Kuaishou Technology Announces Second Quarter and Interim 2026 Unaudited Financial Results

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HONG KONG, Aug. 19, 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 results for the three months and six months ended June 30, 2026.

Second Quarter 2026 Key Highlights

- **Average DAUs on Kuaishou APP** were 412.3 million, representing an increase of 0.8% from 408.9 million for the same period of 2025.
- **Average MAUs on Kuaishou APP** were 797.3 million, representing an increase of 11.5% from 714.8 million for the same period of 2025.
- **Total revenue** increased by 1.4% to RMB35.5 billion from RMB35.0 billion for the same period of 2025. Online marketing services and live streaming contributed 58.1% and 24.5%, respectively, to the total revenue. The other 17.4% came from other services.
- **Gross profit** was RMB18.3 billion, compared to RMB19.5 billion for the same period of 2025. Gross profit margin in the second quarter of 2026 was 51.6%, compared to 55.7% for the same period of 2025.
- **Profit for the period** was RMB3.2 billion, compared to RMB4.9 billion for the same period of 2025. **Adjusted net profit**(1) was RMB3.9 billion, compared to RMB5.6 billion for the same period of 2025.
- **Operating profit from the domestic segment**(2) was RMB3.7 billion, compared to RMB5.4 billion for the same period of 2025. **Operating loss from the overseas segment**(2) was RMB25 million, compared to operating profit of RMB19 million for the same period of 2025.

First Half 2026 Key Highlights

- **Average DAUs on Kuaishou APP** were 412.5 million, representing an increase of 1.0% from 408.5 million for the same period of 2025.
- **Average MAUs on Kuaishou APP** were 784.5 million, representing an increase of 10.0% from 713.3 million for the same period of 2025.
- **Total revenue** increased by 2.4% to RMB69.3 billion from RMB67.7 billion for the same period of 2025. Online marketing services and live streaming contributed 58.2% and 24.8%, respectively, to the total revenue. The other 17.0% came from other services.
- **Gross profit** was RMB35.6 billion, compared to RMB37.3 billion for the same period of 2025. Gross profit margin was 51.4%, compared to 55.1% for the same period of 2025.
- **Profit for the period** was RMB6.1 billion, compared to RMB8.9 billion for the same period of 2025. **Adjusted net profit**(1) was RMB7.3 billion, compared to RMB10.2 billion for the same period of 2025.
- **Operating profit from the domestic segment**(2) was RMB6.8 billion, compared to RMB9.7 billion for the same period of 2025. Operating loss from the overseas segment(2) was RMB56 million, compared to operating profit of RMB47 million for the same period of 2025.
- During the six months ended June 30, 2026 and up to August 19, 2026, the Company repurchased a total of 43,302,200 shares on the Hong Kong Stock Exchange at an aggregate consideration of HKD1.97 billion.

Mr. Cheng Yixiao, Co-founder, Chairman, and Chief Executive Officer of Kuaishou, commented, "In the second quarter of 2026, we continued to unlock the strategic value of AI and delivered solid financial and operating performance amid a complex macroeconomic environment. We accelerated the integration of AI across our content ecosystem, online marketing, e-commerce and internal organizational enablement, enhancing both user experience and commercial efficiency. During the quarter, the average DAUs on the Kuaishou App reached 412.3 million and total revenues reached RMB35.5 billion. Even as we continued to invest in AI technologies, our adjusted net profit reached RMB3.9 billion, with an adjusted net margin of 11.0%, and our profitability remained at a healthy level, further demonstrating the resilience of our business. On the AI innovation front, we launched the Kling 3.0 Turbo model, reinforcing Kling AI's global leadership in video generation. Meanwhile, commercialization maintained strong growth momentum, with Kling AI generating revenue of over RMB850 million in the second quarter, representing year-over-year growth of more than 200.0%. Looking ahead, we will continue to integrate AI more deeply across our business scenarios. Through continued technological innovation and ecosystem development, we remain dedicated to meeting users' evolving needs and creating sustainable, long-term value for our shareholders."

Second Quarter 2026 Financial Review

Revenue from our online marketing services increased by 4.4% to RMB20.6 billion for the second quarter of 2026, from RMB19.8 billion for the same period of 2025, primarily attributable to the increased online marketing spending, as we offered scenario-based marketing materials generation capabilities tailored to meet the needs across industries and clients.

Revenue from our live streaming business decreased by 13.5% to RMB8.7 billion for the second quarter of 2026, from RMB10.0 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 18.5% to RMB6.2 billion for the second quarter of 2026, from RMB5.2 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 Second Quarter of 2026

Operating profit was RMB3.8 billion, compared to RMB5.3 billion for the same period of 2025.

Adjusted EBITDA(3) was RMB7.1 billion, compared to RMB7.7 billion for the same period of 2025.

Total available funds(4) reached RMB121.3 billion as of June 30, 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 expenses, net.

(4) 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.

Business Review

In the second quarter of 2026, amid a complex macroeconomic environment and industry competition, we remained committed to our long-term vision and strategic AI investments, achieving high-quality growth. In the second quarter of 2026, the average DAUs on the Kuaishou App reached 412.3 million. Total revenues increased by 1.4% year-over-year to RMB35.5 billion. Revenues from our core commercial business, including online marketing services and other services, primarily e-commerce and ***Kling AI (可靈AI)***, increased by 7.4% year-over-year. Adjusted net profit reached RMB3.9 billion, with an adjusted net margin of 11.0%. Overall profitability remained stable, further demonstrating the resilience of our business operations.

AI business

In the second quarter of 2026, Kling AI continued to advance its vision of "empowering everyone to craft captivating stories with AI". Through breakthroughs in advanced model capabilities, upgrades to professional product features, and the expansion of a globalized creative ecosystem, Kling AI further reinforced its global leadership among multimodal large video generation models.

At the model and product level, Kling AI officially rolled out the native 4K video output feature in the Kling AI 3.0 model series. As the industry's first video generation model supporting native 4K output, this upgrade enables one-click cinema-grade 4K video generation. Designed for professional clients across the film, television and advertising industries, it directly delivers high-resolution visuals without the need for complex post-production, achieving industrial-grade cinematic visual effects. Concurrently, Kling AI released the Kling 3.0 Turbo model, which maintains stable, high-quality dynamic output and precise audio-visual synchronization, while significantly improving creative efficiency and reducing production costs. In addition, ***Kling MCP (Model Context Protocol)*** and ***Kling CLI (Command Line Interface)*** were officially launched, enabling AI agents to orchestrate Kling AI for batch content creation. These features further expanded Kling AI's applications in workflow automation and intelligent orchestration scenarios.

Kling AI continues to empower professional content creation through its integrated video creation capabilities, with its technological innovations and creative achievements earning broad industry recognition. At the ***2026 Cannes Lions International Festival of Creativity (2026夏納國際創意節)***, two advertising videos generated by Kling AI won one Silver Lion and two Bronze Lion Awards, demonstrating recognition of Kling AI's creative capabilities by one of the world's premier creative awards programs. At the ***2026 Beijing International Film Festival (2026北京國際電影節)*** , multiple works created with Kling AI including ***Paper Smartphone (紙手機)*** were nominated for the AIGC Section. ***Stroke of Genius (神·筆)*** with Liu Cixin serving as literary supervisor, was recognized as the "Annual Featured Work in Short Play/Micro-Short Play" in the Short Video Section. These achievements fully demonstrate Kling AI's strength in empowering professional filmmaking.

Driven by breakthroughs in model capabilities, continuous product enhancements and deeper penetration across application scenarios, Kling AI's commercialization maintained strong growth momentum. In the second quarter of 2026, Kling AI generated revenue of over RMB850 million, representing year-over-year growth of more than 200.0%, and continued to lead the commercialization of AI video generation globally.

In the second quarter of 2026, we continued to make solid progress in the research and application of our general-purpose large models. We released ***Keye-VL-2.0-30B-A3B***, an upgraded version of our multimodal large model. The model successfully enables deep perception across 256K ultra-long context, while delivering nearly lossless reasoning capabilities for long-video temporal understanding. We introduced ***AgentX***, a self-evolving AI agent for industrial recommendation systems. It enables recommendation systems to autonomously drive recommendation model and strategy design, evaluate performance and accumulate insights, significantly boosting the iteration efficiency of recommendation algorithms.

As part of our large model technology applications, we developed agent capabilities for scenario-based marketing materials generation in online marketing service scenarios. By offering tailored marketing materials generation capabilities to meet the needs across industries and clients, we achieved over 70% year-over-year growth in spending on AIGC short video marketing materials in the second quarter of 2026. We continued to extend our generative recommendation and intelligent bidding large models to a broader range of scenarios, including live streaming, search, and pan-shelf-based e-commerce, improving the effectiveness of marketing content recommendations, and unlocking marketing budgets from our clients. In the second quarter of 2026, in terms of organizational efficiency enhancement and empowerment, Kuaishou's proprietary general-purpose agent product, ***MyFlicker***, has successfully integrated skills across key internal systems and is now widely adopted by our employees. In June 2026, over 92.0% of Kuaishou employees were actively using our in-house AI agent products, with the ratio of AI-generated code hitting 60.0% within our R&D team. Meanwhile, ***Kuaishou Vanchin (快手萬擎)***, our enterprise-grade large model service and development platform, integrates high-performance model inference, cost-efficient model customization and fully managed services. Vanchin not only supports Kuaishou's internal AI application scenarios but also provides large model infrastructure services to numerous external enterprise clients.

User and content ecosystem

In the second quarter of 2026, average DAUs on the Kuaishou App reached 412.3 million, and average MAUs reached 797.3 million. In terms of new user acquisition, we leveraged AI-powered smart placement to improve user acquisition efficiency while enhancing overall retention among new and reactivated users. We consistently refined our traffic allocation system to better safeguard the experience of our highly active core users. We continued to refine our social features. The number of users with mutual followers engaging in private messaging increased by more than 15.0% year-over-year in the second quarter of 2026. We also focused on optimizing Kuaishou App's basic features, comprehensively elevating the user experience through systematic improvements to product features, video playback smoothness and intelligent interaction.

We firmly believe in the power of community and continue to enhance the differentiated, high-quality content ecosystem that highlights Kuaishou's community-centric core. During June and July 2026, riding the wave of the World Cup, we launched our native IP the ***Kuaishou World Cup Fans Trophy (快手鐵力神杯)***. Beyond covering trending topics and news, we introduced a series of original activities, including the ***Kuaishou X.Y.Style FC (快手象牙山足球大賽), Dream Chasers Youth Football Tournament (逐夢少年足球賽)***. Through trending topic operations, engaging interactions, and community-wide content co-creation, we built a new sports hub where every user on Kuaishou platform could participate, engage, and share their passion. During the campaign period, Content related to these events generated 68.2 billion impressions on the Kuaishou App, while livestreams of these initiatives garnered nearly 360 million viewers.

We have deepened our innovative copyright cooperation mechanisms, utilizing a joint-operation model to deliver higher-value content consumption for our users. We leveraged e-commerce live streaming to introduce live broadcasting rights for the 2026 CBA season. Furthermore, we introduced the ticketed live-streaming model to online music performances. In April 2026, we hosted the ***TOP (TOP登陸少年組合)*** concert, generating more than RMB10 million in sales from this single event, realizing a synergy between content and commercialization. Furthermore, this model has driven grassroots sports events, establishing a notable regional scale, especially across Northwest China.

Online marketing services

In the second quarter of 2026, revenue from online marketing services reached RMB20.6 billion, representing a year-over-year increase of 4.4%. Our non-e-commerce marketing services continued to expand across the content consumption, lifestyle services and AI application sectors. Empowered by our omni-domain traffic synergy strategy and dedicated programs for brand merchants, our e-commerce marketing services demonstrated resilience. At the same time, by leveraging AI technologies, we further deepened the application of AI across the full online marketing services workflow.

During the second quarter of 2026, the content consumption, lifestyle services and AI application sectors continued to drive year-on-year growth in our non-e-commerce marketing services revenue. In the content consumption sector, AI reduced content production costs and lowered barriers to content creation, driving rapid growth in the supply of short play content, and catering to increasingly diverse user preferences. This further enriched the platform's content ecosystem and boosted related marketing demand. As of June 2026, the supply of short plays on Kuaishou platform, including both live-action and AI-generated short plays, increased by more than fivefold compared with January 2026. In the second quarter of 2026, the total spending from online marketing services driven by short plays increased by more than 100.0% year-over-year. In the lifestyle services sector, we continued to deepen our presence across sub-verticals, such as comprehensive services and local services, while exploring incremental growth opportunities across these areas. Meanwhile, by optimizing deep conversion capabilities, enhancing our full-stack lead-driven marketing solutions, and launching the user exploration AI agent, we enabled our clients to more effectively identify high-intent users, improving lead quality and subsequent conversion efficiency. In the AI application sector, we worked closely with our clients to better align advertising placement and in-app conversion, helping them improve user retention and conversion performance. These efforts further strengthened our competitiveness in capturing advertising spending from AI application clients.

For e-commerce marketing services, in the second quarter of 2026, we strengthened omni-domain traffic synergy across our e-commerce and online marketing businesses to improve the efficiency of matching merchants with relevant traffic. We conducted more granular merchant segmentation and implemented tiered operations, tailoring differentiated product strategies to address merchants' core needs across different segments. Meanwhile, we intervened at the supply level of marketing materials by actively taking governance measures, including incentivizing first-launch content and increasing recommendation diversity. These initiatives effectively optimized the content mix for e-commerce marketing materials, enabling high-quality content to reach target traffic more efficiently, while further optimizing our long-term commercialization ecosystem. Amid continued macro consumption and merchant operational challenges, we remained committed to providing traffic support to high-quality merchants. The ***T2000 brand initiative (T2000品牌專項)*** launched in the fourth quarter of 2025 has delivered promising initial results. Marketing spend by T2000 brand merchants outpaced that of our broader e-commerce marketing, and its contribution to online marketing services revenue continued to increase in the second quarter of 2026. At the product level of e-commerce marketing services, our ***Net Transaction ROI (淨成交ROI)*** product continued to evolve. By enhancing omni-scenario transaction bidding capabilities and refining bidding mechanisms and model strategies, its client penetration rate increased from 45.0% in the first quarter of 2026 to 55.0% in the second quarter of 2026, effectively helping merchants reduce product return rates.

In the second quarter of 2026, we continued to optimize the applications of AI across industry-specific scenarios, further enhancing clients' marketing placement efficiency and expanding our capacity to attract incremental marketing budgets across industries. In content consumption scenarios, through content understanding, user matching, smart placement and monetization strategy optimization, AI enabled high-quality content to reach potential users more efficiently. In lifestyle service scenarios, AI capabilities were primarily applied across areas including marketing materials generation, digital human live streaming, conversational business operations, user intent identification and deep conversion prediction, helping merchants reduce the costs associated with content creation, marketing placement operations and manual customer service.

E-commerce

In the second quarter of 2026, we further advanced our e-commerce strategy by focusing on three key areas: growing our paying user base, expanding supply, and deepening the integration of e-commerce and commercialization traffic. We prioritized optimizing our merchant ecosystem and merchant mix, strengthening the acquisition and development of brands and new merchants, and fostering greater synergies between e-commerce and e-commerce marketing. During the second quarter of 2026, we focused on increasing the number of high-quality users, while the number of active paying users in our e-commerce business remained largely stable quarter-over-quarter. With users' omni-domain consumption habits continuing to develop, we strengthened our private-domain advantages, meanwhile, by aligning traffic across diverse scenarios, we enabled content-driven product recommendation, shelf-based conversion and store repurchases to increasingly reinforce one another, creating a positive growth cycle. In the second quarter of 2026, we further enhanced cross-scenario synergies and optimized subsidy efficiency, driving balanced development across content-based scenarios and pan-shelf-based scenarios.

On the supply side, in the second quarter of 2026, we continued to onboard new merchants and advance brand expansion. Through initiatives focused on cost reduction, efficiency improvement, growth incentives, product empowerment and operational support, we consistently supported the growth of new merchants and small and medium-sized merchants, further improving our merchant ecosystem and mix. We launched an upgraded version of our ***Starlight Initiative (星耀計劃)***, offering tiered support programs for different merchant segments, including brand merchants, large merchants, industrial zone merchants, and small and medium-sized merchants, to help more merchants scale their businesses more rapidly. Supported by these initiatives, the number of newly onboarded merchants increased year-over-year and rose nearly 10.0% quarter-over-quarter in the second quarter of 2026. The number of new merchants achieving scaled growth in their second month after onboarding increased by nearly 30.0% year-over-year, reflecting continued improvements in the quality of growth among new merchants. On the brand merchant side, self-operated GMV from T2000 brands maintained strong year-over-year growth with contribution to overall GMV increased steadily. Meanwhile, marketing spend from brand merchants grew rapidly year-over-year, further enhancing their contribution to both overall e-commerce GMV and online marketing revenue.

In the second quarter of 2026, we continued to improve our KOL ecosystem and structure, enhancing the quality of supply across content-based scenarios. We deepened our collaborations with top-tier KOLs, increased support for mid-tier KOLs in verticals where Kuaishou has competitive advantages, such as ***Three Rural (三農)*** and anime, and improved the consistency of existing KOLs' performance, reinforcing our e-commerce content fundamentals. By integrating our outstanding KOL resources with distinctive product offerings nationwide, we deepened our penetration in industrial zones across China and launched differentiated content marketing initiatives, including product origins tracing livestreaming. These efforts strengthened the synergy between content and supply, empowered KOLs and improved merchants' conversion efficiency. Meanwhile, we continued to expand our KOL base through multiple channels, including in-platform incubation, partnerships with talent agencies and external recruitment. To boost KOL streaming frequency, we continuously refined our incentive policies. In the second quarter of 2026, the number of streamers hosting live sessions with over 10,000 followers increased year-over-year, while KOL streaming frequency continued to increase steadily. Regarding distribution pool development, we leveraged AI technologies to enhance our underlying product capabilities, creating a more targeted distribution pool system, further fostering the vibrancy of our distribution ecosystem. In the second quarter of 2026, the penetration of active KOLs participating in distribution continued to increase year-over-year, and the number of merchant-KOL matches in the distribution pool increased by over 20.0% year-over-year.

In the second quarter of 2026, we continued to optimize AI capabilities across our e-commerce scenarios throughout the full lifecycle of merchants, enabling merchants to reduce costs, improve efficiency and adopt intelligent business operations. These initiatives validated the feasibility of AI evolving from a productivity-enhancing tool into a comprehensive solution supporting business execution. In the first half of 2026, more than 850,000 merchants utilized our free AI-powered business operation tools across a wide range of scenarios, including product selection and listing, marketing materials generation, business analysis, smart placement and AI-powered customer service. These AI tools provided merchants with end-to-end operational support and capability enhancements.

Live streaming

In the second quarter of 2026, live streaming revenue reached RMB8.7 billion. We focused on the healthy development of our supply ecosystem and leveraged AI to empower live-streaming products, continuously driving ecosystem quality enhancements and product innovation. On the supply side, we launched the ***Confluence Initiative (百川計劃)***, through which we provided streamer acquisition incentives, early-stage growth support, and healthy ecosystem governance, to steadily expand the supply of new streamers from talent agencies, and further improve streamers' efficiency in gaining initial traction. Meanwhile, we strengthened independent streamer operations, focusing on identifying and nurturing high-value independent streamers, thereby solidifying our live streaming supply foundation through refined operations. Moreover, we encouraged top-tier streamers to expand into group live-streaming content formats, leveraging their traffic and influence to enrich the supply of high-quality live-streaming content.

On the product and technology front, AI capabilities further empowered live-streaming rooms. Powered by Kling AI's video generation capabilities, AI gifts with customizable special effects continued to evolve, offering a wider variety of gift formats and generation capabilities and further enhancing users' willingness to pay. In the second quarter of 2026, AI gifts sent by users surpassed 6 million in total. AI-driven content understanding capabilities continued to optimize our live streaming recommendation strategies, enabling more precise matching between streamers and users and supporting the expansion of our paying user base. In addition, intelligent live-streaming gift recommendation and ranking features based on real-time multimodal signals effectively improved users' payment experience and efficiency. AI tools such as ***AI Interaction Assistants (AI互動助手)*** and ***Digital Avatars Solution (數字分身服務)*** were further refined and upgraded, continuously improving streamers' service efficiency.

Overseas

In the second quarter of 2026, we remained committed to our high-value growth strategy, further strengthening the foundation of our overseas business in profitability, long-term operational capabilities and localized efforts. In traffic growth and the content ecosystem, we stayed focused on refined user acquisition. We enhanced our content offerings with distinctive local characteristics and expanded community-based creator networks, fostering an engaging community atmosphere around real-life scenarios and further deepening content consumption among core users. For online marketing services, leveraging major events such as Festa Junina and the World Cup, we empowered our marketing clients to achieve rapid growth during critical windows through AI-driven initiatives, including in-depth ROI analysis, user insights, innovative product features, and industry-specific strategies. Moreover, we further unlocked the monetization potential of short plays and other diversified content formats, forming a dual-engine growth model together with our marketing service product capabilities, while accelerating expansion into growth sectors such as e-commerce. Regarding overseas e-commerce, we continued to deliver solid year-over-year growth in GMV and order volume in the second quarter of 2026. At the same time, we drove growth in average order value through product mix optimization and high-quality supply, while maintaining solid operational efficiency and profit-generating ability.

Corporate social responsibility

Kuaishou remains firmly committed to its mission of "connecting good faith with technology and creating long-term values", continuously driving the deep integration of technological innovation and industrial development to foster high-quality employment. According to the 2025 Kuaishou Corporate Social Responsibility Report published on June 2, 2026, by the end of 2025, the Kuaishou platform had cumulatively created 48.6 million job opportunities and spawned 189 new professions in total. Among these, 15 new roles were directly generated by the advancement of AI, covering fields such as AIGC application specialists, prompt engineers, AI directors, and AI trainers.

Business Outlook

In the first half of 2026, we maintained our strategic focus on AI and continued to increase our investment, delivering high-quality, resilient growth across our content and business ecosystems. Looking ahead to the second half of 2026, the Group reaffirms its strategic direction of deepening AI investment and pursuing long-term sustainable development through advanced technology and a distinctive ecosystem. However, we are cautious about the short-term business outlook as the operating environment has become increasingly complex and challenging. We will continue to adopt a prudent and disciplined approach. We will continue to deepen AI integration across these ecosystems by advancing the capabilities of our large models across multiple scenarios, helping merchants and marketing clients operate more efficiently. We will also continue to scale Kling AI's model capabilities and expand its adoption across professional creative scenarios, unlocking additional commercialization opportunities. We remain dedicated to meeting users' evolving needs and creating sustainable, long-term value for Shareholders.

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.

For investor and media inquiries, please contact

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CONDENSED CONSOLIDATED INCOME STATEMENT

	Unaudited			Unaudited	
	Three Months Ended			Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	RMB'Million	*RMB'Million*	*RMB'Million*	***RMB'Million***	*RMB'Million*
Revenues	**35,535**	33,716	35,046	**69,251**	67,654
Cost of revenues	**(17,207)**	(16,467)	(15,542)	**(33,674)**	(30,358)
Gross profit	**18,328**	17,249	19,504	**35,577**	37,296
Selling and marketing expenses	**(9,922)**	(10,333)	(10,503)	**(20,255)**	(20,400)
Administrative expenses	**(895)**	(766)	(897)	**(1,661)**	(1,725)
Research and development expenses	**(4,581)**	(3,621)	(3,400)	**(8,202)**	(6,698)
Other income	**33**	245	16	**278**	69
Other gains, net	**794**	821	569	**1,615**	1,006
Operating profit	**3,757**	3,595	5,289	**7,352**	9,548
Finance expenses, net	**(258)**	(173)	(54)	**(431)**	(78)
Share of losses of investments accounted for using the equity method	**(2)**	(13)	(12)	**(15)**	(10)
Profit before income tax	**3,497**	3,409	5,223	**6,906**	9,460
Income tax expenses	**(345)**	(504)	(301)	**(849)**	(559)
Profit for the period	**3,152**	2,905	4,922	**6,057**	8,901
Attributable to:					
— Equity holders of the Company	**3,146**	2,903	4,922	**6,049**	8,900
— Non-controlling interests	**6**	2	-	**8**	1
	3,152	2,905	4,922	**6,057**	8,901

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of June 30, 2026 *RMB'Million*	Audited As of December 31, 2025 *RMB'Million*
ASSETS		
Non-current assets		
Property and equipment	**34,126**	22,869
Right-of-use assets	**10,302**	8,545
Intangible assets	**968**	986
Investments accounted for using the equity method	**130**	149
Financial assets at fair value through profit or loss	**29,618**	23,747
Derivative financial instruments	**-**	353
Other financial assets at amortized cost	**-**	35
Deferred tax assets	**6,529**	5,585
Long-term time deposits	**14,291**	22,015
Other non-current assets	**4,950**	2,671
	100,914	86,955
Current assets		
Trade receivables	**7,804**	8,127
Prepayments, other receivables and other current assets	**9,837**	7,028
Financial assets at fair value through profit or loss	**56,353**	42,323
Derivative financial instruments	**584**	1
Other financial assets at amortized cost	**-**	9
Short-term time deposits	**12,358**	8,630
Restricted cash	**220**	251
Cash and cash equivalents	**11,696**	11,180
	98,852	77,549
Total assets	**199,766**	164,504

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of June 30, 2026 *RMB'Million*	Audited As of December 31, 2025 *RMB'Million*
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**-**	-
Share premium	**261,530**	265,628
Treasury shares	**(95)**	(602)
Other reserves	**39,096**	38,873
Accumulated losses	**(218,292)**	(224,341)
	82,239	79,558
Non-controlling interests	**34**	26
Total equity	**82,273**	79,584
Non-current liabilities		
Borrowings	**14,792**	11,098
Derivative financial instruments	**520**	30
Lease liabilities	**7,920**	5,977

Deferred tax liabilities	**169**	241
Other non-current liabilities	**115**	39
	23,516	17,385
Current liabilities		
Accounts payables	**28,130**	27,209
Other payables and accruals	**41,620**	29,160
Dividend payable	**2,584**	-
Advances from customers	**4,842**	4,848
Borrowings	**12,570**	1,968
Income tax liabilities	**479**	388
Lease liabilities	**3,752**	3,962
	93,977	67,535
Total liabilities	**117,493**	84,920
Total equity and liabilities	**199,766**	164,504

Financial Information by Segment

	Unaudited Three Months Ended											
	June 30, 2026				March 31, 2026				June 30, 2025			
	Domestic	**Overseas**	**Unallocated items**	**Total**	Domestic	Overseas	Unallocated items	Total	Domestic	Overseas	Unallocated items	Total
	RMB'Million				*RMB'Million*				*RMB'Million*			
Revenues	**34,356**	**1,179**	**-**	**35,535**	32,554	1,162	-	33,716	33,746	1,300	-	35,046
Operating profit/(loss)	**3,733**	**(25)**	**49**	**3,757**	3,093	(31)	533	3,595	5,401	19	(131)	5,289

	Unaudited Six Months Ended							
	June 30, 2026				June 30, 2025			
	Domestic	**Overseas**	**Unallocated items**	**Total**	Domestic	Overseas	Unallocated items	Total
	RMB'Million				*RMB'Million*			
Revenues	**66,910**	**2,341**	**-**	**69,251**	65,039	2,615	-	67,654
Operating profit/(loss)	**6,826**	**(56)**	**582**	**7,352**	9,746	47	(245)	9,548

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

	Unaudited Three Months Ended			**Unaudited Six Months Ended**	
	June 30, 2026	March 31, 2026	June 30, 2025	**June 30, 2026**	June 30, 2025
	RMB'Million	*RMB'Million*	*RMB'Million*	***RMB'Million***	*RMB'Million*
Profit for the period	**3,152**	2,905	4,922	**6,057**	8,901
Adjusted for:					
Share-based compensation expenses	**778**	533	716	**1,311**	1,320
Net fair value changes on investments[1]	**(17)**	(64)	(20)	**(81)**	(23)
Adjusted net profit	**3,913**	3,374	5,618	**7,287**	10,198

Adjusted net profit	**3,913**	3,374	5,618	**7,287**	10,198
Adjusted for:					
Income tax expenses	**345**	504	301	**849**	559
Depreciation of property and equipment	**1,745**	1,364	885	**3,109**	1,667
Depreciation of right-of-use assets	**845**	799	831	**1,644**	1,599
Amortization of intangible assets	**16**	16	26	**32**	48
Finance expenses, net	**258**	173	54	**431**	78
Adjusted EBITDA	**7,122**	6,230	7,715	**13,352**	14,149

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.