



Kuaishou Technology Announces First Quarter 2026 Unaudited Financial Results

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HONG KONG, May 27, 2026 /PRNewswire/ -- Kuaishou Technology ("Kuaishou" or the "Company"; HKD Counter Stock Code: 01024 / RMB Counter Stock Code: 81024), a leading content community and social platform, today announced its unaudited consolidated first quarterly results for the three months ended March 31, 2026.

First Quarter 2026 Key Highlights

- **Average DAUs on Kuaishou APP** were 412.7 million, representing an increase of 1.2% from 408.0 million for the same period of 2025.
- **Average MAUs on Kuaishou APP** were 771.7 million, representing an increase of 8.4% from 711.7 million for the same period of 2025.
- **Total revenues** increased by 3.4% to RMB33.7 billion from RMB32.6 billion for the same period of 2025. Online marketing services and live streaming contributed 58.3% and 25.2%, respectively, to the total revenues. The other 16.5% came from other services.
- **Gross profit** was RMB17.2 billion, compared to RMB17.8 billion for the same period of 2025. Gross profit margin was 51.2%, compared to 54.6% for the same period of 2025.
- **Profit for the period** was RMB2.9 billion, compared to RMB4.0 billion for the same period of 2025. **Adjusted net profit⁽¹⁾** was RMB3.4 billion, compared to RMB4.6 billion for the same period of 2025.
- **Operating profit from the domestic segment⁽²⁾** was RMB3.1 billion, compared to RMB4.3 billion for the same period of 2025. **Operating loss from the overseas segment⁽²⁾** was RMB31 million, compared to operating profit of RMB28 million for the same period of 2025.
- During the three months ended March 31, 2026 and up to May 27, 2026, the Company repurchased a total of 17,956,000 shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD854 million.

Mr. Cheng Yixiao, Co-founder, Chairman, and Chief Executive Officer of Kuaishou, commented, "In the first quarter of 2026, by advancing our AI strategy, we continued to foster a thriving content ecosystem and drive commercial growth through technological innovation, achieving a solid start to the year. Average DAUs reached 413 million, and total revenues reached RMB33.7 billion. Revenues from our core commercial business, including online marketing services and other services, primarily e-commerce, increased by 10.7% year-over-year. Adjusted net profit reached RMB3.4 billion, with an adjusted net margin of 10.0%. In February 2026, we launched the Kling AI 3.0 series, extending Kling AI's global leadership in model capabilities and product experience. Commercialization also accelerated with Kling AI generating over RMB650 million in revenue in the first quarter, representing year-over-year growth of more than 300.0%. Meanwhile, we expanded the application of AI across diverse scenarios including content creation, online marketing, e-commerce operations and organizational management, effectively improving user experience and merchant operational efficiency. Looking ahead, we will continue to deepen the integration of AI across our business and drive further innovation. Through sustained technological iteration and ecosystem development, we aim to create greater long-term sustainable value for our users, partners, and shareholders."

First Quarter 2026 Financial Review

Revenue from our online marketing services increased by 9.3% to RMB19.6 billion for the first quarter of 2026, from RMB18.0 billion for the same period of 2025, primarily attributable to the accelerated penetration of AI across diverse online marketing services scenarios.

Revenue from our live streaming business decreased by 13.5% to RMB8.5 billion for the first quarter of 2026 from RMB9.8 billion for the same period of 2025, as a result of our continuous efforts to develop a rich and healthy live streaming ecosystem and diverse high-quality content.

Revenue from our other services increased by 15.9% to RMB5.6 billion for the first quarter of 2026, from RMB4.8 billion for the same period of 2025, primarily due to the growth of our Kling AI business. The growth of Kling AI business was primarily attributable to our advanced AI technology and exceptional product performance.

Other Key Financial Information for the First Quarter of 2026

Operating profit was RMB3.6 billion, compared to RMB4.3 billion for the same period of 2025.

Adjusted EBITDA⁽³⁾ was RMB6.2 billion, compared to RMB6.4 billion for the same period of 2025.

Total available funds⁽⁴⁾ reached RMB117.7 billion as of March 31, 2026.

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) Unallocated items, which consist of share-based compensation expenses, other income, and other gains, net, are not included.

(3) We define "adjusted EBITDA" as adjusted net profit for the period adjusted by income tax expenses, depreciation of property and equipment, depreciation of right-of-use assets, amortization of intangible assets, and finance expense, net.

(4) Total available funds which we considered in cash management included but not limited to cash and cash equivalents, time deposit, financial assets and restricted cash. Financial assets mainly included wealth management products and others.

Business Review

In the first quarter of 2026, amid a complex and dynamic macro environment, we continued to deepen our AI strategy. **Kling AI (可灵AI)** maintained its global leadership in multimodal video generation, and AI technologies continued to provide the momentum for our content prosperity, business growth and organizational efficiency improvement. In the first quarter of 2026, the average DAUs on the Kuaishou App reached 412.7 million. Total revenues increased by 3.4% year-over-year to RMB33.7 billion. Revenues from our core commercial business, including online marketing services and other services, primarily e-commerce, increased by 10.7% year-over-year. Adjusted net profit reached RMB3.4 billion, with an adjusted net margin of 10.0%. Notably, Kling AI demonstrated its core

momentum as our second growth curve. It sustained its global leadership in model capabilities and product experience, while achieving rapid monetization growth. In the first quarter of 2026, Kling AI generated revenue of over RMB650 million, representing year-over-year growth of more than 300.0%.

AI business

In the first quarter of 2026, Kling AI continued to advance its vision of empowering everyone to craft captivating stories with AI. Through ongoing model iteration, intelligent product upgrades, and deeper penetration across professional scenarios, Kling AI further reinforced its global leadership in AI video generation. At the model and technology front, in February 2026, we launched the Kling AI 3.0 model series. Built on an All-in-One product framework, the Kling AI 3.0 model series supports full multimodal inputs and outputs spanning text, images, audio and video, integrating video understanding, generation and editing into one streamlined AI workflow. While supporting video generation of up to 15 seconds, the Kling AI 3.0 model series delivers highly flexible storyboard control and more precise semantic alignment, incorporating "simultaneous audiovisual generation" capabilities with strong subject consistency to further extend the boundaries of AI storytelling. At the product level, Kling AI launched the Team Plan, supporting real-time collaborative creation for up to 15 members and enabling creators to efficiently manage content creation workflows among teams. Recently, we launched the 'Baseball Live' effect, which once again ignited a global AI creation frenzy and swept across social media platforms worldwide. This viral hit propelled Kling AI to claim the number one position on the App Store across 42 countries and regions, including Brazil and Germany.

Kling AI has continued to focus on the core needs of professional creators across film and television, advertising, e-commerce, and gaming sectors, empowering professional creation with end-to-end industrial-grade capabilities and driving meaningful cost reduction and efficiency improvement. Kling AI was deeply involved in the creation of selected virtual scenes and visual effects shots in the hit Chinese historical drama *Swords Into Plowshares* (太平年). In the Hollywood TV series *House of David* (大衛王朝), Kling AI supported the generation of hundreds of high-quality shots, including grand scenes and complex battle sequences, fully demonstrating its exceptional strength in commercial film and television production. With broader adoption across professional creative scenarios, Kling AI's commercialization has accelerated. In the first quarter of 2026, Kling AI generated revenue of over RMB650 million, representing year-over-year growth of more than 300%. In March 2026, the annualized revenue run rate (ARR) of Kling AI was approximately USD500 million.

In the first quarter of 2026, we made continued, solid progress in advancing the research and development of our general-purpose large models, and in empowering our commercial and organizational ecosystems with AI. At the general-purpose large model level, we released *KAT-Coder-Pro V2*, an agentic coding model that achieved strong performance in front-end aesthetics generation, command-line reasoning and agent execution. It is compatible with mainstream AI coding tools. It has also been trained and optimized for OpenClaw and is capable of navigating complex real-world application workflows. In terms of AI empowerment for our commercial ecosystem, we continued to deepen the application of our generative recommendation and intelligent bidding large models in online marketing services scenarios, driving roughly 3.0%–4.0% growth in domestic online marketing services revenue in the first quarter of 2026. For e-commerce business scenarios, the new-generation generative search framework *OneSearch V2* was fully rolled out across e-commerce search scenario in the first quarter of 2026. Through technological innovation, we enhanced the model's inference capabilities and the search experience, which drove an incremental GMV growth of approximately 3.0% in our e-commerce search business. At the organizational ecosystem empowerment level, Kuaishou's proprietary coding tool, *CodeFlicker*, has driven AI-generated code penetration to over 50%. It has also evolved into a company-wide general-purpose agent, *My Flicker*, expanding its use scenarios from engineering coding to universal scenarios for all employees. It now empowers functions across R&D, product, operations, data, etc. enhancing overall organizational efficiency.

User and content ecosystem

In the first quarter of 2026, average DAUs on the Kuaishou App reached 412.7 million, and MAUs reached 771.7 million, while the average daily time spent per DAU on the Kuaishou App remained relatively stable. By providing differentiated premium content, iterating our traffic mechanism, and expanding social interaction scenarios around the Chinese New Year, we offered users a higher-quality and more heart-warming online community with distinctive Kuaishou characteristics. In refining our distribution mechanism, we balanced user experience with monetization efficiency, resulting in increased exposure for premium content. Regarding high-quality user growth, we have deepened refined operations across all channels. By integrating growth spending with monetization scenarios and innovating user retention initiatives, we improved the ROI of user growth.

During the 2026 Chinese New Year holiday, we created an immersive online Spring Festival experience to drive high-quality user growth through innovative, interactive features and an extensive premium content matrix, achieving a new historic peak in DAUs. In terms of content ecosystem, we launched a series of Kuaishou-characteristic content IPs, including *Kuaishou Spring Festival Gala for the Year of the Horse* (快手馬年春晚), *Liu Laogen Grand Stage* (劉老根大舞台), and *Northeast Comedy Show* (東北喜樂會). Leveraging Kling AI's technical capabilities, we released AI-generated Chinese New Year animation short play series, *The Show Gallops On* (馬上有戲). These initiatives fostered a vibrant festive atmosphere for users while enhancing the popularity and influence of Kuaishou's native content. User social interactions increased significantly during the Chinese New Year campaign. The number of user pairs using our social interaction product *Huo zaizai* (火崽崽) grew by 25.0% compared to the pre-Spring Festival period, and the number of users sending private messages increased by 15.0%. Our 2026 Chinese New Year-related content generated over 15 billion, 250 billion and 6.5 billion of live-streaming views, short-video views and cumulative likes, respectively.

Online marketing services

In the first quarter of 2026, revenue from online marketing services reached RMB19.6 billion, up 9.3% year-over-year, with revenue from domestic online marketing services growing by more than 10% year-over-year.

During the first quarter of 2026, the content consumption, lifestyle service and AI application sectors were the primary drivers of our non-e-commerce marketing services revenue. In the content consumption sector, AI reduced production costs and lowered the creative threshold for comic-style short plays, driving rapid growth in content supply and related marketing demand. As of the end of March 2026, the peak of daily marketing spend on Kuaishou comic-style short plays exceeded RMB20 million. Within the lifestyle service sector, where clients primarily operate on a lead-based model, we advanced more refined industry operations across over 20 verticals, including healthcare, industrial and agricultural materials, education, and automotive. By tailoring our solutions to the conversion characteristics of different industries, we helped merchants improve customer acquisition efficiency and drove incremental marketing spend across these sectors. At the same time, we helped merchants reach potential customers more efficiently and improve user conversion rates through product upgrades. In addition, during the Chinese New Year period, demand for marketing placement in the AI application vertical was strong. We effectively captured relevant budgets and optimized deep conversion outcomes, enhancing AI application clients' willingness and scale of marketing spend on our platform.

In the first quarter of 2026, we accelerated the penetration of AI across diverse online marketing services scenarios, covering the full pre-placement, in-placement and post-placement cycle. This improved clients' placement experience and drove growth in total spending from online marketing services. In the pre-placement stage, the generation of AIGC marketing materials enabled merchants to produce materials at a lower cost and with higher efficiency. As of March 2026, AIGC short video marketing materials spending contributed 10.0% of total short video online marketing spending on our platform. At the in-placement stage, our *Universal Auto X* (UAX, 全自動投放) placement solutions became the dominant placement tool adopted by most online marketing clients. During the first quarter of 2026, we added an Agent feature to our UAX placement solutions. By learning from best practices in placement optimization and in creative generation and editing across verticals, our UAX placement solutions automatically assisted marketing teams in tasks such as marketing unit creation and bid management, improving overall placement efficiency. In the post-placement stage, AI-driven analytics automatically reviewed performance data and provided timely feedback to clients, reducing manual operational workload. Meanwhile, our digital employee solutions offered 24/7 automated responses, enabling clients respond to

consumers' inquiries in time, especially during periods such as overnight hours when human support is limited.

For e-commerce marketing services, in the first quarter of 2026, we further advanced and deepened our omni-domain traffic synergy strategy through improved coordination between organic and commercial traffic pools, effectively enhancing e-commerce traffic exposure and business growth of brand merchants. In the first quarter of 2026, we onboarded an increasing number of brand merchants and small- and medium-sized merchants. The number of active marketing merchants increased by 38.0% year-over-year, and marketing spending from brand merchants increased by 42.0% year-over-year, supporting GMV growth for their self-operated businesses across omni-domain scenarios. Meanwhile, AI capabilities have been fully integrated across our end-to-end e-commerce marketing placement workflows. Through the coordinated efforts of our user interest inference AI agent, creative and product selection AI agent, and bidding decision AI agent, both marketing placement precision and efficiency improved. On the product side, with continuous upgrades, our **Omni-platform Marketing (全站推廣)** solutions accounted for a greater share of total spending from e-commerce marketing services, becoming the primary placement offering for our e-commerce marketing services. Our **Net Transaction ROI (淨成交ROI)** product helped merchants optimize their net transaction GMV, enabling more stable settlement outcomes. In the first quarter of 2026, its client penetration rate reached 45.0% across industries, and it meaningfully reduced product return rates. Meanwhile, our **Full-store Hosting (全店託管)** freed merchants from single-product placement constraints through one-click full-store placement, reducing manpower for merchants.

E-commerce

In 2026, we advance our e-commerce strategy through three key upgrades: paying user growth, supply acquisition, and deeper integration of e-commerce and commercialization traffic. This will enable merchants to better capture the synergies across omni-domain scenarios, amplifying growth momentum. In the first quarter of 2026, by steadily advancing this strategy, our e-commerce business achieved sustainable, healthy growth. We remain committed to strengthening omni-domain traffic synergies and refining operations across the full buyer lifecycle to drive long-term growth in our e-commerce buyer base.

On the supply side, this year we will focus on onboarding brand merchants and new merchants, while continuously improving product quality. For brand merchants, we continued to advance the **Voyage Initiative (乘風計劃)** launched in the fourth quarter of 2025, targeting top-tier brands across diverse verticals and providing them with multi-dimensional support in traffic, operations and brand building. In the first quarter of 2026, driven by the incremental growth from new brand merchants, brand merchants' contribution to overall e-commerce GMV and monetization continued to increase, maintaining strong year-over-year growth. Meanwhile, existing merchants continued to scale and stabilize their operations, further strengthening the health and resilience of our e-commerce supply ecosystem. In terms of new merchant acquisition, we worked closely with our service providers across 100 targeted priority industrial zones nationwide. In the first quarter of 2026, the number of new merchants onboarded in these industrial zones increased by 41.8% year-over-year. In addition, we provided comprehensive support for new merchants across their full lifecycle, from onboarding and early growth to scaling. In the first quarter of 2026, small- and medium-sized merchants grew significantly, leading to a healthier merchant structure and more diversified supply.

In the first quarter of 2026, we further improved our KOL ecosystem and structure, enhancing the supply of high-quality e-commerce content. We continued to strengthen support for mid-tier KOLs. In January 2026, we launched the **Treasure Streamer Spotlight Initiative (寶藏主播閃光計劃)**, leveraging platform resources to identify and support outstanding KOLs across verticals, helping them scale up. In addition, we further refined our incentive policies, which significantly increased KOL streaming frequency. In the first quarter of 2026, the number of average daily active streamers hosting live sessions with over 10,000 followers grew by 10.1% year-over-year. Through subsidy initiatives such as our **KOL Blockbuster Initiative (達人爆品計劃)**, along with continued optimization of our distribution product allocation capabilities to empower KOLs, we improved the efficiency of KOL product matching. In addition, we hosted offline matchmaking events between merchants and KOLs and introduced tiered services for KOLs at different levels, enabling high-precision distribution matching. In the first quarter of 2026, the number of merchant-KOL matches in the distribution pool increased by 47.0% year-over-year, while the number of active KOLs participating in distribution grew by 23.5% year-over-year.

In the first quarter of 2026, our e-commerce omni-domain operations ecosystem continued to unleash strong growth momentum. Content-based scenarios continued to serve as an important driver of user demand. As user consumption journeys increasingly extended into browsing, search and shopping mall mode exploration, an omni-domain consumption mindset among users is gradually taking shape. In the first quarter of 2026, e-commerce intent-driven search page views grew 11.0% year-over-year, while new and returning buyers from the shopping mall tab increased by approximately 36.0% in March 2026, indicating e-commerce users' stronger active shopping intent. In addition, richer supply effectively drove an increase in purchase frequency among pan-shelf-based e-commerce users.

In the first quarter of 2026, we leveraged end-to-end AI capabilities to drive tangible operating efficiency gains for merchants and upgraded user experience. Powered by large model capabilities, we comprehensively upgraded the entire shopping decision-making processes, from demand activation, search fulfillment, to live streaming guided shopping, and subsidy distribution. We launched an intelligent search upgrade featuring AI agent-based one-stop intelligent shopping assistant. This transformed search from a user-initiated product lookup into an AI-led recommendation experience, significantly improving search conversion efficiency. In addition, leveraging AI to empower sales operations, we optimized the process of guided shopping in live streaming rooms. In live streaming scenarios, real-time product highlight summarization and AI-powered auto-reply hosting feature generated over RMB10 million in incremental GMV per day for merchants. Furthermore, our AI-driven coupon distribution tool enabled high-precision, personalized marketing, effectively reducing merchant operating costs.

Live streaming

In the first quarter of 2026, live streaming revenue reached RMB8.5 billion. We remained committed to the health of the live streaming ecosystem as our core priority, focusing on supply quality improvement, content enrichment and AI innovation to build a sustainable live streaming ecosystem for long-term growth. We continued to support high-quality content categories, such as premium group live streaming, and strengthened the professional operations of partner talent agencies, solidifying the foundation of live streaming supply. On the product and technology front, AI capabilities further empowered live streaming rooms. AI tools, including **AI Interaction Assistants (AI互動助手)**, **Digital Avatar Solutions (數字分身服務)** and **AI Private Messaging (AI私信)** improved streamers' service efficiency and enhanced viewer engagement experience. Kling AI's video generation strengths significantly empowered live streaming gift creations, accelerating AI gift rollout and enriching creative expression while boosting users' willingness to pay. In the first quarter of 2026, the **AI Universe (AI萬象)** series gifts with customizable special effects sent by users reached 1.1 million.

In terms of content, we launched a diverse range of live streaming interactive features during the Chinese New Year. The **Kuashou Mastermind (快手狀元)** quiz series featured over 100 AI digital human streamers generated by Kling AI, attracting nearly 50 million users to actively participate. At the same time, we further strengthened our gaming content ecosystem. During the Chinese New Year, we launched the **Spring Festival Player Carnival (新春玩家狂歡節)** campaign, partnering with over 50 game developers. Moreover, our esports business, a key strategic pillar of our gaming ecosystem, achieved a breakthrough. In April 2026, Kuashou's KSG team won the King Pro League Spring 2026 Championship, driving the further evolution of the gaming ecosystem.

Overseas

In the first quarter of 2026, we continuously explored high-value growth strategies for our overseas business, while responding to market changes with business resilience. In terms of traffic, we continued optimizing user acquisition efficiency and user growth mix to cultivate a community ecosystem rooted in real life. Meanwhile, we further expanded content verticals favored by our core users to deepen their engagement. Brazil, our key market for overseas development, maintained steady average DAUs and average daily time spent per DAU quarter-over-quarter. For online marketing services, we consistently strengthened our advertising product capabilities by leveraging AI to fully empower our end-to-end marketing workflows, improving placement efficiency and performance stability for

clients. At the same time, we capitalized on our strengths as a content platform, localizing commercial creatives to unlock incremental advertising budgets, particularly from core sectors led by cross-border ecommerce players. Our e-commerce business in Brazil achieved solid year-over-year growth in GMV and order volume in the first quarter of 2026. By strengthening key categories and high-quality product supply, we grew conversion and repeat purchase rates. Meanwhile, through AI-assisted content production and content recommendation, we continuously optimized operational efficiency and profit-generating ability.

About Kuaishou

Kuaishou is a leading content community and social platform in China and globally, committed to becoming the most customer-obsessed company in the world. Kuaishou uses its technological backbone, powered by cutting-edge AI technology, to continuously drive innovation and product enhancements that enrich its service offerings and application scenarios, creating exceptional customer value. Through short videos and live streams on Kuaishou's platform, users can share their lives, discover goods and services they need and showcase their talent. By partnering closely with content creators and businesses, Kuaishou provides technologies, products, and services that cater to diverse user needs across a broad spectrum of entertainment, online marketing services, e-commerce, local services, gaming, and much more.

Forward-Looking Statements

Certain statements included in this press release, 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 press release. 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 the 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 press release 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 circumstances occurring after the date of this press release or those that might reflect the occurrence of unanticipated events.

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CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited		
	Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
	<i>RMB'Million</i>	<i>RMB'Million</i>	<i>RMB'Million</i>
Revenues	33,716	39,568	32,608
Cost of revenues	<u>(16,467)</u>	<u>(17,749)</u>	<u>(14,816)</u>
Gross profit	17,249	21,819	17,792
Selling and marketing expenses	(10,333)	(11,409)	(9,897)
Administrative expenses	(766)	(930)	(828)
Research and development expenses	(3,621)	(4,143)	(3,298)
Other income	245	74	53
Other gains, net	821	379	437
Operating profit	3,595	5,790	4,259
Finance expense, net	(173)	(31)	(24)
Share of (losses)/profits of investments accounted for using the equity method	(13)	(9)	2
Profit before income tax	3,409	5,750	4,237
Income tax expenses	(504)	(516)	(258)
Profit for the period	2,905	5,234	3,979
Attributable to:			
— Equity holders of the Company	2,903	5,229	3,978
— Non-controlling interests	2	5	1
	2,905	5,234	3,979

CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited

Audited

	As of March 31, 2026	As of December 31, 2025
	<i>RMB'Million</i>	<i>RMB'Million</i>
ASSETS		
Non-current assets		
Property and equipment	30,214	22,869
Right-of-use assets	9,174	8,545
Intangible assets	982	986
Investments accounted for using the equity method	136	149
Financial assets at fair value through profit or loss	29,827	23,747
Derivative financial instruments	448	353
Other financial assets at amortized cost	-	35
Deferred tax assets	5,732	5,585
Long-term time deposits	22,660	22,015
Other non-current assets	6,296	2,671
	<u>105,469</u>	<u>86,955</u>
Current assets		
Trade receivables	7,592	8,127
Prepayments, other receivables and other current assets	7,439	7,028
Financial assets at fair value through profit or loss	50,448	42,323
Derivative financial instruments	11	1
Other financial assets at amortized cost	-	9
Short-term time deposits	6,380	8,630
Restricted cash	266	251
Cash and cash equivalents	11,405	11,180
	<u>83,541</u>	<u>77,549</u>
Total assets	<u><u>189,010</u></u>	<u><u>164,504</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of March 31, 2026	Audited As of December 31, 2025
	<i>RMB'Million</i>	<i>RMB'Million</i>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	-	-
Share premium	265,202	265,628
Treasury shares	(408)	(602)
Other reserves	38,836	38,873
Accumulated losses	(221,438)	(224,341)
	<u>82,192</u>	<u>79,558</u>
Non-controlling interests	<u>28</u>	<u>26</u>
Total equity	<u><u>82,220</u></u>	<u><u>79,584</u></u>
Non-current liabilities		
Borrowings	24,791	11,098
Derivative financial instruments	271	30
Lease liabilities	6,644	5,977
Deferred tax liabilities	304	241
Other non-current liabilities	134	39
	<u>32,144</u>	<u>17,385</u>
Current liabilities		
Accounts payables	27,919	27,209
Other payables and accruals	34,125	29,160
Advances from customers	5,166	4,848
Borrowings	2,871	1,968
Income tax liabilities	514	388
Lease liabilities	4,051	3,962

	<u>74,646</u>	<u>67,535</u>
Total liabilities	<u><u>106,790</u></u>	<u><u>84,920</u></u>
Total equity and liabilities	<u><u>189,010</u></u>	<u><u>164,504</u></u>

Financial Information by Segment

	Unaudited Three Months Ended											
	March 31, 2026				December 31, 2025				March 31, 2025			
	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total	Domestic	Overseas	Unallocated	Total
	RMB'Million				RMB'Million				RMB'Million			
Revenues	32,554	1,162	-	33,716	38,263	1,305	-	39,568	31,293	1,315	-	32,608
Operating profit/(loss)	3,093	(31)	533	3,595	6,065	(59)	(216)	5,790	4,345	28	(114)	4,259

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

	Unaudited Three Months Ended		
	March 31, 2026	December 31, 2025	March 31, 2025
	RMB'Million	RMB'Million	RMB'Million
Profit for the period	2,905	5,234	3,979
Adjusted for:			
Share-based compensation expenses	533	669	604
Net fair value changes on investments ⁽¹⁾	(64)	(440)	(3)
Adjusted net profit	<u><u>3,374</u></u>	<u><u>5,463</u></u>	<u><u>4,580</u></u>
Adjusted net profit	3,374	5,463	4,580
Adjusted for:			
Income tax expenses	504	516	258
Depreciation of property and equipment	1,364	1,205	782
Depreciation of right-of-use assets	799	814	768
Amortization of intangible assets	16	8	22
Finance expense, net	173	31	24
Adjusted EBITDA	<u><u>6,230</u></u>	<u><u>8,037</u></u>	<u><u>6,434</u></u>

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.