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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)

RESULTS ANNOUNCEMENT FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 and nine months ended September 30, 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 September 30,				
	2025		2024		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	Year-over- year change
	(RMB millions, except for percentages)				
Revenues	35,554	100.0	31,131	100.0	14.2%
Gross profit	19,434	54.7	16,914	54.3	14.9%
Operating profit	5,299	14.9	3,119	10.0	69.9%
Profit for the period	4,489	12.6	3,270	10.5	37.3%
Non-IFRS Accounting Standards Measures:					
Adjusted net profit ⁽¹⁾	4,986	14.0	3,948	12.7	26.3%
Adjusted EBITDA ⁽²⁾	7,653	21.5	5,578	17.9	37.2%

Unaudited
Nine Months Ended September 30,

	2025		2024		
	Amount	As a percentage of revenues	Amount	As a percentage of revenues	Year-over-year change
	<i>(RMB millions, except for percentages)</i>				
Revenues	103,208	100.0	91,514	100.0	12.8%
Gross profit	56,730	55.0	50,169	54.8	13.1%
Operating profit	14,847	14.4	11,019	12.0	34.7%
Profit for the period	13,390	13.0	11,370	12.4	17.8%
Non-IFRS Accounting Standards Measures:					
Adjusted net profit ⁽¹⁾	15,184	14.7	13,015	14.2	16.7%
Adjusted EBITDA ⁽²⁾	21,802	21.1	17,901	19.6	21.8%

Notes:

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

Financial Information by Segment

Unaudited
Three Months Ended September 30, 2025

	Domestic	Overseas	Unallocated items⁽¹⁾	Total
	<i>(RMB millions)</i>			
Revenues	34,400	1,154	—	35,554
Operating profit/(loss)	5,391	(64)	(28)	5,299

Unaudited
Three Months Ended September 30, 2024

	Domestic	Overseas	Unallocated items⁽¹⁾	Total
	<i>(RMB millions)</i>			
Revenues	29,800	1,331	—	31,131
Operating profit/(loss)	3,505	(153)	(233)	3,119

	Year-over-year change			Total
	Domestic	Overseas	Unallocated	
			items ⁽¹⁾	
	<i>(Percentages %)</i>			
Revenues	15.4	(13.3)	—	14.2
Operating profit/(loss)	53.8	(58.2)	(88.0)	69.9

	Unaudited Nine Months Ended September 30, 2025			
	Domestic	Overseas	Unallocated items ⁽¹⁾	Total
	(RMB millions)			
Revenues	99,439	3,769	—	103,208
Operating profit/(loss)	15,137	(17)	(273)	14,847

	Unaudited Nine Months Ended September 30, 2024			
	Domestic	Overseas	Unallocated items ⁽¹⁾	Total
	(RMB millions)			
Revenues	88,113	3,401	—	91,514
Operating profit/(loss)	11,994	(698)	(277)	11,019

	Year-over-year change			Total
	Domestic	Overseas	Unallocated	
			items ⁽¹⁾	
	<i>(Percentages %)</i>			
Revenues	12.9	10.8	—	12.8
Operating profit/(loss)	26.2	(97.6)	(1.4)	34.7

Note:

⁽¹⁾ 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 September 30,	
	2025	2024
Average DAUs (<i>in millions</i>)	416.2	407.5
Average MAUs (<i>in millions</i>)	731.1	714.1
Average online marketing services revenue per DAU (<i>in RMB</i>)	48.3	43.3
Total e-commerce GMV ⁽¹⁾ (<i>RMB in millions</i>)	385,043.5	334,162.5
	Nine Months Ended September 30,	
	2025	2024
Average DAUs (<i>in millions</i>)	411.1	398.9
Average MAUs (<i>in millions</i>)	719.2	701.1
Average online marketing services revenue per DAU (<i>in RMB</i>)	140.7	129.9
Total e-commerce GMV ⁽¹⁾ (<i>RMB in millions</i>)	1,076,247.5	927,488.4

Note:

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

BUSINESS REVIEW

In the third quarter of 2025, we continued to advance our AI strategy, expanding scenario-based AI applications across our business. These efforts created value in all of our business scenarios, strengthened the quality and efficiency of our organizational infrastructure, and fueled our strong operational and financial results. Average DAUs on the Kuaishou App reached over 416.2 million in the third quarter of 2025, marking the third consecutive quarter of record highs. Total revenues for the third quarter of 2025 rose by 14.2% year-over-year to RMB35.6 billion. Among this, revenues from our core commercial business, including online marketing services and other services, primarily e-commerce, increased by 19.2% year-over-year, and adjusted net profit rose 26.3% year-over-year to RMB5.0 billion, with a 14.0% adjusted net margin. While maintaining our commitment to strategic investments in AI, we achieved year-over-year improvement in the Group's overall profitability. AI technology continues to unlock increasing value across our content and business ecosystems.

AI business

We continued to advance our foundation models for **Kling AI (可靈AI)** and developed more innovative features to meet creators' diverse needs, building a one-stop creative productivity platform that empowers everyone to craft captivating stories with AI. In the third quarter of 2025, we launched **Kling Lab (靈動畫布)**, upgraded start-and-end-frames function and introduced digital human solutions. Notably, at the end of September 2025, we released the **Kling AI (可靈AI) 2.5 Turbo Model**, once again delivering substantial advances across prompt adherence, dynamic effects, style consistency and visual aesthetics. Ten days after launch, the **Kling AI (可靈AI) 2.5 Turbo Model** was simultaneously ranked the world's No. 1 text-to-video model and image-to-video model by Artificial Analysis, a well-known AI benchmarking platform. While maintaining industry-leading content-generation performance, the new model also incorporates continuous engineering innovations to lower video generation inference costs, reducing creators' per-video generation costs by almost 30.0% and further strengthening **Kling AI (可靈AI)**'s overall cost-efficiency advantages.

Kling AI (可靈AI)'s innovations in foundational models and product features have provided creators access to higher-quality video generation solutions, establishing a solid foundation for its broader adoption across professional creative fields such as advertising and marketing, e-commerce, film and television, short plays, animation and gaming. As **Kling AI (可靈AI)** continued to expand into a wider range of application scenarios, it has achieved further breakthroughs in revenue growth. In the third quarter of 2025, revenue from **Kling AI (可靈AI)** exceeded RMB300.0 million.

In the third quarter of 2025, we achieved strong results from integrating AI technology into diverse internal and external application scenarios. In terms of business empowerment, large AI models have now been integrated across all major business scenarios of Kuaishou, driving incremental value across the Kuaishou's ecosystem. We iterated our end-to-end generative recommendation large model **OneRec** and extended this new technological paradigm beyond short video recommendations to additional recommendation scenarios, such as online marketing services and e-commerce shopping mall. This expansion has generated meaningful incremental benefits. In the third quarter of 2025, large AI models technology has demonstrated notable effects, especially in online marketing services. We pioneered a generative reinforcement learning-based bidding model **G4RL** that integrates sequence modeling with goal optimization. This innovation marked a breakthrough in advertising bidding, advancing from single-step decision-making to long-term strategic planning. Meanwhile, we explored the application of end-to-end generative recommendation technology in online marketing service scenarios through **OneRec**. Tailored to the characteristics of online marketing services, we introduced the client marketing expression and marketing commercial value (CPM) perception mechanism to achieve bidirectional matching between users' interests and clients' demands, thereby further enhancing the personalization and matching efficiency of online marketing materials. The application of large AI models technology, especially **OneRec**, has driven an approximately additional 4%–5% growth in domestic online marketing service revenue in the third quarter of 2025. In terms of online marketing material generation, the total spending from online marketing services driven by AIGC marketing materials exceeded RMB3.0 billion in the third quarter of 2025.

For e-commerce business scenarios, we launched **OneSearch**, an end-to-end generative retrieval architecture. It enables more precise product matching and optimizes the user experience, ultimately driving nearly 5.0% growth in shopping mall search order volume. The application of **OneRec** in e-commerce business scenarios has contributed a high-single-digit growth in GMV with respect to e-commerce shopping mall feed in the third quarter of 2025. For live streaming, we leveraged **Kling AI (可靈AI)** to introduce the **AI Universe (AI萬象)** gift customization feature, which generates highly personalized avatar-based personal gifts, increasing both user engagement and willingness to pay.

User and content ecosystem

In the third quarter of 2025, average DAUs on the Kuaishou App reached a record high of 416.2 million and MAUs reached 731.1 million. This sustained and steady traffic growth underscored Kuaishou community's unique appeal to users. By refining user growth strategies, offering differentiated and distinctive content, optimizing our traffic allocation mechanism, and enhancing community engagement scenarios, we continued to reinforce Kuaishou's identity as a heart-warming, diverse, informative and engaging online community. In the third quarter of 2025, the average daily time spent per DAU on the Kuaishou App was 134.1 minutes, while total user time spent rose by 3.6% year-over-year.

Our refined user growth strategies leveraged intelligent marketing material placement to enhance acquisition efficiency, successfully driving a year-over-year decline in the acquisition cost per new user. We continuously upgrade the user sharing experience within private messaging scenario and iterated on social interaction features. As a result, the daily average penetration rate of private messages among users with mutual followers increased by over three percentage points year-over-year in the third quarter of 2025. Additionally, we elevated the user product experience through a variety of device-level intelligent optimizations.

In content operations, we partnered with **Beijing Radio and Television Station (北京衛視)** to launch the **2025 Kuaishou Super Summer Gala (2025快手超級夏晚)**, where celebrities and everyday users gathered, blending traditional and modern elements. The livestream session garnered over 5.4 million peak concurrent users. Moreover, catering to the content consumption demand of younger audiences, we continued to host an online concert this summer featuring **Teens in Times (TNT, 時代少年團)**, attracting 980 million live streaming views. In the pan-knowledge category, we continuously develop the **Laotie Opera Garden (老鐵梨園)** IP series. Featuring offline tours of diverse traditional performance genres such as **Qinqiang Opera (秦腔)**, **Yu Opera (豫劇)** and **Shanbei Storytelling (陝北說書)**, this initiative supported the growth and breakthroughs of several benchmark creators including **An Wan (安萬)**.

Online marketing services/Lifestyle services

In the third quarter of 2025, revenue from online marketing services reached RMB20.1 billion, up 14.0% year-over-year, with the growth rate accelerating from the previous quarter. Leveraging large AI models, we continuously iterated and upgraded our online marketing placement products. Drawing on the unique traffic dynamics of our ecosystem, we catered to the needs of more marketing customers through our smart placement capabilities, achieving more precise targeting and higher conversion rates. This drove strong year-over-year growth in both external and closed-loop marketing services revenue. In the third quarter of 2025, the penetration rate of our **Universal Auto X (UAX, 全自動投放)** placement solutions accounts for over 70.0% of our external marketing spending. Ongoing innovations and iterations of our technologies throughout the third quarter of 2025, particularly with our generative reinforcement learning-based bidding model **G4RL** and generative recommendation large model, further improved marketing recommendation efficiency and enabled more effective management of marketing variety and value. Moreover, by bringing together our three key AIGC commercialization tools, including AIGC short video, digital human and digital employee, we empowered our customers with end-to-end AI solutions that span marketing material creation, live streaming operations and user engagement.

In the third quarter of 2025, for closed-loop e-commerce marketing services, we comprehensively upgraded the product and content optimization capabilities of our omni-platform marketing solution to maintain a steady supply of premium marketing materials. At the same time, by integrating multi-content reinvestment and ROI bidding recommendation tools, we helped e-commerce merchants improve traffic and sales conversions, thereby enhancing their willingness of marketing placement. In the third quarter of 2025, the total marketing spending contributed by omni-platform marketing solution accounts for over 65.0% of our closed-loop marketing spending. Additionally, based on AI capabilities, we established a bidding agent to replace manual adjustment decisions, enabling more consistent conversion performance

and unlocking greater economies of scale. On the traffic side, by enhancing the synergy between e-commerce and commercial traffic, we released more traffic capacity to merchants with long-term operations, helping more brand e-commerce merchants achieve scaled expansion and stable conversion improvements. From the perspective of scenario, in the third quarter of 2025, closed-loop e-commerce marketing services revenue in pan-shelf-based scenario also realized solid growth. We optimized the matching between people and goods. And in the pan-shelf search scenario, we leveraged large models to better satisfy user needs, improve efficiency, driving higher penetration of marketing placement and stronger merchant participation in shelf-based scenarios.

In the third quarter of 2025, for the lifestyle service sector, where clients mainly operate on a lead-based model, through upgrades to our private messaging products and vertical-oriented product optimizations, we helped clients with various conversion goals reach users more efficiently and achieve higher user conversion rates. In lifestyle services, particularly among our small-and medium-sized customers, we improved private message response rates with AI-powered customer service. By the end of the third quarter of 2025, we combined our local services with the lead-based marketing business to form our lifestyle services segment, integrating teams, product lines and traffic distribution. This move strengthens our support for merchants pursuing sustainable operations and helps build a more diversified collaborative ecosystem with local merchants.

Beyond lifestyle services, the content consumption sector, led by short plays, was a key revenue driver for our external marketing services in the third quarter of 2025. We continued to enhance content supply and product innovation across short plays, mini-games and novels, while capturing incremental growth opportunities from the rapid rise of comic-style short plays, further expanding online marketing services revenue. As an innovative form of short play, comic-style short plays combine features of comics, short plays and audio dramas, typically featuring vertical-screen episodes one to three minutes long. This new genre has recently gained widespread traction among both short play audiences and the broader market. Using **Kling AI (可靈AI)**'s globally leading video generation capabilities, we significantly lowered the barrier to creating comic-style short plays while elevating overall content quality. In addition, through a mix of marketing placement, revenue sharing, and **In-Apps Ads (IAA, 應用內廣告)** and **In-Apps Purchases (IAP, 應用內購買)** models, we created multiple monetization pathways for high-quality short-play content, expanding reach on both the supply and demand sides.

E-commerce

In the third quarter of 2025, our e-commerce GMV grew 15.2% year-over-year to RMB385.0 billion. Through a mix of merchant incentive programs, omni-domain traffic support, and intelligent tool empowerment, we helped merchants build an omni-domain operations ecosystem on Kuaishou platform, continuously elevating the user experience and driving high-quality growth on both the supply and demand sides. In the third quarter of 2025, the structure of our e-commerce monthly average paying users showed healthy trends. Active e-commerce users' repeat-purchase frequency increased year-over-year, and user stickiness continued to improve under our trust-based e-commerce ecosystem.

Building on our platform's traffic and content-based e-commerce advantages, we continued to attract new merchants' onboard organically and expanded merchants through diverse channels. We introduced a range of merchant incentives to lower onboarding costs and reduce entry barriers for new merchants. In addition, we continued to launch merchant initiatives to empower new merchants navigate early growth stages and ramp up operations more efficiently. Driven by a growing number of small-and medium-sized merchants, together with our targeted support for high-quality existing merchants, our average monthly active merchant base continued to grow. We also broadened the range of products offered by merchants. In the third quarter of 2025, the number of Level 3 Product Categories per store, an indicator showing the diversity of our merchandise supply, among our average monthly active merchants rose nearly 30.0% year-over-year.

To support merchants and KOLs in building a dual growth engine of exceptional content and superior products, we implemented a series of initiatives to unlock greater value creation within their private domains. In the third quarter of 2025, we launched the **Pop-Up Follower Red Envelopes (天降漲粉紅包)** product, designed to accelerate followers growth and end-to-end empowerment from traffic generation to followers conversion and ultimately to sales, strengthening the private domain engagement base for merchants and KOLs. Leveraging stronger control over merchandise selection and supply, we further expanded our high-quality, platform-endorsed product offerings. In the third quarter of 2025, both the average daily number of active merchandise items and the average daily number of KOL-product pairs facilitated through our distribution product increased by more than 30.0% year-over-year. We provided guaranteed resources, such as traffic support and product supply, to onboard small-and medium-sized KOLs and establish long-term growth mechanisms. These efforts strengthened the KOL supply ecosystem, driving a 14.8% year-over-year increase in the number of average daily active streamers hosting live sessions with over 10,000 followers in the third quarter of 2025.

In the third quarter of 2025, pan-shelf-based e-commerce GMV continued to outpace the overall GMV growth, contributing over 32.0% of total e-commerce GMV. We continued to enhance our merchandise infrastructure and enrich the supply ecosystem, driving a 13.0% year-over-year increase in average daily active merchants for pan-shelf-based e-commerce. In the third quarter of 2025, we built upon the diverse engagement features and strategy tools from the second quarter of 2025, including **Super Links (超級鏈接)**, the official channel of platform recommended products. These tools helped merchants quickly boost product exposure and sales conversion, gradually cultivating user mindshare for our shopping mall. The marketing host tools we introduced in the second quarter of 2025 for merchants for content-based scenarios have effectively lowered their operational barriers across diverse scenarios, driving steady quarter-over-quarter growth in the penetration of merchants using marketing host tools. In the third quarter of 2025, we fully maximized the synergies between short videos and live streaming. We helped merchants integrate traffic from content-based scenarios through a seamless loop: from product recommendation via short videos, to rapid conversion in livestreaming rooms, and back to user re-engagement via short videos. This strategy steadily expanded merchants' customer base. Supported by an enhanced supply of short videos with embedded shopping links and our optimized funnels, short video e-commerce GMV maintained healthy growth.

In the third quarter of 2025, we aimed to empower merchants throughout our e-commerce business chain, focusing on three core areas: AIGC content production, merchant efficiency improvement, and product-matching efficiency enhancement. Our AIGC material generation and optimization capabilities have effectively improved merchant conversion efficiency across both image and video formats in diverse scenarios. The penetration of smart live-streaming highlights and AI live-stream summaries is steadily increasing. Concurrently, our AI product management assistant provides omni-scenario support, helping merchants reduce costs, boost efficiency, and generate high-quality data. On the matching front, our explainable recommendations, powered by an e-commerce knowledge graph, are applied in predicting users' potential and long-term interests. This boosts conversions and also significantly strengthens user trust and stickiness toward our recommendations. We believe these AI capabilities will ultimately power a growth flywheel of “data infrastructure, precise matching, and merchant efficiency improvement”, driving the sustained, healthy development of our e-commerce ecosystem.

Live streaming

In the third quarter of 2025, live-streaming revenue grew by 2.5% year-over-year to RMB9.6 billion, driven by a multi-faceted strategy of cultivating high-quality content, expanding live-streaming scenarios, and leveraging AI-empowered product innovations. For live streaming supply, the healthy development of our talent agency ecosystem provided a robust pillar of support. By the end of the third quarter of 2025, the number of our partnered talent agencies had increased by more than 17.0% and talent agency-managed streamers grew by over 20.0%, both year-over-year. We focused on categories such as group live streaming. By supporting premium benchmark groups and guiding content optimizations, we achieved high-quality development of group live-streaming, and drove steady revenue growth. Innovative AIGC applications also injected momentum into our business growth. Leveraging **Kling AI (可靈AI)**'s video generation capabilities, in late September of 2025, we rolled out the **AI Universe (AI萬象)** gift series with customizable special effects platform-wide, effectively diversifying options for personalized interactions in live streaming rooms. On launch day alone, users paid to create and send over 100,000 personalized virtual gifts.

In the third quarter of 2025, we further strengthened the integration of online live streaming and offline scenarios. Targeting summer-season and demand from younger users, we hosted the **Summer Gaming Music Festival (夏日遊音節)** in Chengdu, an offline event blending gaming, music, and interactive activities. The event attracted 672 million livestream views. Moreover, our “live streaming+” strategy continued to empower traditional industries, and further validating its commercial value. In the third quarter of 2025, the average daily number of users submitting resumes on **Kwai Hire (快聘)** increased by over 20.0% year-over-year. With regard to **Ideal Housing (理想家)**, the average monthly number of paying clients increased by over 90.0% year-over-year.

Overseas

In the third quarter of 2025, we continued to strengthen our foothold in overseas markets, focusing on high-quality growth. On the traffic front, we focused targeted promotions on high-value demographics and fostered stronger connections between our high-quality platform-native content and core user base. Brazil, our core international market, maintained stable DAUs while achieving a year-over-year reduction in user acquisition costs, and also delivered consistent year-over-year growth in average daily time spent per DAU. For online marketing services, we continuously bolstered business resilience. By actively diversifying our marketing client base across industries and improved both the matching precision and conversion efficiency of our overall marketing funnel, we gradually unlocked the monetization potential of diverse user groups and earned sustained client recognition amid shifting market dynamics. Concurrently, our e-commerce business in Brazil saw further improvements in both subsidy efficiency and operating efficiency. While maintaining disciplined ROI management, we delivered healthy year-over-year growth in both transaction scale and order volume.

MANAGEMENT DISCUSSION AND ANALYSIS

Third Quarter of 2025 Compared to Third Quarter of 2024

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

	Unaudited			
	Three Months Ended September 30,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Revenues	35,554	100.0	31,131	100.0
Cost of revenues	(16,120)	(45.3)	(14,217)	(45.7)
Gross profit	19,434	54.7	16,914	54.3
Selling and marketing expenses	(10,420)	(29.3)	(10,364)	(33.3)
Administrative expenses	(688)	(1.9)	(796)	(2.6)
Research and development expenses	(3,650)	(10.3)	(3,100)	(10.0)
Other income	27	0.1	194	0.6
Other gains, net	596	1.6	271	1.0
Operating profit	5,299	14.9	3,119	10.0
Finance (expense)/income, net	(40)	(0.1)	37	0.1
Share of profits/(losses) of investments accounted for using the equity method	3	0.0	(6)	(0.0)
Profit before income tax	5,262	14.8	3,150	10.1
Income tax (expenses)/benefits	(773)	(2.2)	120	0.4
Profit for the period	4,489	12.6	3,270	10.5
Non-IFRS Accounting Standards Measures:				
Adjusted net profit	4,986	14.0	3,948	12.7
Adjusted EBITDA	7,653	21.5	5,578	17.9

Revenues

Our revenues increased by 14.2% to RMB35.6 billion for the third quarter of 2025 from RMB31.1 billion for the same period of 2024. The increase was primarily attributable to the growth of our online marketing services, live streaming business, e-commerce business and Kling AI business.

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

	Unaudited			
	Three Months Ended September 30,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	20,102	56.5	17,634	56.6
Live streaming	9,574	26.9	9,338	30.0
Other services	5,878	16.6	4,159	13.4
Total	<u>35,554</u>	<u>100.0</u>	<u>31,131</u>	<u>100.0</u>

Online marketing services

Revenue from our online marketing services increased by 14.0% to RMB20.1 billion for the third quarter of 2025 from RMB17.6 billion for the same period of 2024, primarily attributable to the use of AI technology to continuously upgrade marketing product solutions.

Live streaming

Revenue from our live streaming business increased by 2.5% to RMB9.6 billion for the third quarter of 2025 from RMB9.3 billion for the same period of 2024, as a result of our continuous efforts to develop a rich and healthy living streaming ecosystem and diverse high-quality content.

Other services

Revenue from our other services increased by 41.3% to RMB5.9 billion for the third quarter of 2025 from RMB4.2 billion for the same period of 2024, primarily due to the growth of our e-commerce business and Kling AI business. The growth of e-commerce business was represented by the growth in our e-commerce GMV. The growth of Kling AI business was primarily attributable to our advanced AI technology and exceptional product performance.

Cost of Revenues

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

	Unaudited Three Months Ended September 30,			
	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	10,959	30.8	8,873	28.5
Bandwidth expenses and server custody costs ⁽¹⁾	1,451	4.1	1,465	4.7
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets ⁽¹⁾	1,477	4.2	1,624	5.2
Employee benefit expenses	711	2.0	689	2.2
Payment processing costs	710	2.0	669	2.1
Other cost of revenues	812	2.2	897	3.0
Total	<u>16,120</u>	<u>45.3</u>	<u>14,217</u>	<u>45.7</u>

Note:

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

Our cost of revenues increased by 13.4% to RMB16.1 billion for the third quarter of 2025, from RMB14.2 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 the decrease 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 third quarter of 2025 and 2024, respectively:

	Unaudited Three Months Ended September 30,			
	2025		2024	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Gross profit	19,434	54.7	16,914	54.3

As a result of the foregoing, our gross profit increased by 14.9% to RMB19.4 billion for the third quarter of 2025, from RMB16.9 billion for the same period of 2024. Our gross profit margin improved to 54.7% for the third quarter of 2025, compared to 54.3% for the same period of 2024.

Selling and Marketing Expenses

Our selling and marketing expenses were RMB10.4 billion for the third quarter of 2025 and 2024, respectively. As a percentage of our total revenues, selling and marketing expenses decreased to 29.3% for the third quarter of 2025 from 33.3% for the same period of 2024, primarily due to our efforts to improve selling and marketing efficiency.

Administrative Expenses

Our administrative expenses decreased by 13.6% to RMB688 million for the third quarter of 2025, from RMB796 million for the same period of 2024, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

Research and Development Expenses

Our research and development expenses increased by 17.7% to RMB3.7 billion for the third quarter of 2025, from RMB3.1 billion for the same period of 2024, primarily attributable to an increase in employee benefit expenses, including the related share-based compensation expenses, and the increased investments in AI.

Other Income

Our other income was RMB27 million and RMB194 million for the third quarter of 2025 and 2024, respectively.

Other Gains, Net

We had other gains, net of RMB596 million for the third quarter of 2025, compared to RMB271 million for the same period of 2024. The increase was primarily due to the fair value changes of financial assets at fair value through profit or loss.

Operating Profit

As a result of the foregoing, we had an operating profit of RMB5.3 billion and an operating margin of 14.9% for the third quarter of 2025, compared to an operating profit of RMB3.1 billion and an operating margin of 10.0% for the same period of 2024.

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

	Unaudited Three Months Ended September 30,		
	2025	2024	Year-over-year change
	<i>(RMB millions, except for percentages)</i>		
Domestic	5,391	3,505	53.8%
Overseas	(64)	(153)	(58.2%)
Unallocated items	(28)	(233)	(88.0%)
Total	<u>5,299</u>	<u>3,119</u>	69.9%

We had an operating profit from the domestic segment of RMB5.4 billion and RMB3.5 billion for the third quarter of 2025 and 2024, respectively, primarily attributable to a 15.4% year-over-year growth in domestic revenues.

Our operating loss from the overseas segment decreased by 58.2% to RMB64 million for the third quarter of 2025, from RMB153 million for the same period of 2024, primarily attributable to more efficient spending on marketing.

Finance (Expense)/Income, Net

We had a finance expense, net of RMB40 million for the third quarter of 2025, compared to a finance income, net of RMB37 million for the same period 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 RMB3 million for the third quarter of 2025, compared to share of losses of RMB6 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 RMB5.3 billion and RMB3.2 billion for the third quarter of 2025 and 2024, respectively.

Income Tax (Expenses)/Benefits

We had income tax expenses of RMB773 million for the third quarter of 2025, compared to income tax benefits of RMB120 million for the same period of 2024, as we incurred deferred income tax expenses for the third quarter of 2025, compared to deferred income tax benefits for the same period of 2024.

Profit for the Period

As a result of the foregoing, we had a profit of RMB4.5 billion for the third quarter of 2025, compared to a profit of RMB3.3 billion for the same period of 2024.

Third Quarter of 2025 Compared to Second Quarter of 2025

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

	Unaudited Three Months Ended			
	September 30, 2025		June 30, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Revenues	35,554	100.0	35,046	100.0
Cost of revenues	(16,120)	(45.3)	(15,542)	(44.3)
Gross profit	19,434	54.7	19,504	55.7
Selling and marketing expenses	(10,420)	(29.3)	(10,503)	(30.0)
Administrative expenses	(688)	(1.9)	(897)	(2.6)
Research and development expenses	(3,650)	(10.3)	(3,400)	(9.7)
Other income	27	0.1	16	0.0
Other gains, net	596	1.6	569	1.7
Operating profit	5,299	14.9	5,289	15.1
Finance expense, net	(40)	(0.1)	(54)	(0.2)
Share of profits/(losses) of investments accounted for using the equity method	3	0.0	(12)	(0.0)
Profit before income tax	5,262	14.8	5,223	14.9
Income tax expenses	(773)	(2.2)	(301)	(0.9)
Profit for the period	4,489	12.6	4,922	14.0
Non-IFRS Accounting Standards Measures:				
Adjusted net profit	4,986	14.0	5,618	16.0
Adjusted EBITDA	7,653	21.5	7,715	22.0

Revenues

Our revenues increased by 1.4% to RMB35.6 billion for the third quarter of 2025, from RMB35.0 billion for the second quarter of 2025, primarily attributable to the growth of our online marketing services 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 third quarter and the second quarter of 2025, respectively:

	Unaudited Three Months Ended			
	September 30, 2025		June 30, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	20,102	56.5	19,765	56.4
Live streaming	9,574	26.9	10,044	28.7
Other services	5,878	16.6	5,237	14.9
Total	<u>35,554</u>	<u>100.0</u>	<u>35,046</u>	<u>100.0</u>

Online marketing services

Revenue from our online marketing services increased by 1.7% to RMB20.1 billion for the third quarter of 2025, from RMB19.8 billion for the second quarter of 2025, primarily attributable to the use of AI technology to continuously upgrade marketing product solutions.

Live streaming

Revenue from our live streaming business was RMB9.6 billion and RMB10.0 billion for the third quarter and the second quarter of 2025, respectively.

Other services

Revenue from our other services increased by 12.2% to RMB5.9 billion for the third quarter of 2025, from RMB5.2 billion for the second quarter of 2025, primarily attributable to the growth of our e-commerce business, represented by the growth in our e-commerce GMV.

Cost of Revenues

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

	Unaudited Three Months Ended			
	September 30, 2025		June 30, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Revenue sharing costs and related taxes	10,959	30.8	10,542	30.1
Bandwidth expenses and server custody costs ⁽¹⁾	1,451	4.1	1,335	3.8
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets ⁽¹⁾	1,477	4.2	1,406	4.0
Employee benefit expenses	711	2.0	670	1.9
Payment processing costs	710	2.0	800	2.3
Other cost of revenues	812	2.2	789	2.2
Total	16,120	45.3	15,542	44.3

Note:

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

Our cost of revenues increased by 3.7% to RMB16.1 billion for the third quarter of 2025, from RMB15.5 billion for the second quarter of 2025, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth.

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 third quarter and the second quarter of 2025, respectively:

	Unaudited Three Months Ended			
	September 30, 2025		June 30, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Gross profit	19,434	54.7	19,504	55.7

As a result of the foregoing, our gross profit slightly decreased by 0.4% to RMB19.4 billion for the third quarter of 2025, from RMB19.5 billion for the second quarter of 2025. Our gross profit margin decreased to 54.7% for the third quarter of 2025, from 55.7% for the second quarter of 2025.

Selling and Marketing Expenses

Our selling and marketing expenses slightly decreased by 0.8% to RMB10.4 billion for the third quarter of 2025, from RMB10.5 billion for the second quarter of 2025, and decreased to 29.3% for the third quarter of 2025 from 30.0% for the second quarter of 2025 as a percentage of our total revenues. The decrease was primarily attributable to our efforts to improve selling and marketing efficiency.

Administrative Expenses

Our administrative expenses decreased by 23.3% to RMB688 million for the third quarter of 2025, from RMB897 million for the second quarter of 2025, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

Research and Development Expenses

Our research and development expenses increased by 7.4% to RMB3.7 billion for the third quarter of 2025, from RMB3.4 billion for the second quarter of 2025, primarily due to an increase in employee benefit expenses, including the related share-based compensation expenses, and the increased investments in AI.

Other Income

Our other income was RMB27 million and RMB16 million for the third quarter and the second quarter of 2025, respectively.

Other Gains, Net

We had other gains, net of RMB596 million and RMB569 million for the third quarter and the second quarter of 2025, respectively.

Operating Profit

As a result of the foregoing, our operating profit remained stable at RMB5.3 billion for the third quarter and the second quarter of 2025, respectively, and our operating margin was 14.9% for the third quarter of 2025, compared to 15.1% for the second quarter of 2025.

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

	Unaudited Three Months Ended		
	September 30, 2025	June 30, 2025	Quarter-over- quarter change
	<i>(RMB millions, except for percentages)</i>		
Domestic	5,391	5,401	(0.2%)
Overseas	(64)	19	N/A
Unallocated items	(28)	(131)	(78.6%)
Total	<u>5,299</u>	<u>5,289</u>	0.2%

Our operating profit from the domestic segment remained stable at RMB5.4 billion for the third quarter and the second quarter of 2025, respectively.

Our operating loss from the overseas segment was RMB64 million for the third quarter of 2025, compared to an operating profit of RMB19 million for the second quarter of 2025.

Finance Expense, Net

Our finance expense, net was RMB40 million and RMB54 million for the third quarter and the second quarter of 2025, respectively.

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 RMB3 million for the third quarter of 2025, compared to share of losses of RMB12 million for the second quarter of 2025.

Profit before Income Tax

As a result of the foregoing, we had a profit before income tax of RMB5.3 billion and RMB5.2 billion for the third quarter and the second quarter of 2025, respectively.

Income Tax Expenses

We incurred income tax expenses of RMB773 million for the third quarter of 2025, compared to income tax expenses of RMB301 million for the second quarter of 2025. The fluctuation was primarily due to more deferred income tax expenses incurred in the third quarter of 2025, compared to the second quarter of 2025.

Profit for the Period

As a result of the foregoing, we had a profit of RMB4.5 billion for the third quarter of 2025, compared to a profit of RMB4.9 billion for the second quarter of 2025.

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 third quarter of 2025, the second quarter of 2025 and the third quarter of 2024, as well as the first nine months of 2025 and 2024, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

	Unaudited Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
	<i>(RMB millions)</i>		
Profit for the period	4,489	4,922	3,270
Adjusted for:			
Share-based compensation expenses	651	716	698
Net fair value changes on investments ⁽¹⁾	(154)	(20)	(20)
Adjusted net profit	4,986	5,618	3,948
Adjusted net profit	4,986	5,618	3,948
Adjusted for:			
Income tax expenses/(benefits)	773	301	(120)
Depreciation of property and equipment	1,031	885	997
Depreciation of right-of-use assets	802	831	765
Amortization of intangible assets	21	26	25
Finance expense/(income), net	40	54	(37)
Adjusted EBITDA	7,653	7,715	5,578

Unaudited Nine Months Ended September 30,	
2025	2024
(RMB millions)	
Profit for the period	11,370
Adjusted for:	
Share-based compensation expenses	1,713
Net fair value changes on investments ⁽¹⁾	(68)
Adjusted net profit	13,015
Adjusted net profit	13,015
Adjusted for:	
Income tax expenses/(benefits)	(162)
Depreciation of property and equipment	2,971
Depreciation of right-of-use assets	2,216
Amortization of intangible assets	78
Finance expense/(income), net	(217)
Adjusted EBITDA	17,901

Note:

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

Liquidity and Financial Resources

Other than the funds raised through our Global Offering in February 2021, our principal sources of funds for working capital and other capital needs have been capital contributions from the Shareholders, cash generated from issuance of convertible redeemable preferred shares and borrowings, and cash generated from our operating activities. We had cash and cash equivalents of RMB12.9 billion as of September 30, 2025, compared to RMB12.3 billion as of June 30, 2025.

Our total available funds which we considered in cash management included but not limited to cash and cash equivalents, time deposits, financial assets and restricted cash. Financial assets mainly included wealth management products and others. The aggregate amount of our available funds was RMB106.6 billion as of September 30, 2025, compared to RMB101.9 billion as of June 30, 2025.

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

	Unaudited Three Months Ended September 30, 2025	Unaudited Nine Months Ended September 30, 2025
	<i>(RMB millions)</i>	
Net cash generated from operating activities	7,669	19,450
Net cash used in investing activities	(9,049)	(24,162)
Net cash generated from financing activities	2,005	4,951
Net increase in cash and cash equivalents	625	239
Cash and cash equivalents at the beginning of the period	12,310	12,697
Effects of exchange rate changes on cash and cash equivalents	(16)	(17)
Cash and cash equivalents at the end of the period	<u>12,919</u>	<u>12,919</u>

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 third quarter of 2025, our net cash generated from operating activities was RMB7.7 billion, which was primarily attributable to our profit before income tax of RMB5.3 billion, adjusted by non-cash items, primarily comprising depreciation of property and equipment of RMB1.0 billion, depreciation of right-of-use assets of RMB802 million, net fair value gains on financial assets at fair value through profit or loss of RMB785 million and share-based compensation expenses of RMB648 million. The amount was further adjusted by changes in working capital, which primarily comprised the increase in other payables and accruals of RMB1.5 billion, partially offset by the decrease in accounts payables of RMB1.0 billion. We also paid income tax of RMB160 million.

Net Cash Used in Investing Activities

For the third quarter of 2025, our net cash used in investing activities was RMB9.0 billion, which was primarily attributable to the purchase of property, equipment and intangible assets of RMB5.3 billion, the net investments in financial assets at fair value through profit or loss of RMB4.9 billion and the net proceeds from maturity of time deposits with initial terms of over three months of RMB1.4 billion.

Net Cash Generated from Financing Activities

For the third quarter of 2025, our net cash generated from financing activities was RMB2.0 billion, which was primarily attributable to the net proceeds under notes arrangements of RMB1.5 billion.

FINANCIAL INFORMATION

CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Three months ended September 30,		Unaudited Nine months ended September 30,	
		2025	2024	2025	2024
	<i>Note</i>	<i>(RMB millions)</i>			
Revenues	3	35,554	31,131	103,208	91,514
Cost of revenues	4	(16,120)	(14,217)	(46,478)	(41,345)
Gross profit		19,434	16,914	56,730	50,169
Selling and marketing expenses	4	(10,420)	(10,364)	(30,820)	(29,788)
Administrative expenses	4	(688)	(796)	(2,413)	(2,050)
Research and development expenses	4	(3,650)	(3,100)	(10,348)	(8,748)
Other income		27	194	96	346
Other gains, net		596	271	1,602	1,090
Operating profit		5,299	3,119	14,847	11,019
Finance (expense)/income, net		(40)	37	(118)	217
Share of profits/(losses) of investments accounted for using the equity method		3	(6)	(7)	(28)
Profit before income tax		5,262	3,150	14,722	11,208
Income tax (expenses)/benefits		(773)	120	(1,332)	162
Profit for the period		4,489	3,270	13,390	11,370
Attributable to:					
— Equity holders of the Company		4,488	3,268	13,388	11,366
— Non-controlling interests		1	2	2	4
		4,489	3,270	13,390	11,370
Earnings per share attributable to equity holders of the Company (expressed in RMB per share)	5				
Basic earnings per share		1.05	0.76	3.13	2.64
Diluted earnings per share		1.02	0.75	3.05	2.58

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three months ended September 30,		Unaudited Nine months ended September 30,	
	2025	2024	2025	2024
<i>Note</i>	<i>(RMB millions)</i>			
Profit for the period	4,489	3,270	13,390	11,370
Other comprehensive loss				
<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	(502)	(1,193)	(786)	(735)
<i>Items that may be subsequently reclassified to profit or loss</i>				
Currency translation differences	392	925	615	580
Other comprehensive loss for the period, net of taxes	(110)	(268)	(170)	(158)
Total comprehensive income for the period	4,379	3,002	13,220	11,212
Attributable to:				
— Equity holders of the Company	4,378	3,000	13,218	11,208
— Non-controlling interests	1	2	2	4
	4,379	3,002	13,220	11,212

CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As of September 30, 2025	Audited As of December 31, 2024
	Note	(RMB millions)	
ASSETS			
Non-current assets			
Property and equipment		21,538	14,831
Right-of-use assets		8,487	8,891
Intangible assets		1,007	1,059
Investments accounted for using the equity method		160	166
Financial assets at fair value through profit or loss	6	29,453	24,430
Other financial assets at amortized cost	6	36	62
Deferred tax assets		6,093	6,604
Long-term time deposits		21,515	19,856
Other non-current assets		2,892	1,105
		91,181	77,004
Current assets			
Trade receivables		6,850	6,674
Prepayments, other receivables and other current assets		6,920	4,646
Financial assets at fair value through profit or loss	6	39,098	27,050
Other financial assets at amortized cost	6	41	233
Short-term time deposits		6,514	11,522
Restricted cash		208	47
Cash and cash equivalents		12,919	12,697
		72,550	62,869
Total assets		163,731	139,873

CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As of September 30, 2025	Audited As of December 31, 2024
	Note	(RMB millions)	
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		—	—
Share premium		265,815	268,733
Treasury shares		—	(341)
Other reserves		37,576	35,776
Accumulated losses		(228,776)	(242,164)
		74,615	62,004
Non-controlling interests		21	20
Total equity		74,636	62,024
LIABILITIES			
Non-current liabilities			
Borrowings	7	11,098	11,100
Financial liabilities at fair value through profit or loss		90	124
Lease liabilities		6,049	6,765
Deferred tax liabilities		64	13
Other non-current liabilities		15	19
		17,316	18,021
Current liabilities			
Accounts payables		27,343	27,470
Other payables and accruals		30,696	23,113
Dividend payable	8	1,814	—
Advances from customers		5,317	4,696
Borrowings	7	1,990	—
Financial liabilities at fair value through profit or loss		3	5
Income tax liabilities		588	873
Lease liabilities		4,028	3,671
		71,779	59,828
Total liabilities		89,095	77,849
Total equity and liabilities		163,731	139,873

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Nine months ended September 30,	
	2025	2024
	<i>(RMB millions)</i>	
Net cash generated from operating activities	19,450	21,147
Net cash used in investing activities	(24,162)	(29,133)
Net cash generated from financing activities	4,951	7,598
Net increase/(decrease) in cash and cash equivalents	239	(388)
Cash and cash equivalents at the beginning of the period	12,697	12,905
Effects of exchange rate changes on cash and cash equivalents	(17)	(51)
Cash and cash equivalents at the end of the period	<u>12,919</u>	<u>12,466</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Basis of preparation

This condensed consolidated interim financial information for the three months and nine months ended September 30, 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 and nine months ended September 30, 2025 and 2024.

The revenues from customers reported to CODM are measured as revenues in each segment. The operating profit or loss in each segment reported to CODM is 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 September 30, 2025				
	Domestic	Overseas	Unallocated items	Total
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	34,400	1,154	—	35,554
Cost of revenues and operating expenses	(29,009)	(1,218)	—	(30,227)
Unallocated items	—	—	(28)	(28)
Operating profit/(loss)	<u>5,391</u>	<u>(64)</u>	<u>(28)</u>	<u>5,299</u>
Three months ended September 30, 2024				
	Domestic	Overseas	Unallocated items	Total
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	29,800	1,331	—	31,131
Cost of revenues and operating expenses	(26,295)	(1,484)	—	(27,779)
Unallocated items	—	—	(233)	(233)
Operating profit/(loss)	<u>3,505</u>	<u>(153)</u>	<u>(233)</u>	<u>3,119</u>

Nine months ended September 30, 2025				
	Domestic	Overseas	Unallocated items	Total
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	99,439	3,769	—	103,208
Cost of revenues and operating expenses	(84,302)	(3,786)	—	(88,088)
Unallocated items	—	—	(273)	(273)
Operating profit/(loss)	15,137	(17)	(273)	14,847

Nine months ended September 30, 2024				
	Domestic	Overseas	Unallocated items	Total
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	88,113	3,401	—	91,514
Cost of revenues and operating expenses	(76,119)	(4,099)	—	(80,218)
Unallocated items	—	—	(277)	(277)
Operating profit/(loss)	11,994	(698)	(277)	11,019

3 Revenues

The breakdown of revenues is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online marketing services	20,102	17,634	57,844	51,799
Live streaming	9,574	9,338	29,432	27,215
Other services	5,878	4,159	15,932	12,500
	35,554	31,131	103,208	91,514

4 Expenses by nature

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue sharing costs and related taxes	10,959	8,873	31,443	25,943
Promotion and marketing expenses	9,853	9,777	29,142	27,981
Employee benefit expenses	4,536	4,386	13,415	12,449
Bandwidth expenses and server custody costs	1,451	1,465	4,263	4,234
Depreciation of property and equipment	1,031	997	2,698	2,971
Depreciation of right-of-use assets <i>(Note a)</i>	802	765	2,401	2,216
Amortization of intangible assets	21	25	69	78
Payment processing costs	710	669	2,278	1,973
Outsourcing and other labor costs	400	340	1,105	964
Tax surcharges	272	234	781	689
Professional fees	63	63	189	203
Credit loss allowances on financial assets	(9)	37	108	70
Others <i>(Note b)</i>	789	846	2,167	2,160
	30,878	28,477	90,059	81,931

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 September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings attributable to equity holders of the Company (RMB millions)	<u>4,488</u>	<u>3,268</u>	<u>13,388</u>	<u>11,366</u>
Weighted average number of ordinary shares in issue (million shares)	<u>4,286</u>	<u>4,301</u>	<u>4,273</u>	<u>4,313</u>
Basic earnings per share (expressed in RMB per share)	<u><u>1.05</u></u>	<u><u>0.76</u></u>	<u><u>3.13</u></u>	<u><u>2.64</u></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 and nine months ended September 30, 2025 and 2024, the Company had two categories of potential ordinary shares: share options and restricted share units (“RSUs”).

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Earnings attributable to equity holders of the Company (RMB millions)	<u>4,488</u>	<u>3,268</u>	<u>13,388</u>	<u>11,366</u>
Weighted average number of ordinary shares in issue (million shares)	<u>4,286</u>	<u>4,301</u>	<u>4,273</u>	<u>4,313</u>
Adjustments for share options and RSUs (million shares)	<u>119</u>	<u>83</u>	<u>116</u>	<u>98</u>
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (million shares)	<u>4,405</u>	<u>4,384</u>	<u>4,389</u>	<u>4,411</u>
Diluted earnings per share (expressed in RMB per share)	<u><u>1.02</u></u>	<u><u>0.75</u></u>	<u><u>3.05</u></u>	<u><u>2.58</u></u>

6 Investments

	As of September 30, 2025	As of December 31, 2024
	(RMB millions)	
	(Unaudited)	(Audited)
Non-current assets		
Financial assets at fair value through profit or loss		
— Investments in unlisted entities	2,704	2,719
— Investment in a listed entity	126	80
— Wealth management products and others	26,329	21,338
— Derivative financial instruments	294	293
	29,453	24,430
Other financial assets at amortized cost	36	62
	29,489	24,492
Current assets		
Financial assets at fair value through profit or loss		
— Investment in a listed entity	11	6
— Wealth management products and others	39,086	27,044
— Derivative financial instruments	1	—
	39,098	27,050
Other financial assets at amortized cost	41	233
	39,139	27,283
Total	68,628	51,775

7 Borrowings

	As of September 30, 2025	As of December 31, 2024
	(RMB millions)	
	(Unaudited)	(Audited)
Unsecured bank loans		
— RMB loans, included in non-current liabilities	11,098	11,100
— USD loans, included in current liabilities	1,990	—
Total	13,088	11,100

8 Dividends

On August 21, 2025, the board of directors of the Company approved and declared a special dividend of HK\$0.46 per ordinary share. The aggregate amount of the special dividend was HK\$2.0 billion, which was paid in October 2025.

OTHER INFORMATION

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

During the three months ended September 30, 2025 and up to the Latest Practicable Date, the Company repurchased a total of 3,451,600 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$255,922,722.28. The repurchase was effected for the enhancement of shareholders' value in the long term. Particulars of the Shares Repurchased are summarized as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration
		Highest (HK\$)	Lowest (HK\$)	
July 2025	0	N/A	N/A	0.00
August 2025	0	N/A	N/A	0.00
September 2025	2,137,000	74.30	73.35	157,515,973.00
October 2025	1,314,600	75.10	74.55	98,406,749.28
November 2025 (up to the Latest Practicable Date)	0	N/A	N/A	0.00
Total	3,451,600			255,922,722.28

As of the Latest Practicable Date, a total of 3,451,600 Class B Shares repurchased from September 1 to October 14, 2025 have been cancelled on September 30 and October 31, 2025, respectively, and the number of Class B Shares in issue was reduced by 3,451,600 shares as a result of the cancellation. 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 12,418,760 Class A Shares into Class B Shares on a one-to-one ratio on September 30 and October 31, 2025, respectively, according to the Listing Rules. As of the Latest Practicable Date, the Company had cancelled all the Shares Repurchased and did not hold any treasury shares.

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

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standards of corporate governance which are crucial to the Group's development and safeguarding 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 nine months ended September 30, 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 and nine months ended September 30, 2025. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

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

Significant Events after September 30, 2025

Save as disclosed in this announcement, there were no other significant events affecting the Group which occurred after September 30, 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, November 19, 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:

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

“Global Offering”	the global offering of the Class B Shares
“GMV”	gross merchandise value, the total value of all orders for products and services placed on, or directed to the Group’s partners through, the Group’s platform, regardless of whether the order is settled or returned, excluding single transactions of RMB100,000 or greater and any series of transactions from a single buyer totaling RMB1,000,000 or greater in a single day, unless they are settled
“Group”	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
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“IFRS Accounting Standards”	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standards Board
“KOL(s)”	key opinion leader(s)
“Kuaishou App”	collectively, Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps
“Kuaishou Concept”	an app that we launched in November 2018 to explore different user needs and preferences
“Kuaishou Express”	a variant of Kuaishou Flagship that was officially launched in August 2019
“Kuaishou Flagship”	a mobile app that was derived from our original mobile app, <i>GIF Kuaishou</i> (launched in 2011)
“Latest Practicable Date”	November 11, 2025, being the latest practicable date prior to the publication of this announcement for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“MAUs”	monthly active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the calendar month

“Memorandum”	the memorandum of association of the Company adopted on and with effect from June 13, 2024, as amended from time to time
“paying users”	user accounts that purchase a particular service at least once during a given period
“PRC”	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
“Reserved Matters”	those matters resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles, being: (i) any amendment to the Memorandum or Articles, including the variation of the rights attached to any class of shares; (ii) the appointment, election or removal of any independent non-executive Director; (iii) the appointment or removal of the Company’s auditors; and (iv) the voluntary liquidation or winding-up of the Company
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“ROI”	return on investment
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the Class A Shares and Class B Shares in the capital of the Company, as the context so requires
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Companies Ordinance
“treasury shares”	has the meaning ascribed to it under the Listing Rules
“US\$”	the lawful currency of the United States of America
“%”	per cent