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# Kuaishou Technology

## 快手科技

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

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

### RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2026

The Board of Directors of Kuaishou Technology (快手科技) is pleased to announce the unaudited consolidated results of the Company for the three months ended March 31, 2026. These interim results have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and reviewed by PricewaterhouseCoopers, the independent auditor of the Company (the “Auditor”), in accordance with International Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by the International Auditing and Assurance Standards Board. These interim results have also been reviewed by the Audit Committee.

#### KEY HIGHLIGHTS

##### Financial Summary

	Unaudited				
	Three Months Ended March 31,				
	2026		2025		Year-over-year change
Amount	As a percentage of revenues	Amount	As a percentage of revenues		
	<i>(RMB millions, except for percentages)</i>				
Revenues	33,716	100.0	32,608	100.0	3.4%
Gross profit	17,249	51.2	17,792	54.6	(3.1%)
Operating profit	3,595	10.7	4,259	13.1	(15.6%)
Profit for the period	2,905	8.6	3,979	12.2	(27.0%)
<b>Non-IFRS Accounting Standards Measures:</b>					
Adjusted net profit <sup>(1)</sup>	3,374	10.0	4,580	14.0	(26.3%)
Adjusted EBITDA <sup>(2)</sup>	6,230	18.5	6,434	19.7	(3.2%)

Notes:

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

## Financial Information by Segment

### Unaudited Three Months Ended March 31, 2026

	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	<i>(RMB millions)</i>			
Revenues	32,554	1,162	—	33,716
Operating profit/(loss)	3,093	(31)	533	3,595

### Unaudited Three Months Ended March 31, 2025

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

### Year-over-year change

	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	<i>(Percentages %)</i>			
Revenues	4.0	(11.6)	—	3.4
Operating profit/(loss)	(28.8)	N/A	N/A	(15.6)

Note:

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

## Operating Metrics

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

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Average DAUs <i>(in millions)</i>	<b>412.7</b>	408.0
Average MAUs <i>(in millions)</i>	<b>771.7</b>	711.7
Average online marketing services revenue per DAU <i>(in RMB)</i>	<b>47.6</b>	44.1

## BUSINESS REVIEW

In the first quarter of 2026, amid a complex and dynamic macro environment, we continued to deepen our AI strategy. **Kling AI (可靈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 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 **Kuaishou 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, Kuaishou'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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### First Quarter of 2026 Compared to First Quarter of 2025

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the first quarter of 2026 and 2025, respectively:

	Unaudited			
	Three Months Ended March 31,			
	2026		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
<b>Revenues</b>	<b>33,716</b>	<b>100.0</b>	32,608	100.0
Cost of revenues	<b>(16,467)</b>	<b>(48.8)</b>	(14,816)	(45.4)
<b>Gross profit</b>	<b>17,249</b>	<b>51.2</b>	17,792	54.6
Selling and marketing expenses	<b>(10,333)</b>	<b>(30.6)</b>	(9,897)	(30.4)
Administrative expenses	<b>(766)</b>	<b>(2.3)</b>	(828)	(2.5)
Research and development expenses	<b>(3,621)</b>	<b>(10.7)</b>	(3,298)	(10.1)
Other income	<b>245</b>	<b>0.7</b>	53	0.2
Other gains, net	<b>821</b>	<b>2.4</b>	437	1.3
<b>Operating profit</b>	<b>3,595</b>	<b>10.7</b>	4,259	13.1
Finance expense, net	<b>(173)</b>	<b>(0.5)</b>	(24)	(0.1)
Share of (losses)/profits of investments accounted for using the equity method	<b>(13)</b>	<b>(0.1)</b>	2	0.0
<b>Profit before income tax</b>	<b>3,409</b>	<b>10.1</b>	4,237	13.0
Income tax expenses	<b>(504)</b>	<b>(1.5)</b>	(258)	(0.8)
<b>Profit for the period</b>	<b><u>2,905</u></b>	<b><u>8.6</u></b>	<u>3,979</u>	<u>12.2</u>
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit	<b>3,374</b>	<b>10.0</b>	4,580	14.0
Adjusted EBITDA	<b>6,230</b>	<b>18.5</b>	6,434	19.7

## Revenues

Our revenues increased by 3.4% to RMB33.7 billion for the first quarter of 2026 from RMB32.6 billion for the same period of 2025. The increase was primarily attributable to the growth of our online marketing services and Kling AI business.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues for the first quarter of 2026 and 2025, respectively:

	Unaudited Three Months Ended March 31,			
	2026		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
Online marketing services	19,643	58.3	17,977	55.1
Live streaming	8,492	25.2	9,814	30.1
Other services	5,581	16.5	4,817	14.8
<b>Total</b>	<b>33,716</b>	<b>100.0</b>	<b>32,608</b>	<b>100.0</b>

### *Online marketing services*

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.

### *Live streaming*

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.

### *Other services*

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.

## Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the first quarter of 2026 and 2025, respectively:

	Unaudited			
	Three Months Ended March 31,			
	2026		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Revenue sharing costs and related taxes	10,783	32.0	9,942	30.5
Bandwidth expenses and server custody costs <sup>(1)</sup>	1,749	5.2	1,477	4.5
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	1,775	5.3	1,235	3.8
Employee benefit expenses	685	2.0	690	2.1
Payment processing costs	661	2.0	768	2.4
Other cost of revenues	814	2.3	704	2.1
<b>Total</b>	<b>16,467</b>	<b>48.8</b>	<b>14,816</b>	<b>45.4</b>

Note:

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

Our cost of revenues increased by 11.1% to RMB16.5 billion for the first quarter of 2026 from RMB14.8 billion for the same period of 2025, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth, and the increased bandwidth expenses and server custody costs as well as depreciation of property and equipment and right-of-use assets, and amortization of intangible assets.

## Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the first quarter of 2026 and 2025, respectively:

	Unaudited			
	Three Months Ended March 31,			
	2026		2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Gross profit	17,249	51.2	17,792	54.6

As a result of the foregoing, our gross profit decreased by 3.1% to RMB17.2 billion for the first quarter of 2026 from RMB17.8 billion for the same period of 2025. Our gross profit margin decreased to 51.2% for the first quarter of 2026, compared to 54.6% for the same period of 2025.

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

Our selling and marketing expenses increased by 4.4% to RMB10.3 billion for the first quarter of 2026 from RMB9.9 billion for the same period of 2025, and increased to 30.6% for the first quarter of 2026 from 30.4% for the same period of 2025 as a percentage of our total revenues. The increase was primarily attributable to the increased spending in promotion activities.

### ***Administrative Expenses***

Our administrative expenses decreased by 7.5% to RMB766 million for the first quarter of 2026, from RMB828 million for the same period of 2025, primarily due to the decrease in employee benefit expenses, including the related share-based compensation expenses.

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

Our research and development expenses increased by 9.8% to RMB3.6 billion for the first quarter of 2026 from RMB3.3 billion for the same period of 2025, primarily attributable to the increase in employee benefit expenses, including the related share-based compensation expenses, and the increased investments in AI.

### ***Other Income***

Our other income was RMB245 million and RMB53 million for the first quarter of 2026 and 2025, respectively.

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

We had other gains, net of RMB821 million for the first quarter of 2026, compared to RMB437 million for the same period of 2025. The increase was primarily due to the fair value changes of financial assets at fair value through profit or loss.

### ***Operating Profit***

As a result of the foregoing, we had an operating profit of RMB3.6 billion and an operating margin of 10.7% for the first quarter of 2026, compared to an operating profit of RMB4.3 billion and an operating margin of 13.1% for the same period of 2025.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the first quarter of 2026 and 2025, respectively:

	<b>Unaudited</b>		
	<b>Three Months Ended March 31,</b>		
	<b>2026</b>	<b>2025</b>	Year-over- year change
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>3,093</b>	4,345	(28.8%)
Overseas	<b>(31)</b>	28	N/A
Unallocated items	<b>533</b>	(114)	N/A
<b>Total</b>	<b><u>3,595</u></b>	<b><u>4,259</u></b>	(15.6%)

Our operating profit from the domestic segment was RMB3.1 billion and RMB4.3 billion for the first quarter of 2026 and 2025, respectively.

Our operating loss from the overseas segment was RMB31 million for the first quarter of 2026, compared to an operating profit of RMB28 million for the same period of 2025.

#### ***Finance Expense, Net***

Our finance expense, net was RMB173 million for the first quarter of 2026, compared to finance expense, net of RMB24 million for the same period of 2025. The change was primarily attributable to the increase in interest expense from borrowings.

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

Our share of losses of investments accounted for using the equity method was RMB13 million for the first quarter of 2026, compared to share of profits of RMB2 million for the same period of 2025.

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

As a result of the foregoing, we had a profit before income tax of RMB3.4 billion and RMB4.2 billion for the first quarter of 2026 and 2025, respectively.

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

Our income tax expenses were RMB504 million and RMB258 million for the first quarter of 2026 and 2025, respectively.

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

As a result of the foregoing, we had a profit for the period of RMB2.9 billion for the first quarter of 2026, compared to a profit of RMB4.0 billion for the same period of 2025.

## First Quarter of 2026 Compared to Fourth Quarter of 2025

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the first quarter of 2026 and the fourth quarter of 2025, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended</b>			
	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
	<i><b>RMB</b></i>	<i><b>%</b></i>	<i><b>RMB</b></i>	<i><b>%</b></i>
	<i>(in millions, except for percentages)</i>			
<b>Revenues</b>	<b>33,716</b>	<b>100.0</b>	39,568	100.0
Cost of revenues	<b>(16,467)</b>	<b>(48.8)</b>	(17,749)	(44.9)
<b>Gross profit</b>	<b>17,249</b>	<b>51.2</b>	21,819	55.1
Selling and marketing expenses	<b>(10,333)</b>	<b>(30.6)</b>	(11,409)	(28.8)
Administrative expenses	<b>(766)</b>	<b>(2.3)</b>	(930)	(2.4)
Research and development expenses	<b>(3,621)</b>	<b>(10.7)</b>	(4,143)	(10.5)
Other income	<b>245</b>	<b>0.7</b>	74	0.2
Other gains, net	<b>821</b>	<b>2.4</b>	379	1.0
<b>Operating profit</b>	<b>3,595</b>	<b>10.7</b>	5,790	14.6
Finance expense, net	<b>(173)</b>	<b>(0.5)</b>	(31)	(0.1)
Share of losses of investments accounted for using the equity method	<b>(13)</b>	<b>(0.1)</b>	(9)	(0.0)
<b>Profit before income tax</b>	<b>3,409</b>	<b>10.1</b>	5,750	14.5
Income tax expenses	<b>(504)</b>	<b>(1.5)</b>	(516)	(1.3)
<b>Profit for the period</b>	<b><u>2,905</u></b>	<b><u>8.6</u></b>	<b><u>5,234</u></b>	<b><u>13.2</u></b>
<b>Non-IFRS Accounting Standards Measures:</b>				
Adjusted net profit	<b>3,374</b>	<b>10.0</b>	5,463	13.8
Adjusted EBITDA	<b>6,230</b>	<b>18.5</b>	8,037	20.3

## **Revenues**

Our revenues decreased by 14.8% to RMB33.7 billion for the first quarter of 2026, from RMB39.6 billion for the fourth quarter of 2025, primarily due to the decline in our online marketing services, live streaming business and e-commerce business.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues for the first quarter of 2026 and the fourth quarter of 2025, respectively:

	<b>Unaudited Three Months Ended</b>			
	<b>March 31, 2026</b>		<b>December 31, 2025</b>	
	<i><b>RMB</b></i>	<i><b>%</b></i>	<i><b>RMB</b></i>	<i><b>%</b></i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	<b>19,643</b>	<b>58.3</b>	23,618	59.7
Live streaming	<b>8,492</b>	<b>25.2</b>	9,655	24.4
Other services	<b>5,581</b>	<b>16.5</b>	6,295	15.9
<b>Total</b>	<b><u>33,716</u></b>	<b><u>100.0</u></b>	<b><u>39,568</u></b>	<b><u>100.0</u></b>

### *Online marketing services*

Revenue from our online marketing services decreased by 16.8% to RMB19.6 billion for the first quarter of 2026, from RMB23.6 billion for the fourth quarter of 2025, primarily attributable to the impact of seasonality.

### *Live streaming*

Revenue from our live streaming business decreased by 12.0% to RMB8.5 billion for the first quarter of 2026, from RMB9.7 billion for the fourth quarter of 2025, as a result of our continuous efforts to develop a rich and healthy live streaming ecosystem and diverse high-quality content.

### *Other services*

Revenue from our other services decreased by 11.3% to RMB5.6 billion for the first quarter of 2026, from RMB6.3 billion for the fourth quarter of 2025, primarily attributable to the decline in e-commerce business, partially offset by the increase in Kling AI business.

## Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the first quarter of 2026 and the fourth quarter of 2025, respectively:

	Unaudited Three Months Ended			
	March 31, 2026		December 31, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Revenue sharing costs and related taxes	10,783	32.0	12,416	31.4
Bandwidth expenses and server custody costs <sup>(1)</sup>	1,749	5.2	1,392	3.5
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	1,775	5.3	1,564	4.0
Employee benefit expenses	685	2.0	728	1.8
Payment processing costs	661	2.0	820	2.1
Other cost of revenues	814	2.3	829	2.1
<b>Total</b>	<b>16,467</b>	<b>48.8</b>	<b>17,749</b>	<b>44.9</b>

Note:

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

Our cost of revenues decreased by 7.2% to RMB16.5 billion for the first quarter of 2026, from RMB17.7 billion for the fourth quarter of 2025, primarily attributable to the decrease in revenue sharing costs and related taxes, partially offset by the increase in bandwidth expenses and server custody costs, and the increase in depreciation of property and equipment and right-of-use assets, and amortization of intangible assets.

## Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the first quarter of 2026 and the fourth quarter of 2025, respectively:

	Unaudited Three Months Ended			
	March 31, 2026		December 31, 2025	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Gross profit	17,249	51.2	21,819	55.1

As a result of the foregoing, our gross profit decreased by 20.9% to RMB17.2 billion for the first quarter of 2026, from RMB21.8 billion for the fourth quarter of 2025. Our gross profit margin decreased to 51.2% for the first quarter of 2026, from 55.1% for the fourth quarter of 2025.

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

Our selling and marketing expenses decreased by 9.4% to RMB10.3 billion for the first quarter of 2026, from RMB11.4 billion for the fourth quarter of 2025, primarily attributable to the decreased spending in promotion activities. As a percentage of our total revenues, selling and marketing expenses increased to 30.6% for the first quarter of 2026 from 28.8% for the fourth quarter of 2025.

### ***Administrative Expenses***

Our administrative expenses decreased by 17.6% to RMB766 million for the first quarter of 2026, from RMB930 million for the fourth quarter of 2025, primarily due to the decrease in employee benefit expenses, including the related share-based compensation expenses.

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

Our research and development expenses decreased by 12.6% to RMB3.6 billion for the first quarter of 2026, from RMB4.1 billion for the fourth quarter of 2025, primarily due to the decrease in employee benefit expenses, including the related share-based compensation expenses.

### ***Other Income***

Our other income was RMB245 million and RMB74 million for the first quarter of 2026 and the fourth quarter of 2025, respectively.

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

We recorded other gains, net of RMB821 million and RMB379 million for the first quarter of 2026 and the fourth quarter of 2025, respectively.

### ***Operating Profit***

As a result of the foregoing, we had an operating profit of RMB3.6 billion for the first quarter of 2026, compared to an operating profit of RMB5.8 billion for the fourth quarter of 2025, and our operating margin was 10.7% for the first quarter of 2026, compared to 14.6% for the fourth quarter of 2025.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the first quarter of 2026 and the fourth quarter of 2025, respectively:

	<b>Unaudited Three Months Ended</b>		
	<b>March 31, 2026</b>	December 31, 2025	Quarter-over- quarter change
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>3,093</b>	6,065	(49.0%)
Overseas	<b>(31)</b>	(59)	(47.5%)
Unallocated items	<b>533</b>	(216)	N/A
<b>Total</b>	<b><u>3,595</u></b>	<b><u>5,790</u></b>	(37.9%)

Our operating profit from the domestic segment was RMB3.1 billion for the first quarter of 2026, compared to RMB6.1 billion for the fourth quarter of 2025, mainly due to a 14.9% quarter-over-quarter decline in domestic revenues and the increased investments in AI.

Our operating loss from the overseas segment decreased to RMB31 million for the first quarter of 2026, from RMB59 million for the fourth quarter of 2025. The decrease was primarily attributable to improved operating efficiency.

#### ***Finance Expense, Net***

Our finance expense, net was RMB173 million for the first quarter of 2026, compared to finance expense, net of RMB31 million for the fourth quarter of 2025. The change was primarily attributable to the increase in interest expense from borrowings.

#### ***Share of Losses of Investments Accounted for Using the Equity Method***

Our share of losses of investments accounted for using the equity method was RMB13 million and RMB9 million for the first quarter of 2026 and the fourth quarter of 2025, respectively.

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

As a result of the foregoing, we had a profit before income tax of RMB3.4 billion and RMB5.8 billion for the first quarter of 2026 and the fourth quarter of 2025, respectively.

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

We incurred income tax expenses of RMB504 million and RMB516 million for the first quarter of 2026 and the fourth quarter of 2025, respectively.

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

As a result of the foregoing, our profit for the period was RMB2.9 billion and RMB5.2 billion for the first quarter of 2026 and the fourth quarter of 2025, respectively.

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

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

The following table sets forth the reconciliations of our non-IFRS Accounting Standards financial measures for the first quarter of 2026, the fourth quarter of 2025 and the first quarter of 2025, respectively, to the nearest measures prepared in accordance with IFRS Accounting Standards:

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

*Note:*

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

## Liquidity and Financial Resources

Historically, our principal sources of funds for working capital and other capital needs have been capital contributions from the Shareholders, cash generated from issuance of convertible redeemable preferred shares and borrowings, and cash generated from our operating activities. We had cash and cash equivalents of RMB11.4 billion as of March 31, 2026, compared to RMB11.2 billion as of December 31, 2025.

Our 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. The aggregate amount of our available funds was RMB117.7 billion as of March 31, 2026, compared to RMB104.9 billion as of December 31, 2025.

The following table sets forth a summary of our cash flows for the first quarter of 2026:

	<b>Unaudited Three Months Ended March 31, 2026</b>
	<i>(RMB millions)</i>
Net cash generated from operating activities	3,125
Net cash used in investing activities	(23,958)
Net cash generated from financing activities	21,139
	<hr/>
Net increase in cash and cash equivalents	306
Cash and cash equivalents at the beginning of the period	11,180
Effects of exchange rate changes on cash and cash equivalents	(81)
	<hr/>
Cash and cash equivalents at the end of the period	<b>11,405</b>

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

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

For the first quarter of 2026, our net cash generated from operating activities was RMB3.1 billion, which was primarily attributable to our profit before income tax of RMB3.4 billion, adjusted by non-cash items, primarily comprising depreciation of property and equipment of RMB1.4 billion, net fair value gains on financial assets at fair value through profit or loss of RMB886 million, depreciation of right-of-use assets of RMB799 million and equity-settled share-based compensation expenses of RMB488 million. The amount was further adjusted by changes in working capital, which primarily comprised the decrease in other payables and accruals of RMB1.8 billion. We also paid income tax of RMB351 million.

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

For the first quarter of 2026, our net cash used in investing activities was RMB24.0 billion, which was primarily attributable to purchase of property, equipment and intangible assets of RMB12.1 billion, net investments in financial assets at fair value through profit or loss of RMB13.7 billion and net proceeds from maturity of time deposits with initial terms of over three months of RMB1.7 billion.

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

For the first quarter of 2026, our net cash generated from financing activities was RMB21.1 billion, which was primarily attributable to net proceeds from borrowings of RMB14.6 billion, net proceeds under notes arrangements of RMB7.6 billion and payments for principal elements of lease and related interests of RMB788 million.

## FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	<b>Unaudited</b>	
		<b>Three months ended March 31,</b>	
		<u>2026</u>	<u>2025</u>
		<i>(RMB millions)</i>	
<b>Revenues</b>	3	<b>33,716</b>	32,608
Cost of revenues	4	<b>(16,467)</b>	(14,816)
<b>Gross profit</b>		<b>17,249</b>	17,792
Selling and marketing expenses	4	<b>(10,333)</b>	(9,897)
Administrative expenses	4	<b>(766)</b>	(828)
Research and development expenses	4	<b>(3,621)</b>	(3,298)
Other income		<b>245</b>	53
Other gains, net		<b>821</b>	437
<b>Operating profit</b>		<b>3,595</b>	4,259
Finance expenses, net		<b>(173)</b>	(24)
Share of (losses)/profits of investments accounted for using the equity method		<b>(13)</b>	2
<b>Profit before income tax</b>		<b>3,409</b>	4,237
Income tax expenses		<b>(504)</b>	(258)
<b>Profit for the period</b>		<b><u>2,905</u></b>	<b><u>3,979</u></b>
<b>Attributable to:</b>			
— Equity holders of the Company		<b>2,903</b>	3,978
— Non-controlling interests		<b>2</b>	1
		<b><u>2,905</u></b>	<b><u>3,979</u></b>
<b>Earnings per share attributable to equity holders of the Company (expressed in RMB per share)</b>	5		
Basic earnings per share		<b><u>0.67</u></b>	<u>0.93</u>
Diluted earnings per share		<b><u>0.66</u></b>	<u>0.91</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

**Unaudited**  
**Three months ended March 31,**

2026      2025

*Note*      *(RMB millions)*

**2,905**      **3,979**

**Profit for the period**

**Other comprehensive loss**

*Items that will not be reclassified to profit or loss*

Share of other comprehensive (loss)/income of investments  
accounted for using the equity method

(3)      1

Currency translation differences

**(1,092)**      (99)

*Items that may be subsequently reclassified to profit or loss*

Net movement for net investment hedges

(271)      —

Currency translation differences

**837**      79

**Other comprehensive loss for the period, net of taxes**

**(529)**      (19)

**Total comprehensive income for the period**

**2,376**      **3,960**

**Attributable to:**

— Equity holders of the Company

**2,374**      3,959

— Non-controlling interests

**2**      1

**2,376**      **3,960**

## CONDENSED CONSOLIDATED BALANCE SHEET

		<b>Unaudited</b>	Audited
		<b>As of</b>	As of
		<b>March 31,</b>	December 31,
		<b>2026</b>	2025
<i>Note</i>		<i>(RMB millions)</i>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
		<b>30,214</b>	22,869
		<b>9,174</b>	8,545
		<b>982</b>	986
		<b>136</b>	149
	6	<b>29,827</b>	23,747
		<b>448</b>	353
	6	<b>—</b>	35
		<b>5,732</b>	5,585
		<b>22,660</b>	22,015
		<b>6,296</b>	2,671
		<b>105,469</b>	86,955
<b>Current assets</b>			
		<b>7,592</b>	8,127
		<b>7,439</b>	7,028
	6	<b>50,448</b>	42,323
		<b>11</b>	1
	6	<b>—</b>	9
		<b>6,380</b>	8,630
		<b>266</b>	251
		<b>11,405</b>	11,180
		<b>83,541</b>	77,549
<b>Total assets</b>		<b>189,010</b>	164,504

## CONDENSED CONSOLIDATED BALANCE SHEET

		<b>Unaudited</b>	Audited
		<b>As of</b>	As of
		<b>March 31,</b>	December 31,
		<b>2026</b>	2025
<i>Note</i>		<i>(RMB millions)</i>	
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
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>
<b>Non-controlling interests</b>		<u>28</u>	<u>26</u>
<b>Total equity</b>		<b><u>82,220</u></b>	<b><u>79,584</u></b>
<b>Non-current liabilities</b>			
Borrowings	7	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>
<b>Current liabilities</b>			
Accounts payables		27,919	27,209
Other payables and accruals		34,125	29,160
Advances from customers		5,166	4,848
Borrowings	7	2,871	1,968
Income tax liabilities		514	388
Lease liabilities		4,051	3,962
		<u>74,646</u>	<u>67,535</u>
<b>Total liabilities</b>		<b><u>106,790</u></b>	<b><u>84,920</u></b>
<b>Total equity and liabilities</b>		<b><u>189,010</u></b>	<b><u>164,504</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Unaudited</b>	
	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<i>(RMB millions)</i>	
<b>Net cash generated from operating activities</b>	<b>3,125</b>	3,283
<b>Net cash used in investing activities</b>	<b>(23,958)</b>	(4,935)
<b>Net cash generated from financing activities</b>	<b>21,139</b>	560
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>306</b>	(1,092)
Cash and cash equivalents at the beginning of the period	<b>11,180</b>	12,697
Effects of exchange rate changes on cash and cash equivalents	<b>(81)</b>	(7)
<b>Cash and cash equivalents at the end of the period</b>	<b><u>11,405</u></b>	<b><u>11,598</u></b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 Basis of preparation

This condensed consolidated interim financial information for the three months ended March 31, 2026 (“**Interim Financial Information**”) has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”, issued by the International Accounting Standards Board. The Interim Financial Information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The Interim Financial Information does not include all the notes of the type normally included in annual financial statements. The Interim Financial Information should be read in conjunction with the annual audited financial statements of the Group for the year ended December 31, 2025 which have been prepared in accordance with IFRS Accounting Standards by the Group as set out in the 2025 annual report of the Company (the “**2025 Financial Statements**”).

The accounting policies and methods of computations used in the preparation of the Interim Financial Information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2025, as described in the 2025 Financial Statements, except for the newly added derivative and hedging activities and adoption of certain amendments which has had no significant impact on the results and the financial position of the Group.

In preparing the Interim Financial Information, the critical accounting estimates and judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the 2025 Financial Statements.

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

### 2 Segment information

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

- Domestic
- Overseas

The CODM assesses the performance of the operating segments mainly based on revenues and operating profit or loss of each operating segment. Thus, segment results would present revenues, cost of revenues and operating expenses, and operating profit or loss for each segment. There were no material inter-segment sales during the three months ended March 31, 2026 and 2025.

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

The segment results are as follows:

	<b>Three months ended March 31, 2026</b>			
	<b>Domestic</b>	<b>Overseas</b>	<b>Unallocated items</b>	<b>Total</b>
	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>
<b>Revenues</b>	32,554	1,162	—	33,716
Cost of revenues and operating expenses	(29,461)	(1,193)	—	(30,654)
Unallocated items	—	—	533	533
<b>Operating profit/(loss)</b>	<b>3,093</b>	<b>(31)</b>	<b>533</b>	<b>3,595</b>

  

	<b>Three months ended March 31, 2025</b>			
	<b>Domestic</b>	<b>Overseas</b>	<b>Unallocated items</b>	<b>Total</b>
	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>
<b>Revenues</b>	31,293	1,315	—	32,608
Cost of revenues and operating expenses	(26,948)	(1,287)	—	(28,235)
Unallocated items	—	—	(114)	(114)
<b>Operating profit/(loss)</b>	<b>4,345</b>	<b>28</b>	<b>(114)</b>	<b>4,259</b>

### 3 Revenues

The breakdown of revenues is as follows:

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<i>(RMB millions)</i> <b>(Unaudited)</b>	<i>(RMB millions)</i> <b>(Unaudited)</b>
Online marketing services	19,643	17,977
Live streaming	8,492	9,814
Other services	5,581	4,817
	<b>33,716</b>	<b>32,608</b>

#### 4 Expenses by nature

	<b>Three months ended March 31,</b>	
	<u>2026</u>	<u>2025</u>
	<i>(RMB millions)</i>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue sharing costs and related taxes	<b>10,783</b>	9,942
Promotion and marketing expenses	<b>9,834</b>	9,354
Employee benefit expenses	<b>4,403</b>	4,418
Bandwidth expenses and server custody costs	<b>1,749</b>	1,477
Depreciation of property and equipment	<b>1,364</b>	782
Depreciation of right-of-use assets <i>(Note a)</i>	<b>799</b>	768
Amortization of intangible assets	<b>16</b>	22
Payment processing costs	<b>661</b>	768
Outsourcing and other labor costs	<b>401</b>	340
Tax surcharges	<b>175</b>	254
Professional fees	<b>54</b>	60
Credit loss allowances on financial assets	<b>77</b>	24
Others <i>(Note b)</i>	<b>871</b>	630
	<b>31,187</b>	<b>28,839</b>

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

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

#### 5 Earnings per share

##### *(a) Basic earnings per share*

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

	<b>Three months ended March 31,</b>	
	<u>2026</u>	<u>2025</u>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Earnings attributable to equity holders of the Company <i>(RMB millions)</i>	<b>2,903</b>	3,978
Weighted average number of ordinary shares in issue <i>(million shares)</i>	<b>4,303</b>	4,264
Basic earnings per share <i>(expressed in RMB per share)</i>	<b>0.67</b>	0.93

**(b) Diluted earnings per share**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the three months ended March 31, 2026 and 2025, the Company had two categories of potential ordinary shares: share options and restricted share units (“RSUs”).

	<b>Three months ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Earnings attributable to equity holders of the Company <i>(RMB millions)</i>	<b>2,903</b>	3,978
Weighted average number of ordinary shares in issue <i>(million shares)</i>	<b>4,303</b>	4,264
Adjustments for share options and RSUs <i>(million shares)</i>	<b>97</b>	90
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share <i>(million shares)</i>	<b>4,400</b>	4,354
Diluted earnings per share <i>(expressed in RMB per share)</i>	<b>0.66</b>	0.91

## 6 Investments

	As of March 31, 2026	As of December 31, 2025
	<i>(RMB millions)</i>	
	(Unaudited)	(Audited)
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss		
— Investments in unlisted entities	2,535	2,551
— Wealth management products and others	27,292	21,196
	<u>29,827</u>	<u>23,747</u>
Other financial assets at amortized cost	—	35
	<u>29,827</u>	<u>23,782</u>
<b>Current assets</b>		
Financial assets at fair value through profit or loss		
— Investment in listed entities	724	723
— Wealth management products and others	49,724	41,600
	<u>50,448</u>	<u>42,323</u>
Other financial assets at amortized cost	—	9
	<u>50,448</u>	<u>42,332</u>
<b>Total</b>	<b><u>80,275</u></b>	<b><u>66,114</u></b>

## 7 Borrowings

	As of March 31, 2026	As of December 31, 2025
	(RMB millions)	
	(Unaudited)	(Audited)
Included in non-current liabilities		
— RMB bank loans	11,098	11,098
— Long-term USD senior notes ( <i>Note a</i> )	10,236	—
— Long-term RMB senior notes ( <i>Note a</i> )	3,457	—
	<u>24,791</u>	<u>11,098</u>
Included in current liabilities		
— USD bank loans	2,765	1,968
— Undue interest accrued for long-term senior notes	106	—
	<u>2,871</u>	<u>1,968</u>
<b>Total</b>	<u><b>27,662</b></u>	<u><b>13,066</b></u>

All bank loans raised by the Group and all senior notes issued by the Group were unsecured.

*Note a:* In January 2026, the Company completed the issuance of US\$600 million 4.125% senior notes due 2031, US\$900 million 4.750% senior notes due 2036 and RMB3.5 billion 2.450% senior notes due 2031.

## OTHER INFORMATION

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

During the three months ended March 31, 2026 and up to the Latest Practicable Date, the Company repurchased a total of 17,956,000 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$854,311,654.37. The repurchase was effected for the enhancement of shareholders value in the long term. Particulars of the Shares Repurchased are summarized as follows:

Month of Repurchase	No. of Shares Repurchased	Price paid per Share		Aggregate Consideration
		Highest	Lowest	
		(HK\$)	(HK\$)	(HK\$)
January 2026	1,289,000	81.40	75.85	99,856,091.10
February 2026	0	N/A	N/A	0.00
March 2026	10,139,600	46.50	44.76	461,825,675.60
April 2026	6,527,400	46.38	43.32	292,629,887.67
May 2026 (up to the Latest Practicable Date)	0	N/A	N/A	0.00
Total	<u>17,956,000</u>			<u>854,311,654.37</u>

As of the Latest Practicable Date, a total of 28,228,700 Class B Shares repurchased from December 15, 2025 to April 24, 2026 have been cancelled on January 30, April 15, and May 15, 2026, respectively, and the number of Class B Shares in issue was reduced by 28,228,700 as a result of such cancellations. Upon cancellation of such Class B Shares and for its other considerations, Reach Best Developments Limited, a holder of Class A Shares, simultaneously converted 33,962,237 Class A Shares into Class B Shares on a one-to-one ratio on January 30, April 15, and May 15, 2026, respectively, according to the Listing Rules. As of the Latest Practicable Date, the Company had cancelled all the Shares Repurchased and did not hold any treasury shares.

Save as disclosed above, neither the Company nor any of its subsidiaries or Consolidated Affiliated Entities has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the three months ended March 31, 2026 and up to the Latest Practicable Date.

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

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

Save for the deviation from code provision C.2.1 as set out in Part 2 of the Corporate Governance Code, which is explained in the following paragraph, the Company has complied with all applicable code provisions as set out in Part 2 of the Corporate Governance Code during the three months ended March 31, 2026.

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

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

### **Audit Committee**

The Audit Committee, after the discussion with the Auditor, has reviewed the Company's unaudited interim financial information for the three months ended March 31, 2026. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

The Company's unaudited interim financial information for the three months ended March 31, 2026 have been prepared in accordance with IFRS Accounting Standards.

### **Significant Events after March 31, 2026**

Save as disclosed in this announcement, there were no other significant events affecting the Group which occurred after March 31, 2026 and up to the date of this announcement.

## APPRECIATION

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

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

Hong Kong, May 27, 2026

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

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

## DEFINITIONS

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

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

<b>“GMV”</b>	gross merchandise value, the total value of all orders for products and services placed on, or directed to the Group’s partners through, the Group’s platform, regardless of whether the order is settled or returned, excluding single transactions of RMB100,000 or greater and any series of transactions from a single buyer totaling RMB1,000,000 or greater in a single day, unless they are settled
<b>“Group”</b>	the Company, its subsidiaries and its Consolidated Affiliated Entities, or where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the subsidiaries as if they were the subsidiaries of the Company at the time
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“IFRS Accounting Standards”</b>	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standards Board
<b>“KOL(s)”</b>	key opinion leader(s)
<b>“Kuaishou App”</b>	collectively, Kuaishou Flagship, Kuaishou Express and Kuaishou Concept mobile apps
<b>“Kuaishou Concept”</b>	an app that we launched in November 2018 to explore different user needs and preferences
<b>“Kuaishou Express”</b>	a variant of Kuaishou Flagship that was officially launched in August 2019
<b>“Kuaishou Flagship”</b>	a mobile app that was derived from our original mobile app, <i>GIF Kuaishou</i> (launched in 2011)
<b>“Latest Practicable Date”</b>	May 19, 2026, being the latest practicable date prior to the publication of this quarterly results announcement for the purpose of ascertaining certain information contained herein
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
<b>“MAUs”</b>	monthly active users, which are calculated as the number of unique user accounts, excluding spam accounts, that access an app at least once during the calendar month
<b>“Memorandum”</b>	the memorandum of association of the Company adopted on and with effect from June 13, 2024, as amended from time to time

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