



Kuaishou Technology Announces Third Quarter 2023 Unaudited Financial Results

2023.11.21

HONG KONG, Nov. 21, 2023 /PRNewswire/ -- Kuaishou Technology (HK Counter:01024/RMB Counter: 81024) (the "Company" or "Kuaishou"), a leading content community and social platform, today announced its unaudited consolidated results for the three months ("Third Quarter") and nine months ended September 30, 2023.

Third Quarter 2023 Key Highlights

- **Average DAUs on Kuaishou APP** were 386.6 million, representing an increase of 6.4% from 363.4 million for the same period of 2022.
- **Average MAUs on Kuaishou APP** were 684.7 million, representing an increase of 9.4% from 626.0 million for the same period of 2022.
- **Total e-commerce GMV⁽¹⁾** was RMB290.2 billion, representing an increase of 30.4% from RMB222.5 billion for the same period of 2022.
- **Total revenue** increased by 20.8% to RMB27.9 billion from RMB23.1 billion for the same period of 2022. Online marketing services and live streaming contributed 52.6% and 34.8%, respectively, to the total revenue. The other 12.6% came from other services.
- **Gross profit** increased by 35.0% to RMB14.5 billion from RMB10.7 billion for the same period of 2022. Gross profit margin in the third quarter of 2023 was 51.7%, improving from 46.3% for the same period of 2022.
- **Profit for the period** was RMB2.2 billion, compared to a loss of RMB2.7 billion for the same period of 2022. **Adjusted net profit⁽²⁾** was RMB3.2 billion, compared to adjusted net loss⁽²⁾ of RMB672 million for the same period of 2022.
- **Operating profit from the domestic segment⁽³⁾** increased to RMB3.2 billion from RMB375 million for the same period of 2022.

Mr. Cheng Yixiao, Co-founder and Chief Executive Officer of Kuaishou said, "We continued to expand our business and increase our profits in the third quarter of 2023, led by strong revenue growth and improved ROI in our core businesses, along with our strategic emphasis on operating efficiency. We are successfully attracting new users and retaining existing users. In the third quarter, our thriving community's average DAUs and MAUs again reached new highs of 386.6 million and 684.7 million, respectively, representing year-over-year increases of 6.4% and 9.4%, respectively. We will continue to foster high-quality growth throughout our robust content ecosystem, integrating more monetization opportunities across various user scenarios, while enriching our ecosystem with more diverse content and leveraging our advanced technological capabilities. Looking ahead, we will further promote innovation and explore new growth opportunities that help shape the industry landscape, empowering content creators, marketing customers, and merchants alike. In doing so, we fortify our position as a leading content community and social platform as well as foster a brighter future for our shareholders and ecosystem participants."

Third Quarter 2023 Financial Review

Revenue from our online marketing services increased by 26.7% to RMB14.7 billion for the third quarter of 2023, from RMB11.6 billion for the same period of 2022, primarily attributable to the growth in the number of marketing customers, driven by the increased traffic on our platform, diversified product portfolio and refined operation based on industry attributes.

Revenue from our live streaming business increased by 8.6% to RMB9.7 billion for the third quarter of 2023, from RMB8.9 billion for the same period of 2022, as a result of our enriched content supply and continuous optimization of our live streaming ecosystem.

Revenue from our other services increased by 36.6% to RMB3.5 billion for the third quarter of 2023, from RMB2.6 billion for the same period of 2022, primarily due to the growth of our e-commerce business, represented by the growth in our e-commerce GMV. The growth in e-commerce GMV was driven by an increase in the number of active merchants, number of active e-commerce paying users and refined operation strategy.

Other Key Financial Information for the Third Quarter of 2023

Operating profit was RMB2.2 billion, compared to an operating loss of RMB2.6 billion for the same period of 2022.

Adjusted EBITDA⁽⁴⁾ was RMB5.0 billion, increasing from RMB1.0 billion for the same period of 2022.

Total available funds⁽⁵⁾ reached RMB55.4 billion as of September 30, 2023.

Notes:

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

(2) We define "adjusted net profit/(loss)" as profit/(loss) for the period adjusted by share-based compensation expenses and net fair value changes on investments.

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

(4) We define "adjusted EBITDA" as adjusted net profit/(loss) 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 income, net.

(5) Total available funds 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 third quarter of 2023, we continued to foster the growth of our healthy and sustainable operations, expanding the universe of our users, content creators, marketing customers and merchants. By integrating more commercial scenarios across our ecosystem and optimizing our operating efficiency, each of our business lines expanded significantly and experienced impressive financial growth. In the third quarter of 2023, we achieved group-level net profit of RMB2.2 billion and an adjusted net profit of RMB3.2 billion. Accordingly, our adjusted net profit margin reached 11.4%.

Our profitability improvement was bolstered by our robust revenue growth across each of our core online marketing, e-commerce and live streaming business segments, as well as our ongoing optimization efforts that improved our operating efficiency. For example, we consistently increased our server and bandwidth utilization efficiency by leveraging advanced technologies, and our server and bandwidth cost as a percentage of revenue has consistently decreased over the last few quarters. To further optimize our cost efficiency, we also completed the first phase construction of our own in-house data center — Kuaishou Smart Cloud data center in Ulanqab Inner Mongolia in July 2023. As one of the largest data centers in China for big data and artificial intelligence technology, our proprietary hyper-scale data center is designed to house up to 300,000 servers, supporting the rapid growth of our businesses and advancing our ongoing development goals.

User and content ecosystem

In the third quarter of 2023, we maintained high-quality growth across both our user base and traffic, owing to our efficient user growth strategy, extensive high-quality content offerings, and continuous algorithm optimization. Average DAUs and MAUs on the Kuaishou App continued their record-breaking growth momentum during the third quarter of 2023, reaching 386.6 million and 684.7 million, respectively, representing year-over-year increases of 6.4% and 9.4%, respectively. Average daily time spent per DAU on the Kuaishou App was 129.9 minutes in the third quarter of 2023, and our total user time spent grew 6.9% year-over-year.

We have increasingly prioritized the efficiency and quality of our user growth, achieving consistent ROI improvement, which resulted in a further decrease in average user acquisition costs in the third quarter of 2023, both on a quarter-over-quarter and year-over-year basis. More specifically, we intensified our efforts in promoting and distributing high-quality original content, including short plays, which led to robust user retention. Meanwhile, through offering high-quality vertical content such as **Summer Star Wish Party (夏日星願派對)**, we acquired new users while also increasing the engagement of our existing users. Additionally, we are actively exploring innovative user acquisition channels. For instance, we extended our reach to young user demographics through providing public welfare live-streaming courses at universities.

We have been committed to fostering a differentiated social media platform that inspires users to develop social connections and relationships. As at the end of the third quarter of 2023, pairs of mutual followers on the Kuaishou App reached 32.2 billion, representing a year-over-year increase of approximately 40%. In addition, in the third quarter of 2023, average daily interactions (including likes, comments, reposts, and private messages) on the Kuaishou App exceeded 9 billion.

We are dedicated to encouraging high-quality original content creation, supporting the development of diverse content genres, and promoting high-quality content featuring distinctive Kuaishou characteristics. In terms of sports content, as the rights-holding broadcaster and short video-sharing platform of the 19th Asian Games Hangzhou (the "**Asian Games**"), Kuaishou provided users a panoramic view of the Asian Games with rich content, innovative interactive experience, and cutting-edge live streaming technology. During the Asian Games, average daily users watching Asian Games-related content reached 230 million, with 53.1 billion video views. In terms of short plays, a total of 85 short plays produced by **Project Astral (星芒計劃)** were launched during the summer vacation period, with 21 short plays surpassing 100 million views, covering various themes such as costume drama, youth, urban, family and etc.. While solidifying our ability to produce blockbuster short plays, we have steadily upgraded our capabilities in monetization. In the third quarter of 2023, revenue from marketing sponsorship of **Project Astral (星芒計劃)** short plays surged by more than 10 times compared with the previous quarter.

With respect to our search business, we introduced **Kuaishou AI Dialogue (快手AI對話)** function, which is the first intelligent question-and-answer product based on a large language model in the short video and live streaming industry in China. This innovation brings intelligent question-and-answer and text creation functions to users within search scenarios, improving users' intelligent search experience. In the third quarter of 2023, our average monthly users for searching exceeded 470 million, and the number of average daily searches on our platform reached over 600 million and the number of daily search enquiries peaked at more than 700 million. We are accelerating the commercialization of search service, and search marketing revenue grew by over 120% year-over-year in the third quarter of 2023.

Online marketing services

In the third quarter of 2023, despite the ongoing challenges associated with macroeconomic conditions and the slow recovery of marketing customers' confidence, we achieved robust online marketing revenue growth. This was mainly driven by our commercial products upgrades, technology and algorithms developments, and the deepening of operations in various vertical industries. In the third quarter of 2023, our revenue from online marketing services reached 14.7 billion, growing by 26.7% year-over-year, and accounting for 52.6% of our total revenue. The number of active marketing customers in the third quarter of 2023 increased by more than 140% year-over-year.

In the third quarter of 2023, our external marketing services continued to recover, exhibiting an accelerated year-over-year growth rate compared with the second quarter of 2023. Notably, we made substantial progress in industries such as media information, education and training, and so on. We have been focused on refining industry-specific operations. For example, in the education and training industry, we identified the demands of specific high-quality users on our platform, prompting budget placement by marketing customers. By expanding the scope for native marketing materials, we aim to enhance users' content consumption experience and boost conversion rates for marketing customers. In the third quarter of 2023, the consumption of external native marketing materials increased by more than 30% compared with the second quarter of 2023. In addition, we introduced an AIGC tool to produce marketing material, boosting the efficiency of marketing customers' production, which has substantially reduced production costs. In terms of brand marketing, we leveraged our sponsorship of the Asian Games to explore customized brand marketing strategies that align with marketing customers' individual needs. To that end, we created IPs tailored to diverse scenarios and utilized our advantages in traffic, content, and our KOL ecosystem, creating additional marketing opportunities for brand marketing customers. For instance, inspired by the concept of Asian Games + Technology, we invented a marketing campaign for China Mobile with the theme of **National Champions' Dream, Asian Games' Mobile Journey (全民冠軍夢, 亞運移起行)**. This campaign, which integrated offline and online activities, was showcased in 6 cities, achieving more than 960 million exposures.

Marketing services revenue from native e-commerce merchants maintained robust growth in the third quarter of 2023, benefiting from the increased scale of our e-commerce business. Specifically, we focused on customer composition, traffic alignment, and efficiency improvement. In terms of customer composition, we emphasized the growth of small and medium-sized merchants within our ecosystem by incrementally improving how we cultivate these customers and build traction for their businesses, providing increased policy support for their traffic and operations. Our omni-platform market solution effectively enhanced the synergy between marketing and e-commerce traffic, amplifying the long-term value of merchants' investment in omni-domain traffic. In the third quarter of 2023, marketing customers' spending from omni-platform marketing solution increased by nearly five-fold compared with the second quarter of 2023. In terms of efficiency improvement, we increased the stability of advertisement placements for small and medium-sized merchants with our upgraded smart hosting products. Live streaming hosting and merchandise hosting were particularly effective in amplifying merchants' ROI by increasing the revenue-leaping opportunities for small and medium-sized businesses on our platform. This, in turn, has strengthened these businesses' willingness to allocate funds to advertisement placement on Kuaishou. In the third quarter of 2023, our marketing customers' spending through live streaming hosting increased by over nine-fold quarter-over-quarter.

E-commerce

In the third quarter of 2023, we further enriched our merchandise and enhanced buyer conversion efficiency through our refined operations. As a result, our GMV growth has significantly outpaced the industry, increasing by approximately 30% year-over-year.

In terms of supply, the number of newly onboarded merchants remained at a high level during the third quarter of 2023. Meanwhile, through more refined tiered operations for merchants and enhanced policy support to improve the live streaming penetration rate, the number of monthly active merchants on our platform increased by approximately 50% year-over-year. We also introduced targeted high-potential merchants in major industry zones in 14 cities, offering practical courses to help merchants increase their scale at a rapid pace. Regarding brands, we have expanded the richness of our brand offerings through various channels such as outlet stores and exclusive shops, resulting in continuous and rapid growth in the number of new brands on our platform. We fully utilize the **Stream Initiative (川流計劃)** and the brand traffic project to enhance the brands' traffic acquisition capabilities. Meanwhile, we are continuously improving our traffic-matching efficiency. By creating marketing IP such as brand flash sales, we further fortified user mindset, while improving conversion efficiency. In the third quarter of 2023, GMV from brands, including Kwai Brands, continued to increase year-over-year.

In terms of KOLs, we placed greater emphasis on the overall healthiness of the ecosystem. We expanded short video and shelf-based e-commerce realm, lowering the operational barriers for KOLs. We have consistently strengthened our distribution channels, improved merchandise selection efficiency, and refined operations of growth and development paths of mid-tier and long-tail KOLs. The proportion of mid-tier and long-tail KOLs in the overall KOL related GMV has gradually increased from over 20% at the beginning of 2021 to nearly 50% in the third quarter of 2023.

In the third quarter of 2023, scoring systems for merchandise, merchant experience, and KOL reputation played a crucial role in differentiating quality merchants by helping them gain more traffic and reducing exposure for underperforming merchants. We continuously optimized the scoring system by introducing more positive indicators, with the aim of influencing users' shopping decisions, reinforcing user trust in the platform, enhancing conversion efficiency, and promoting repeat purchases. With regard to algorithm optimization, we have adopted an omni-domain modeling approach to improve the scale and efficiency of e-commerce traffic across the board. At the same time, we will continue to promote the content and services ranking mechanism by increasing the algorithm weight of both store score and KOL score.

With respect to the expansion of e-commerce services scenario, we further strengthened our short video and the shelf-based scenarios. We are continually improving the quality of short video e-commerce content and conversion efficiency. Through combining the highlights from live streaming, short video GMV grew by more than two-fold year-over-year in the third quarter of 2023, marking the fifth quarter of consecutive growth. Within the shelf-based e-commerce, we continued to optimize users' search experience and the peak number of average daily users who used Kuaishou's search function originated with clear e-commerce mindset increased by 25% quarter-over-quarter to over 100 million. Meanwhile, search GMV grew by nearly 70% year-over-year in the third quarter of 2023. In terms of the shopping mall, we increased traffic on paying users' homepage and the shopping tab on the homepage. We also improved the paying ratio by leveraging our differentiation strategy such as making merchandise information vivid and detailed. Through shopping mall's deep integration with content and our refined inventory operations, we were able to take a deeper dive into the exploration and aggregation of paying users' demands that enabled us to carry out more targeted measures to attract merchants. We also continuously explored new marketing and operating scenarios to provide merchants with more predictable business opportunities. In the third quarter of 2023, GMV of the shopping mall continued to grow quarter-over-quarter, and the shelf-based e-commerce GMV representing nearly 20% of total GMV.

The continuous prosperity of supply and ecosystem further drives users' demands. In the third quarter of 2023, our average monthly paying users reached nearly 120 million, with both the absolute number and penetration rate increasing quarter-over-quarter on the basis of second quarter's peak season. Leveraging the optimized efficiency of smart subsidy, channel governance, and user empowerment projects, the quality of users on our platform, especially the quality of new users, improved significantly, and the frequency of monthly orders continued to grow year-over-year.

Live streaming

In the third quarter of 2023, our live streaming revenue grew by 8.6% year-over-year to RMB9.7 billion. The increase was attributable to our consistent improvements in high-quality live streaming offerings, better user consumption experiences, and continuous optimization of the live streaming ecosystem. On the supply side, we established a regional talent agency operating system to enhance talent agencies' operating capabilities, as well as drive new user acquisition for streamers and high-quality content supply for small and medium-sized streamers. In the third quarter of 2023, the number of streamers managed by talent agencies grew by over 40% year-over-year, while average daily live-streaming time of streamers increased by nearly 30% year-over-year. Meanwhile, we continually expanded our diversified supply by developing innovative tools based on entertainment live-streaming scenarios and attracted high-quality developers through our live-streaming open platform while lowering the entry barriers for streamers. Across both internal and external industry ecosystems, we have increased the supply of multi-host live-streaming, bringing users more high-quality content.

We are firmly committed to building a long-term healthy and sustainable live-streaming ecosystem while continuously advancing popular content verticals and nurturing streamers. In September 2023, we initiated the **National Art Inheritance Program (國藝傳承計劃)** to create traditional culture IP by providing substantial traffic support and professional training to streamers on our platform who cover traditional Chinese opera, folk music, and folk art. Meanwhile, we continued to facilitate AIGC scenarios, including virtual person live streaming, and empowered the underlying technical capabilities such as real-time capturing, visual effects tools, virtual interaction and others. These capabilities boost the efficiency of our business

innovations by reducing labor and time costs. Furthermore, as a benchmark case of our "live streaming+" services empowering traditional industries, the average daily resume submissions on *Kwai Hire* (快聘) grew by over 200% year-over-year during the third quarter of 2023, driven by summer vacation and campus recruitment in autumn. We also lowered the entry barrier for merchants by leveraging AIGC and our smart customer service. As at the end of the third quarter of 2023, *Ideal Housing* (理想家) covered more than 120 cities nationwide, with cumulative gross transaction value surpassing RMB14 billion in the third quarter of 2023.

Overseas

In the third quarter of 2023, we continued to advance our strategy focused on key overseas markets. DAUs and user time spent in key overseas markets steadily increased year-over-year. We further diversified our content vertical offerings in the entertainment and sports industries, providing traffic support to mid-tier creators. Simultaneously, we deepened our local operations, catering to specific consumption needs of local users. Building on this foundation, we intensified our monetization efforts and continued to improve operating efficiency, which resulted in a significant year-over-year reduction in user growth costs. In the third quarter of 2023, total revenue of our overseas business reached RMB652 million, more than doubling year-over-year. Through continuously optimizing operating efficiency, we achieved a 62.4% year-over-year decrease in overall operating losses overseas in the third quarter of 2023, which also further narrowed quarter-over-quarter.

On the online marketing services front, we focused on key industries, optimizing the efficiency of marketing to unlock the commercial potential of various users across different demographics. In the third quarter of 2023, we increased the number of marketing customers for our overseas business by over 200% quarter-over-quarter, ensuring ongoing improvement in customer quality while expanding our customer base. In addition, we enhanced our brand marketing conversion, increased the advertising inventory, and extended marketing resources to more well-known brands. In terms of live streaming services, we continued to promote local operations in overseas markets and focused on tapping into high-value paying users, leading to a continuous increase in the paying user penetration rate for live streaming services in the third quarter of 2023.

Corporate social responsibilities

Fostering an inclusive and equitable online digital community remains our top priority. Rural populations represent an important part of our community. In September 2023, we hosted our *Light Chasing Conference* (追光大會), upholding a vision to advance rural revitalization and featuring an array of topics including talent development, job opportunities, business start-ups, and industry-wide development for younger generations who aspire to be live streamers. We also announced *Stars Plan* (繁星計劃) at this event for rural-based live streamers. Under this plan, over the next three years, Kuaishou will invest RMB10 billion in traffic and RMB50 million in cash to cultivate 1 million rural-based live streamers and 1,000 rural-based entrepreneurs and assist the training of live streaming talents for more than 160 counties in China. We believe these initiatives will energize rural talent and industry growth, promote the sustainable development of China's rural market and empower more rural population to join in our digital community.

About Kuaishou

Kuaishou is a leading content community and social platform with its mission to be the most customer-obsessed company in the world. Kuaishou has relentlessly been focusing on serving its customers and creating value for them through the continual innovation and optimization of its products and services. At Kuaishou, any user can chronicle and share their life experiences through short videos and live streams and showcase their talents. Working closely with content creators and businesses together, Kuaishou provides product and service offerings that address various user needs that arise naturally, including entertainment, online marketing services, e-commerce, online games, online knowledge-sharing, and 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 circumstance 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 Three Months Ended			Unaudited Nine Months Ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	RMB'Million	RMB'Million	RMB'Million	RMB'Million	RMB'Million
Revenues	27,948	27,744	23,128	80,909	65,890
Cost of revenues	(13,495)	(13,810)	(12,425)	(40,810)	(36,635)

Gross profit	14,453	13,934	10,703	40,099	29,255
Selling and marketing expenses	(8,939)	(8,636)	(9,130)	(26,298)	(27,381)
Administrative expenses	(898)	(945)	(1,060)	(2,762)	(2,887)
Research and development expenses	(2,967)	(3,155)	(3,533)	(9,042)	(10,338)
Other income	434	113	687	599	1,097
Other gains/(losses), net	128	(15)	(280)	213	(1,061)
Operating profit/(loss)	2,211	1,296	(2,613)	2,809	(11,315)
Finance income, net	135	158	69	404	59
Share of losses of investments accounted for using the equity method	(26)	(18)	(31)	(58)	(112)
Profit/(loss) before income tax	2,320	1,436	(2,575)	3,155	(11,368)
Income tax (expenses)/benefits	(138)	45	(137)	(368)	(774)
Profit/(loss) for the period	2,182	1,481	(2,712)	2,787	(12,142)
Attributable to:					
—Equity holders of the Company	2,181	1,480	(2,713)	2,788	(12,143)
—Non-controlling interests	1	1	1	(1)	1
	2,182	1,481	(2,712)	2,787	(12,142)

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of September 30, 2023	Audited As of December 31, 2022
	<i>RMB'Million</i>	<i>RMB'Million</i>
ASSETS		
Non-current assets		
Property and equipment	12,115	13,215
Right-of-use assets	10,112	10,806
Intangible assets	1,095	1,123
Investments accounted for using the equity method	239	268
Financial assets at fair value through profit or loss	5,929	3,626
Other financial assets at amortized cost	592	670
Deferred tax assets	5,647	5,095
Long-term time deposits	8,868	7,870
Other non-current assets	402	776
	44,999	43,449
Current assets		
Trade receivables	5,687	6,288
Prepayments, other receivables and other current assets	4,433	4,106
Financial assets at fair value through profit or loss	20,294	13,087
Other financial assets at amortized cost	826	726
Short-term time deposits	10,320	8,318
Restricted cash	90	59
Cash and cash equivalents	11,272	13,274
	52,922	45,858
Total assets	97,921	89,307

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited As of September 30, 2023	Audited As of December 31, 2022
	<i>RMB'Million</i>	<i>RMB'Million</i>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		

Share capital	-	-
Share premium	274,206	274,473
Treasury shares	(45)	-
Other reserves	32,797	29,239
Accumulated losses	(261,094)	(263,882)
	45,864	39,830
Non-controlling interests	7	8
Total equity	45,871	39,838

LIABILITIES

Non-current liabilities

Lease liabilities	8,184	8,721
Deferred tax liabilities	19	23
Other non-current liabilities	9	16
	8,212	8,760

Current liabilities

Accounts payables	20,263	22,868
Other payables and accruals	15,602	10,190
Advances from customers	3,975	3,240
Income tax liabilities	741	936
Lease liabilities	3,257	3,475
	43,838	40,709

Total liabilities	52,050	49,469
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Total equity and liabilities	97,921	89,307
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Financial Information by Segment

	Unaudited Three Months Ended											
	September 30, 2023			June 30, 2023			September 30, 2022					
	Domestic	Overseas	Unallocated items	Total	Domestic	Overseas	Unallocated items	Total	Domestic	Overseas	Unallocated items	Total
Revenues	27,296	652	-	27,948	27,297	447	-	27,744	22,939	189	-	23,128
Operating profit/(loss)	3,155	(635)	(309)	2,211	3,034	(780)	(958)	1,296	375	(1,687)	(1,301)	(2,613)

	Unaudited Nine Months Ended											
	September 30, 2023				September 30, 2022							
	Domestic	Overseas	Unallocated items	Total	Domestic	Overseas	Unallocated items	Total	Domestic	Overseas	Unallocated items	Total
Revenues	79,472	1,437	-	80,909	65,550	340	-	65,890				
Operating profit/(loss)	7,152	(2,238)	(2,105)	2,809	(1,075)	(5,139)	(5,101)	(11,315)				

Reconciliation of Non-IFRS Measures to the Nearest IFRS Measures

	Unaudited Three Months Ended			Unaudited Nine Months Ended		
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	September 30, 2022

	<i>RMB'Million</i>	<i>RMB'Million</i>	<i>RMB'Million</i>	<i>RMB'Million</i>	<i>RMB'Million</i>
Profit/(loss) for the period	2,182	1,481	(2,712)	2,787	(12,142)
Add:					
Share-based compensation expenses	871	1,056	1,708	2,917	5,137
Net fair value changes on investments ⁽¹⁾	120	157	332	205	1,299
Adjusted net profit/(loss)	3,173	2,694	(672)	5,909	(5,706)
Adjusted net profit/(loss)	3,173	2,694	(672)	5,909	(5,706)
Add:					
Income tax expenses/(benefits)	138	(45)	137	368	774
Depreciation of property and equipment	1,029	978	810	2,971	2,321
Depreciation of right-of-use assets	737	808	780	2,333	2,446
Amortization of intangible assets	38	39	37	115	103
Finance income, net	(135)	(158)	(69)	(404)	(59)
Adjusted EBITDA	4,980	4,316	1,023	11,292	(121)

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.

View original content: <https://www.prnewswire.com/news-releases/kuaisou-technology-announces-third-quarter-2023-unaudited-financial-results-301994550.html>

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