</b>	4,268	12.1
Finance (expense)/income, net	(24)	(0.1)	19	0.0
Share of profits/(losses) of investments accounted for using the equity method	2	0.0	(1)	(0.0)
<b>Profit before income tax</b>	<b>4,237</b>	<b>13.0</b>	4,286	12.1
Income tax expenses	(258)	(0.8)	(312)	(0.9)
<b>Profit for the period</b>	<b>3,979</b>	<b>12.2</b>	3,974	11.2
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit	4,580	14.0	4,701	13.3
Adjusted EBITDA	6,434	19.7	6,869	19.4

## Revenues

Our revenues decreased by 7.8% to RMB32.6 billion for the first quarter of 2025, from RMB35.4 billion for the fourth quarter of 2024, primarily due to revenue decreases in our online marketing services.

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

	Unaudited Three Months Ended			
	March 31, 2025		December 31, 2024	
	<i><b>RMB</b></i>	<i><b>%</b></i>	<i><b>RMB</b></i>	<i><b>%</b></i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	<b>17,977</b>	<b>55.1</b>	20,620	58.3
Live streaming	<b>9,814</b>	<b>30.1</b>	9,846	27.8
Other services	<b>4,817</b>	<b>14.8</b>	4,918	13.9
<b>Total</b>	<b><u>32,608</u></b>	<b><u>100.0</u></b>	<b><u>35,384</u></b>	<b><u>100.0</u></b>

### *Online marketing services*

Revenue from our online marketing services decreased by 12.8% to RMB18.0 billion for the first quarter of 2025, from RMB20.6 billion for the fourth quarter of 2024, primarily attributable to the impact of seasonality.

### *Live streaming*

Revenue from our live streaming business remained stable at RMB9.8 billion for the first quarter of 2025 and the fourth quarter of 2024, respectively.

### *Other services*

Revenue from our other services slightly decreased by 2.1% to RMB4.8 billion for the first quarter of 2025, from RMB4.9 billion for the fourth quarter of 2024.

## Cost of Revenues

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

	Unaudited Three Months Ended			
	March 31, 2025		December 31, 2024	
	RMB	%	RMB	%
<i>(in millions, except for percentages)</i>				
Revenue sharing costs and related taxes	9,942	30.5	10,334	29.2
Bandwidth expenses and server custody costs <sup>(1)</sup>	1,477	4.5	1,527	4.3
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	1,235	3.8	1,713	4.8
Employee benefit expenses	690	2.1	757	2.1
Payment processing costs	768	2.4	846	2.4
Other cost of revenues	704	2.1	1,084	3.2
<b>Total</b>	<b>14,816</b>	<b>45.4</b>	<b>16,261</b>	<b>46.0</b>

*Note:*

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

Our cost of revenues decreased by 8.9% to RMB14.8 billion for the first quarter of 2025, from RMB16.3 billion for the fourth quarter of 2024, primarily attributable to decreases in revenue sharing costs and related taxes, depreciation of property and equipment and right-of-use assets, and amortization of intangible assets, and content costs as part of other cost of revenues.

## Gross Profit and Gross Profit Margin

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

	Unaudited Three Months Ended			
	March 31, 2025		December 31, 2024	
	RMB	%	RMB	%
<i>(in millions, except for percentages)</i>				
Gross profit	17,792	54.6	19,123	54.0

As a result of the foregoing, our gross profit decreased by 7.0% to RMB17.8 billion for the first quarter of 2025, from RMB19.1 billion for the fourth quarter of 2024. Our gross profit margin increased to 54.6% for the first quarter of 2025, from 54.0% for the fourth quarter of 2024.



### ***Selling and Marketing Expenses***

Our selling and marketing expenses decreased by 12.5% to RMB9.9 billion for the first quarter of 2025, from RMB11.3 billion for the fourth quarter of 2024, and decreased to 30.4% for the first quarter of 2025 from 32.0% for the fourth quarter of 2024 as a percentage of our total revenues. The decrease was primarily attributable to the decreased spending in promotion activities.

### ***Administrative Expenses***

Our administrative expenses were RMB828 million for the first quarter of 2025, compared to RMB866 million for the fourth quarter of 2024.

### ***Research and Development Expenses***

Our research and development expenses decreased by 4.4% to RMB3.3 billion for the first quarter of 2025, from RMB3.5 billion for the fourth quarter of 2024, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

### ***Other Income***

Our other income decreased to RMB53 million for the first quarter of 2025, from RMB187 million for the fourth quarter of 2024, primarily due to a decrease in government grants.

### ***Other Gains, Net***

Our other gains, net decreased to RMB437 million for the first quarter of 2025, from RMB592 million for the fourth quarter of 2024, primarily due to the changes in foreign exchange and fair value of financial assets at fair value through profit or loss.

### ***Operating Profit***

As a result of the foregoing, our operating profit remained stable at RMB4.3 billion for the first quarter of 2025 and the fourth quarter of 2024, and our operating margin was 13.1% for the first quarter of 2025, compared to 12.1% for the fourth quarter of 2024.

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

	<b>Unaudited Three Months Ended</b>		
	<b>March 31, 2025</b>	<b>December 31, 2024</b>	<b>Quarter-over- quarter change</b>
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>4,345</b>	4,361	(0.4%)
Overseas	<b>28</b>	(236)	N/A
Unallocated items	<b>(114)</b>	143	N/A
<b>Total</b>	<b><u>4,259</u></b>	<b><u>4,268</u></b>	(0.2%)

Our operating profit from the domestic segment was RMB4.3 billion for the first quarter of 2025, compared to an operating profit of RMB4.4 billion for the fourth quarter of 2024.

Our operating profit from the overseas segment was RMB28 million for the first quarter of 2025, compared to an operating loss of RMB236 million for the fourth quarter of 2024, mainly due to continually improved operating efficiency.

#### ***Finance (Expense)/Income, Net***

Our finance expense, net was RMB24 million for the first quarter of 2025, compared to finance income, net of RMB19 million for the fourth quarter of 2024.

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

Our share of profits of investments accounted for using the equity method was RMB2 million for the first quarter of 2025, compared to share of losses of RMB1 million for the fourth quarter of 2024.

#### ***Profit before Income Tax***

As a result of the foregoing, we had a profit before income tax of RMB4.2 billion and RMB4.3 billion for the first quarter of 2025 and the fourth quarter of 2024, respectively.

#### ***Income Tax Expenses***

Our income tax expenses decreased to RMB258 million for the first quarter of 2025, from RMB312 million for the fourth quarter of 2024.

#### ***Profit for the Period***

As a result of the foregoing, our profit remained stable at RMB4.0 billion for the first quarter of 2025 and the fourth quarter of 2024, respectively.

## Reconciliation of Non-IFRS Accounting Standards Measures to the Nearest IFRS Accounting Standards Measures

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

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

	Unaudited Three Months Ended		
	March 31, 2025	December 31, 2024	March 31, 2024
	<i>(RMB millions)</i>		
<b>Profit for the period</b>	<b>3,979</b>	3,974	4,120
Adjusted for:			
Share-based compensation expenses	<b>604</b>	636	292
Net fair value changes on investments <sup>(1)</sup>	<b>(3)</b>	91	(24)
<b>Adjusted net profit</b>	<b><u>4,580</u></b>	<b><u>4,701</u></b>	<b><u>4,388</u></b>
<b>Adjusted net profit</b>	<b>4,580</b>	4,701	4,388
Adjusted for:			
Income tax expenses/(benefits)	<b>258</b>	312	(15)
Depreciation of property and equipment	<b>782</b>	1,093	977
Depreciation of right-of-use assets	<b>768</b>	756	716
Amortization of intangible assets	<b>22</b>	26	27
Finance expense/(income), net	<b>24</b>	(19)	(114)
<b>Adjusted EBITDA</b>	<b><u>6,434</u></b>	<b><u>6,869</u></b>	<b><u>5,979</u></b>

*Note:*

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

## Liquidity and Financial Resources

Other than the funds raised through our global offering in February 2021, our principal sources of funds for working capital and other capital needs have been capital contributions from the Shareholders, cash generated from issuance of convertible redeemable preferred shares and borrowings, and cash generated from our operating activities. We had cash and cash equivalents of RMB11.6 billion as of March 31, 2025, compared to RMB12.7 billion as of December 31, 2024.

Our total available funds which we considered in cash management included but not limited to cash and cash equivalents, time deposits, financial assets and restricted cash. Financial assets mainly included wealth management products and others. The aggregate amount of our available funds was RMB94.0 billion as of March 31, 2025, compared to RMB92.8 billion as of December 31, 2024.

The following table sets forth a summary of our cash flows for the first quarter of 2025:

	<b>Unaudited Three Months Ended March 31, 2025</b> <i>(RMB millions)</i>
Net cash generated from operating activities	<b>3,283</b>
Net cash used in investing activities	<b>(4,935)</b>
Net cash generated from financing activities	<b>560</b>
Net decrease in cash and cash equivalents	<b>(1,092)</b>
Cash and cash equivalents at the beginning of the period	<b>12,697</b>
Effects of exchange rate changes on cash and cash equivalents	<b>(7)</b>
Cash and cash equivalents at the end of the period	<b>11,598</b>

### ***Net Cash Generated from Operating Activities***

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

For the first quarter of 2025, our net cash generated from operating activities was RMB3.3 billion, which was primarily attributable to our profit before income tax of RMB4.2 billion, adjusted by non-cash items, primarily comprising depreciation of property and equipment of RMB782 million, depreciation of right-of-use assets of RMB768 million, share-based compensation expenses of RMB604 million and net fair value gains on financial assets at fair value through profit or loss of RMB560 million. The amount was further adjusted by changes in working capital, which primarily comprised a decrease in other payables and accruals of RMB1.8 billion. We also paid income tax of RMB387 million.

### ***Net Cash Used in Investing Activities***

For the first quarter of 2025, our net cash used in investing activities was RMB4.9 billion, which was primarily attributable to the net investments in financial assets at fair value through profit or loss of RMB4.9 billion, purchase of property, equipment and intangible assets of RMB3.4 billion and net proceeds from maturity of time deposits with initial terms over three months of RMB3.0 billion.

### ***Net Cash Generated from Financing Activities***

For the first quarter of 2025, our net cash generated from financing activities was RMB560 million, which was primarily attributable to the net proceeds under notes arrangements of RMB1.4 billion, net proceeds from borrowings of RMB1.1 billion, payments for shares repurchase of RMB1.1 billion and payments for principal elements of lease and related interests of RMB718 million.

## FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Three months ended March 31,	
		2025	2024
	Note	(RMB millions)	
<b>Revenues</b>	3	<b>32,608</b>	29,408
Cost of revenues	4	<b>(14,816)</b>	(13,288)
<b>Gross profit</b>		<b>17,792</b>	16,120
Selling and marketing expenses	4	<b>(9,897)</b>	(9,384)
Administrative expenses	4	<b>(828)</b>	(462)
Research and development expenses	4	<b>(3,298)</b>	(2,843)
Other income		<b>53</b>	118
Other gains, net		<b>437</b>	445
<b>Operating profit</b>		<b>4,259</b>	3,994
Finance (expense)/income, net		<b>(24)</b>	114
Share of profits/(losses) of investments accounted for using the equity method		<b>2</b>	(3)
<b>Profit before income tax</b>		<b>4,237</b>	4,105
Income tax (expenses)/benefits		<b>(258)</b>	15
<b>Profit for the period</b>		<b>3,979</b>	4,120
<b>Attributable to:</b>			
— Equity holders of the Company		<b>3,978</b>	4,119
— Non-controlling interests		<b>1</b>	1
		<b>3,979</b>	4,120
<b>Earnings per share attributable to equity holders of the Company (expressed in RMB per share)</b>	5		
Basic earnings per share		<b>0.93</b>	0.95
Diluted earnings per share		<b>0.91</b>	0.94



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Three months ended March 31,	
	2025	2024
Note	(RMB millions)	
<b>Profit for the period</b>	<b>3,979</b>	4,120
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Share of other comprehensive income/(loss) of investments accounted for using the equity method	1	(3)
Currency translation differences	(99)	130
<i>Items that may be subsequently reclassified to profit or loss</i>		
Currency translation differences	79	(97)
<b>Other comprehensive (loss)/income for the period, net of taxes</b>	<b>(19)</b>	30
<b>Total comprehensive income for the period</b>	<b>3,960</b>	4,150
<b>Attributable to:</b>		
— Equity holders of the Company	3,959	4,149
— Non-controlling interests	1	1
	<b>3,960</b>	4,150

## CONDENSED CONSOLIDATED BALANCE SHEET

		<b>Unaudited</b>	Audited
		<b>As of</b>	As of
		<b>March 31,</b>	December 31,
		<b>2025</b>	2024
<i>Note</i>		<i>(RMB millions)</i>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		<b>16,139</b>	14,831
Right-of-use assets		<b>8,061</b>	8,891
Intangible assets		<b>1,045</b>	1,059
Investments accounted for using the equity method		<b>169</b>	166
Financial assets at fair value through profit or loss	6	<b>28,620</b>	24,430
Other financial assets at amortized cost	6	<b>41</b>	62
Deferred tax assets		<b>6,606</b>	6,604
Long-term time deposits		<b>20,486</b>	19,856
Other non-current assets		<b>1,372</b>	1,105
		<b>82,539</b>	77,004
<b>Current assets</b>			
Trade receivables		<b>6,346</b>	6,674
Prepayments, other receivables and other current assets		<b>5,288</b>	4,646
Financial assets at fair value through profit or loss	6	<b>28,243</b>	27,050
Other financial assets at amortized cost	6	<b>190</b>	233
Short-term time deposits		<b>7,816</b>	11,522
Restricted cash		<b>51</b>	47
Cash and cash equivalents		<b>11,598</b>	12,697
		<b>59,532</b>	62,869
<b>Total assets</b>		<b>142,071</b>	139,873

## CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As of March 31, 2025	Audited As of December 31, 2024
	Note	(RMB millions)	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		—	—
Share premium		268,159	268,733
Treasury shares		(707)	(341)
Other reserves		36,361	35,776
Accumulated losses		(238,186)	(242,164)
		65,627	62,004
<b>Non-controlling interests</b>		21	20
<b>Total equity</b>		<b>65,648</b>	<b>62,024</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	7	11,100	11,100
Financial liabilities at fair value through profit or loss		120	124
Lease liabilities		6,045	6,765
Deferred tax liabilities		12	13
Other non-current liabilities		22	19
		17,299	18,021
<b>Current liabilities</b>			
Accounts payables		26,460	27,470
Other payables and accruals		22,542	23,113
Advances from customers		4,562	4,696
Borrowings	7	1,077	—
Financial liabilities at fair value through profit or loss		4	5
Income tax liabilities		771	873
Lease liabilities		3,708	3,671
		59,124	59,828
<b>Total liabilities</b>		<b>76,423</b>	<b>77,849</b>
<b>Total equity and liabilities</b>		<b>142,071</b>	<b>139,873</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Unaudited</b>	
	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB millions)</i>	
<b>Net cash generated from operating activities</b>	<b>3,283</b>	5,796
<b>Net cash used in investing activities</b>	<b>(4,935)</b>	(4,903)
<b>Net cash generated from/(used in) financing activities</b>	<b>560</b>	(2,805)
<b>Net decrease in cash and cash equivalents</b>	<b>(1,092)</b>	(1,912)
Cash and cash equivalents at the beginning of the period	<b>12,697</b>	12,905
Effects of exchange rate changes on cash and cash equivalents	<b>(7)</b>	11
<b>Cash and cash equivalents at the end of the period</b>	<b>11,598</b>	11,004

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 Basis of preparation

This condensed consolidated interim financial information for the three months ended March 31, 2025 (“**Interim Financial Information**”) has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board. The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. The Interim Financial Information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2024 which have been prepared in accordance with IFRS Accounting Standards by the Group as set out in the 2024 annual report of the Company (the “**2024 Financial Statements**”).

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2024, as described in the 2024 Financial Statements, except for the adoption of certain amendments which has had no significant impact on the results and the financial position of the Group.

In preparing the Interim Financial Information, the critical accounting estimates and judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2024 Financial Statements, except for the amended accounting estimate of useful lives of property and equipment. Management reviewed and extended the useful lives of servers and equipment with effect from January 1, 2025.

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

### 2 Segment information

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

- Domestic
- Overseas

The CODM assesses the performance of the operating segments mainly based on revenues and operating profit or loss of each operating segment. Thus, segment results would present revenues, cost of revenues and operating expenses, and operating profit or loss for each segment, which is in line with CODM’s performance review. There were no material inter-segment sales during the three months ended March 31, 2025 and 2024.

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

The segment results are as follows:

Three months ended March 31, 2025				
	Domestic	Overseas	Unallocated items	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>(RMB millions)</i>			
<b>Revenues</b>	<b>31,293</b>	<b>1,315</b>	<b>—</b>	<b>32,608</b>
Cost of revenues and operating expenses	(26,948)	(1,287)	—	(28,235)
Unallocated items	—	—	(114)	(114)
<b>Operating profit/(loss)</b>	<b>4,345</b>	<b>28</b>	<b>(114)</b>	<b>4,259</b>
Three months ended March 31, 2024				
	Domestic	Overseas	Unallocated items	Total
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	<i>(RMB millions)</i>			
<b>Revenues</b>	28,417	991	—	29,408
Cost of revenues and operating expenses	(24,426)	(1,259)	—	(25,685)
Unallocated items	—	—	271	271
<b>Operating profit/(loss)</b>	<b>3,991</b>	<b>(268)</b>	<b>271</b>	<b>3,994</b>



### 3 Revenues

The breakdown of revenues is as follows:

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB millions)</i>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Online marketing services	<b>17,977</b>	16,650
Live streaming	<b>9,814</b>	8,575
Other services	<b>4,817</b>	4,183
	<b><u>32,608</u></b>	<b><u>29,408</u></b>

### 4 Expenses by nature

	<b>Three months ended March 31,</b>	
	<b>2025</b>	<b>2024</b>
	<i>(RMB millions)</i>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue sharing costs and related taxes	<b>9,942</b>	8,339
Promotion and marketing expenses	<b>9,354</b>	8,757
Employee benefit expenses	<b>4,418</b>	3,953
Bandwidth expenses and server custody costs	<b>1,477</b>	1,399
Depreciation of property and equipment	<b>782</b>	977
Depreciation of right-of-use assets ( <i>Note a</i> )	<b>768</b>	716
Amortization of intangible assets	<b>22</b>	27
Payment processing costs	<b>768</b>	596
Outsourcing and other labor costs	<b>340</b>	302
Tax surcharges	<b>254</b>	175
Professional fees	<b>60</b>	59
Credit loss allowances on financial assets	<b>24</b>	22
Others ( <i>Note b</i> )	<b>630</b>	655
	<b><u>28,839</u></b>	<b><u>25,977</u></b>

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

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

## 5 Earnings per share

### (a) Basic earnings per share

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

	Three months ended March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings attributable to equity holders of the Company (RMB millions)	3,978	4,119
Weighted average number of ordinary shares in issue (million shares)	4,264	4,320
Basic earnings per share (expressed in RMB per share)	<u>0.93</u>	<u>0.95</u>

### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the three months ended March 31, 2025 and 2024, the Company had two categories of potential ordinary shares: share options and restricted share units (“RSUs”).

	Three months ended March 31,	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings attributable to equity holders of the Company (RMB millions)	3,978	4,119
Weighted average number of ordinary shares in issue (million shares)	4,264	4,320
Adjustments for share options and RSUs (million shares)	90	81
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (million shares)	4,354	4,401
Diluted earnings per share (expressed in RMB per share)	<u>0.91</u>	<u>0.94</u>

## 6 Investments

	As of March 31, 2025	As of December 31, 2024
	(RMB millions)	
	(Unaudited)	(Audited)
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss		
— Investments in unlisted entities	2,718	2,719
— Investment in a listed entity	81	80
— Wealth management products and others	25,534	21,338
— Derivative financial instruments	287	293
	<b>28,620</b>	24,430
Other financial assets at amortized cost	41	62
	<b>28,661</b>	24,492
<b>Current assets</b>		
Financial assets at fair value through profit or loss		
— Investment in a listed entity	6	6
— Wealth management products and others	28,237	27,044
	<b>28,243</b>	27,050
Other financial assets at amortized cost	190	233
	<b>28,433</b>	27,283
<b>Total</b>	<b>57,094</b>	<b>51,775</b>

## 7 Borrowings

	As of March 31, 2025	As of December 31, 2024
	(RMB millions)	
	(Unaudited)	(Audited)
Unsecured bank loans		
— Included in non-current liabilities	11,100	11,100
— Included in current liabilities	1,077	—
<b>Total</b>	<b>12,177</b>	<b>11,100</b>

## OTHER INFORMATION

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

During the three months ended March 31, 2025 and up to the Latest Practicable Date, the Company repurchased a total of 29,188,100 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$1,419,146,016.31. Particulars of the Shares Repurchased are summarized as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration
		Highest (HK\$)	Lowest (HK\$)	
January 2025	10,194,800	41.20	39.20	409,643,865.56
February 2025	261,500	39.95	39.50	10,413,662.20
March 2025	13,718,400	57.10	53.25	764,514,522.87
April 2025	5,013,400	49.65	44.60	234,573,965.68
May 2025 (up to the Latest Practicable Date)	0	N/A	N/A	0.00
<b>Total</b>	<b>29,188,100</b>			<b>1,419,146,016.31</b>

As of the Latest Practicable Date, a total of 37,803,000 Class B Shares repurchased from December 18, 2024 to April 16, 2025 have been cancelled on January 24, February 28, April 24 and May 15, 2025, respectively, and the number of Class B Shares in issue was reduced by 37,803,000 as a result of such cancellations. Upon cancellation of such Class B Shares and for its other considerations, Reach Best Developments Limited, a holder of Class A Shares, simultaneously converted a total of 11,268,505 Class A Shares into Class B Shares on a one-to-one ratio on January 24, February 28, April 24 and May 15, 2025, respectively, according to the Listing Rules. As of the Latest Practicable Date, the Company had cancelled all the Shares Repurchased.

Save as disclosed above, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the three months ended March 31, 2025 and up to the Latest Practicable Date.

## **Compliance with the Corporate Governance Code**

The Company is committed to maintaining and promoting a high standard of corporate governance which is crucial to the Group's development and safeguard the interests of the Shareholders. The Company has adopted the principles and code provisions of the Corporate Governance Code as the basis of the Company's corporate governance practices.

Save for the deviation from code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, which is explained in the following paragraph, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the three months ended March 31, 2025.

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

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

## **Audit Committee**

The Audit Committee, after the discussion with the Auditor, has reviewed the Company's unaudited interim financial information for the three months ended March 31, 2025. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

The Company's unaudited interim financial information for the three months ended March 31, 2025 have been prepared in accordance with IFRS Accounting Standards.

## **Significant Events after March 31, 2025**

Save as disclosed in this announcement, there were no other significant events affecting the Group which occurred after March 31, 2025 and up to the date of this announcement.

## APPRECIATION

On behalf of the Board, I would like to express our heartfelt gratitude to our conscientious and professional staff and management team for their hard work. I would also like to extend our thanks and appreciation to our Shareholders and stakeholders who continue to provide us with great support and confidence.

By order of the Board  
**Kuaishou Technology**  
**Mr. Cheng Yixiao**  
Chairman

Hong Kong, May 27, 2025

*As of the date of this announcement, the Board comprises Mr. Cheng Yixiao and Mr. Su Hua as executive Directors; Mr. Li Zhaohui, Mr. Zhang Fei and Mr. Wang Huiwen as non-executive Directors; Mr. Huang Sidney Xuande, Mr. Ma Yin and Ms. Lu Rong as independent non-executive Directors.*

*Certain statements included in this announcement, other than statements of historical fact, are forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “might”, “can”, “could”, “will”, “would”, “anticipate”, “believe”, “continue”, “estimate”, “expect”, “forecast”, “intend”, “plan”, “seek”, or “timetable”. These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include our business outlook, estimates of financial performance, forecast business plans, growth strategies and projections of anticipated trends in our industry. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, many of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realized in future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved, and investors should not place undue reliance on such statements. Except as required by law, we are not obligated, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstance occurring after the date of this announcement or those that might reflect the occurrence of unanticipated events.*



## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

<b>“AI”</b>	artificial intelligence
<b>“AIGC”</b>	artificial intelligence generated content
<b>“Articles”</b>	the articles of association of the Company adopted on and with effect from June 13, 2024, as amended from time to time
<b>“Audit Committee”</b>	the audit committee of the Board
<b>“Auditor”</b>	PricewaterhouseCoopers, the external auditor of the Company
<b>“Board” or “Board of Directors”</b>	the board of directors of the Company
<b>“Class A Shares”</b>	class A ordinary shares of the share capital of the Company with a par value of US\$0.0000053 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to 10 votes per share on any resolution tabled at the Company’s general meeting, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share
<b>“Class B Shares”</b>	class B ordinary shares of the share capital of the Company with a par value of US\$0.0000053 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company’s general meeting
<b>“Companies Ordinance”</b>	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended or supplemented from time to time
<b>“Company”, “Kuaishou” or “we”</b>	Kuaishou Technology (快手科技), an exempted company incorporated in the Cayman Islands with limited liability on February 11, 2014
<b>“Consolidated Affiliated Entities”</b>	the entities that the Company controls through a set of contractual arrangements
<b>“Corporate Governance Code”</b>	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
<b>“DAU(s)”</b>	daily active user(s), which is/are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the day
<b>“Director(s)”</b>	the director(s) of the Company

<b>“GMV”</b>	gross merchandise value, the total value of all orders for products and services placed on, or directed to the Group’s partners through, the Group’s platform, regardless of whether the order is settled or returned, excluding single transactions of RMB100,000 or greater and any series of transactions from a single buyer totaling RMB1,000,000 or greater in a single day, unless they are settled
<b>“Group”</b>	the Company, its subsidiaries and its Consolidated Affiliated Entities, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the subsidiaries as if they were the subsidiaries of the Company at the time
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“IFRS Accounting Standards”</b>	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standards Board
<b>“KOL(s)”</b>	key opinion leader(s)
<b>“Kuaishou App”</b>	collectively, Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps
<b>“Kuaishou Concept”</b>	an app that we launched in November 2018 to explore different user needs and preferences
<b>“Kuaishou Express”</b>	a variant of Kuaishou Flagship that was officially launched in August 2019
<b>“Kuaishou Flagship”</b>	a mobile app that was derived from our original mobile app, <i>GIF Kuaishou</i> (launched in 2011)
<b>“Latest Practicable Date”</b>	May 20, 2025, being the latest practicable date prior to the publication of this quarterly results announcement for the purpose of ascertaining certain information contained herein
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
<b>“MAUs”</b>	monthly active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the calendar month
<b>“Memorandum”</b>	the memorandum of association of the Company adopted on and with effect from June 13, 2024, as amended from time to time

<b>“PRC” or “China”</b>	the People’s Republic of China, which, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
<b>“Reserved Matters”</b>	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares; (ii) the appointment, election or removal of any independent non-executive Director; (iii) the appointment or removal of the Company’s auditors; and (iv) the voluntary liquidation or winding-up of the Company
<b>“RMB” or “Renminbi”</b>	Renminbi, the lawful currency of the PRC
<b>“ROI”</b>	return on investment
<b>“Shareholder(s)”</b>	holder(s) of the Shares
<b>“Share(s)”</b>	the Class A Shares and Class B Shares in the capital of the Company, as the context so requires
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it under the Companies Ordinance
<b>“treasury shares”</b>	has the meaning ascribed to it under the Listing Rules
<b>“US\$” or “US Dollars”</b>	the lawful currency of the United States of America
<b>“%”</b>	per cent