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## Kuaishou Technology 快手科技

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

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

### RESULTS ANNOUNCEMENT FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

The Board of Directors of Kuaishou Technology (快手科技) is pleased to announce the unaudited consolidated results of the Company for the three and nine months ended September 30, 2023. 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, 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				Year-over-year change
	Three Months Ended September 30,				
	2023		2022		
Amount	As a percentage of revenues	Amount	As a percentage of revenues		
<i>(RMB millions, except for percentages)</i>					
Revenues	27,948	100.0	23,128	100.0	20.8%
Gross profit	14,453	51.7	10,703	46.3	35.0%
Operating profit/(loss)	2,211	7.9	(2,613)	(11.3)	N/A
Profit/(loss) for the period	2,182	7.8	(2,712)	(11.7)	N/A
<b>Non-IFRS Measures:</b>					
Adjusted net profit/(loss) <sup>(1)</sup>	3,173	11.4	(672)	(2.9)	N/A
Adjusted EBITDA <sup>(2)</sup>	4,980	17.8	1,023	4.4	386.8%

	Unaudited				Year-over-year change
	Nine Months Ended September 30,				
	2023		2022		
Amount	As a percentage of revenues	Amount	As a percentage of revenues		
<i>(RMB millions, except for percentages)</i>					
Revenues	80,909	100.0	65,890	100.0	22.8%
Gross profit	40,099	49.6	29,255	44.4	37.1%
Operating profit/(loss)	2,809	3.5	(11,315)	(17.2)	N/A
Profit/(loss) for the period	2,787	3.4	(12,142)	(18.4)	N/A
<b>Non-IFRS Measures:</b>					
Adjusted net profit/(loss) <sup>(1)</sup>	5,909	7.3	(5,706)	(8.7)	N/A
Adjusted EBITDA <sup>(2)</sup>	11,292	14.0	(121)	(0.2)	N/A

*Notes:*

- (1) 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.
- (2) 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.

### Financial Information by Segment

	Unaudited			
	Three Months Ended September 30, 2023			
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
<i>(RMB millions)</i>				
Revenues	27,296	652	—	27,948
Operating profit/(loss)	3,155	(635)	(309)	2,211
	Unaudited			
	Three Months Ended September 30, 2022			
	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
<i>(RMB millions)</i>				
Revenues	22,939	189	—	23,128
Operating profit/(loss)	375	(1,687)	(1,301)	(2,613)

Year-over-year change

	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
Revenues	19.0%	245.0%	—	20.8%
Operating profit/(loss)	741.3%	(62.4%)	(76.2%)	N/A

**Unaudited**  
**Nine Months Ended September 30, 2023**

	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	<i>(RMB millions)</i>			
Revenues	<b>79,472</b>	<b>1,437</b>	<b>—</b>	<b>80,909</b>
Operating profit/(loss)	<b>7,152</b>	<b>(2,238)</b>	<b>(2,105)</b>	<b>2,809</b>

Unaudited  
Nine Months Ended September 30, 2022

	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
	<i>(RMB millions)</i>			
Revenues	65,550	340	—	65,890
Operating loss	(1,075)	(5,139)	(5,101)	(11,315)

Year-over-year change

	Domestic	Overseas	Unallocated items <sup>(1)</sup>	Total
Revenues	21.2%	322.6%	—	22.8%
Operating profit/(loss)	N/A	(56.5%)	(58.7%)	N/A

*Note:*

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

## Operating Metrics

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

	Three Months Ended September 30,	
	2023	2022
Average DAUs ( <i>in millions</i> )	<b>386.6</b>	363.4
Average MAUs ( <i>in millions</i> )	<b>684.7</b>	626.0
Average online marketing services revenue per DAU ( <i>in RMB</i> )	<b>38.0</b>	31.9
Total e-commerce GMV <sup>(1)</sup> ( <i>RMB in millions</i> )	<b>290,239.7</b>	222,520.2

  

	Nine Months Ended September 30,	
	2023	2022
Average DAUs ( <i>in millions</i> )	<b>379.0</b>	352.1
Average MAUs ( <i>in millions</i> )	<b>670.8</b>	603.5
Average online marketing services revenue per DAU ( <i>in RMB</i> )	<b>111.1</b>	96.4
Total e-commerce GMV <sup>(1)</sup> ( <i>RMB in millions</i> )	<b>780,462.6</b>	588,769.9

*Note:*

<sup>(1)</sup> Placed on or directed to our partners through our platform.

## 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 a 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Third Quarter of 2023 Compared to Third Quarter of 2022

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the third quarter of 2023 and 2022, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</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>27,948</b>	<b>100.0</b>	23,128	100.0
Cost of revenues	<b>(13,495)</b>	<b>(48.3)</b>	(12,425)	(53.7)
<b>Gross profit</b>	<b>14,453</b>	<b>51.7</b>	10,703	46.3
Selling and marketing expenses	<b>(8,939)</b>	<b>(32.0)</b>	(9,130)	(39.5)
Administrative expenses	<b>(898)</b>	<b>(3.2)</b>	(1,060)	(4.6)
Research and development expenses	<b>(2,967)</b>	<b>(10.6)</b>	(3,533)	(15.3)
Other income	<b>434</b>	<b>1.6</b>	687	3.0
Other gains/(losses), net	<b>128</b>	<b>0.4</b>	(280)	(1.2)
<b>Operating profit/(loss)</b>	<b>2,211</b>	<b>7.9</b>	(2,613)	(11.3)
Finance income, net	<b>135</b>	<b>0.5</b>	69	0.3
Share of losses of investments accounted for using the equity method	<b>(26)</b>	<b>(0.1)</b>	(31)	(0.1)
<b>Profit/(loss) before income tax</b>	<b>2,320</b>	<b>8.3</b>	(2,575)	(11.1)
Income tax expenses	<b>(138)</b>	<b>(0.5)</b>	(137)	(0.6)
<b>Profit/(loss) for the period</b>	<b><u>2,182</u></b>	<b><u>7.8</u></b>	<b><u>(2,712)</u></b>	<b><u>(11.7)</u></b>
<b>Non-IFRS Measures:</b>				
Adjusted net profit/(loss)	<b>3,173</b>	<b>11.4</b>	(672)	(2.9)
Adjusted EBITDA	<b>4,980</b>	<b>17.8</b>	1,023	4.4

## Revenues

Our revenues increased by 20.8% to RMB27.9 billion for the third quarter of 2023 from RMB23.1 billion for the same period of 2022. The increase was primarily attributable to the growth of our online marketing services, e-commerce business and live streaming business.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues for the third quarter of 2023 and 2022, respectively:

	Unaudited			
	Three Months Ended September 30,			
	2023		2022	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	<b>14,690</b>	<b>52.6</b>	11,590	50.1
Live streaming	<b>9,719</b>	<b>34.8</b>	8,947	38.7
Other services	<b>3,539</b>	<b>12.6</b>	2,591	11.2
<b>Total</b>	<b><u>27,948</u></b>	<b><u>100.0</u></b>	<b><u>23,128</u></b>	<b><u>100.0</u></b>

### *Online marketing services*

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.

### *Live streaming*

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.

### *Other services*

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.

## Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the third quarter of 2023 and 2022, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</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>			
Revenue sharing costs and related taxes	<b>8,320</b>	<b>29.8</b>	7,164	31.0
Bandwidth expenses and server custody costs <sup>(1)</sup>	<b>1,343</b>	<b>4.8</b>	1,654	7.1
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	<b>1,614</b>	<b>5.8</b>	1,402	6.1
Employee benefit expenses	<b>690</b>	<b>2.5</b>	766	3.3
Payment processing costs	<b>623</b>	<b>2.2</b>	527	2.3
Other cost of revenues	<b>905</b>	<b>3.2</b>	912	3.9
<b>Total</b>	<b><u>13,495</u></b>	<b><u>48.3</u></b>	<b><u>12,425</u></b>	<b><u>53.7</u></b>

Note:

- <sup>(1)</sup> Server custody costs included 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 were recorded as right-of-use assets, and recorded as depreciation charge in cost of revenues.

Our cost of revenues increased by 8.6% to RMB13.5 billion for the third quarter of 2023, from RMB12.4 billion for the same period of 2022, primarily attributable to the increase in revenue sharing costs and related taxes in line with our revenue growth, and depreciation of property and equipment and right-of-use assets, and amortization of intangible assets, partially offset by decreases in bandwidth expenses and server custody costs.

## Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the third quarter of 2023 and 2022, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended September 30,</b>			
	<b>2023</b>		<b>2022</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>			
Gross profit	<b>14,453</b>	<b>51.7</b>	10,703	46.3

As a result of the foregoing, our gross profit increased by 35.0% to RMB14.5 billion for the third quarter of 2023, from RMB10.7 billion for the same period of 2022. Our gross profit margin improved to 51.7% for the third quarter of 2023, compared to 46.3% for the same period of 2022.

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

Our selling and marketing expenses decreased by 2.1% to RMB8.9 billion for the third quarter of 2023, from RMB9.1 billion for the same period of 2022, and decreased to 32.0% for the third quarter of 2023 from 39.5% for the same period of 2022 as a percentage of our total revenues. The decrease was primarily attributable to disciplined and more efficient spending on user acquisition and retention.

### ***Administrative Expenses***

Our administrative expenses decreased by 15.3% to RMB898 million for the third quarter of 2023, from RMB1.1 billion for the same period of 2022, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

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

Our research and development expenses decreased by 16.0% to RMB3.0 billion for the third quarter of 2023, from RMB3.5 billion for the same period of 2022, primarily attributable to a decrease in employee benefit expenses, including the related share-based compensation expenses.

### ***Other Income***

Our other income decreased to RMB434 million for the third quarter of 2023, from RMB687 million for the same period of 2022, primarily due to a decrease in the value-added tax preferences compared to the same period of 2022.

### ***Other Gains/(Losses), Net***

We had other gains, net of RMB128 million for the third quarter of 2023, compared to other losses, net of RMB280 million for the same period of 2022. The change was primarily due to the impairment provision for investments recorded in the same period of 2022.

### ***Operating Profit/(Loss)***

As a result of the foregoing, we had an operating profit of RMB2.2 billion and an operating margin of 7.9% for the third quarter of 2023, compared to an operating loss of RMB2.6 billion and a negative operating margin of 11.3% for the same period of 2022.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the third quarter of 2023 and 2022, respectively:

	<b>Unaudited</b>		
	<b>Three Months Ended September 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>Year-over-year change</b>
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>3,155</b>	375	741.3%
Overseas	<b>(635)</b>	(1,687)	(62.4%)
Unallocated items	<b>(309)</b>	(1,301)	(76.2%)
<b>Total</b>	<b><u>2,211</u></b>	<b><u>(2,613)</u></b>	N/A

We had an operating profit from the domestic segment of RMB3.2 billion and RMB375 million for the third quarter of 2023 and 2022, respectively. The increase was primarily attributable to a 19.0% year-over-year growth in domestic revenues.

We had an operating loss from the overseas segment of RMB635 million and RMB1.7 billion for the third quarter of 2023 and 2022, respectively. The decrease was primarily attributable to rapid growth in overseas revenues and more efficient spending on marketing.

#### ***Finance Income, Net***

Our finance income, net increased to RMB135 million for the third quarter of 2023, from RMB69 million for the same period of 2022, primarily attributable to an increase in interest income from bank deposits.

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

Our share of losses of investments accounted for using the equity method was RMB26 million and RMB31 million for the third quarter of 2023 and 2022, respectively.

#### ***Profit/(Loss) before Income Tax***

As a result of the foregoing, we had a profit before income tax of RMB2.3 billion for the third quarter of 2023, compared to a loss before income tax of RMB2.6 billion for the third quarter of 2022.

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

We incurred income tax expenses of RMB138 million and RMB137 million for the third quarter of 2023 and 2022, respectively.

#### ***Profit/(Loss) for the Period***

As a result of the foregoing, we had a profit of RMB2.2 billion for the third quarter of 2023, compared to a loss of RMB2.7 billion for the third quarter of 2022.

### Third Quarter of 2023 Compared to Second Quarter of 2023

The following table sets forth the comparative figures in absolute amounts and as percentages of our total revenues for the third quarter and second quarter of 2023, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended</b>			
	<b>September 30, 2023</b>		<b>June 30, 2023</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>27,948</b>	<b>100.0</b>	27,744	100.0
Cost of revenues	<b>(13,495)</b>	<b>(48.3)</b>	(13,810)	(49.8)
<b>Gross profit</b>	<b>14,453</b>	<b>51.7</b>	13,934	50.2
Selling and marketing expenses	<b>(8,939)</b>	<b>(32.0)</b>	(8,636)	(31.1)
Administrative expenses	<b>(898)</b>	<b>(3.2)</b>	(945)	(3.4)
Research and development expenses	<b>(2,967)</b>	<b>(10.6)</b>	(3,155)	(11.4)
Other income	<b>434</b>	<b>1.6</b>	113	0.4
Other gains/(losses), net	<b>128</b>	<b>0.4</b>	(15)	0.0
<b>Operating profit</b>	<b>2,211</b>	<b>7.9</b>	1,296	4.7
Finance income, net	<b>135</b>	<b>0.5</b>	158	0.6
Share of losses of investments accounted for using the equity method	<b>(26)</b>	<b>(0.1)</b>	(18)	(0.1)
<b>Profit before income tax</b>	<b>2,320</b>	<b>8.3</b>	1,436	5.2
Income tax (expenses)/benefits	<b>(138)</b>	<b>(0.5)</b>	45	0.1
<b>Profit for the period</b>	<b>2,182</b>	<b>7.8</b>	1,481	5.3
<b>Non-IFRS Measures:</b>				
Adjusted net profit	<b>3,173</b>	<b>11.4</b>	2,694	9.7
Adjusted EBITDA	<b>4,980</b>	<b>17.8</b>	4,316	15.6

## Revenues

Our revenues slightly increased by 0.7% to RMB27.9 billion for the third quarter of 2023, from RMB27.7 billion for the second quarter of 2023.

The following table sets forth our revenues by type in absolute amounts and as percentages of our total revenues for the third quarter and the second quarter of 2023, respectively:

	Unaudited Three Months Ended			
	September 30, 2023		June 30, 2023	
	<i>RMB</i>	<i>%</i>	<i>RMB</i>	<i>%</i>
	<i>(in millions, except for percentages)</i>			
Online marketing services	<b>14,690</b>	<b>52.6</b>	14,347	51.7
Live streaming	<b>9,719</b>	<b>34.8</b>	9,968	35.9
Other services	<b>3,539</b>	<b>12.6</b>	3,429	12.4
<b>Total</b>	<b><u>27,948</u></b>	<b><u>100.0</u></b>	<b><u>27,744</u></b>	<b><u>100.0</u></b>

### *Online marketing services*

Revenue from our online marketing services increased by 2.4% to RMB14.7 billion for the third quarter of 2023, from RMB14.3 billion for the second quarter of 2023, primarily attributable to optimized conversion, as a result of increased consumption of native marketing materials and refined operation based on industry attributes.

### *Live streaming*

Revenue from our live streaming business was RMB9.7 billion and RMB10.0 billion for the third and second quarter of 2023, respectively.

### *Other services*

Revenue from our other services increased by 3.2% to RMB3.5 billion for the third quarter of 2023, from RMB3.4 billion for the second quarter of 2023, primarily attributable to the growth of our e-commerce business, represented by the growth in e-commerce GMV.



## Cost of Revenues

The following table sets forth our cost of revenues in absolute amounts and as percentages of our total revenues for the third quarter and second quarter of 2023, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended</b>			
	<b>September 30, 2023</b>		<b>June 30, 2023</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>			
Revenue sharing costs and related taxes	<b>8,320</b>	<b>29.8</b>	8,680	31.3
Bandwidth expenses and server custody costs <sup>(1)</sup>	<b>1,343</b>	<b>4.8</b>	1,453	5.2
Depreciation of property and equipment and right-of-use assets, and amortization of intangible assets <sup>(1)</sup>	<b>1,614</b>	<b>5.8</b>	1,602	5.8
Employee benefit expenses	<b>690</b>	<b>2.5</b>	660	2.4
Payment processing costs	<b>623</b>	<b>2.2</b>	651	2.3
Other cost of revenues	<b>905</b>	<b>3.2</b>	764	2.8
<b>Total</b>	<b><u>13,495</u></b>	<b><u>48.3</u></b>	<b><u>13,810</u></b>	<b><u>49.8</u></b>

Note:

<sup>(1)</sup> Server custody costs included 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 were recorded as right-of-use assets, and recorded as depreciation charge in cost of revenues.

Our cost of revenues decreased by 2.3% to RMB13.5 billion for the third quarter of 2023, from RMB13.8 billion for the second quarter of 2023, primarily attributable to decreases in revenue sharing costs and related taxes.

## Gross Profit and Gross Profit Margin

The following table sets forth our gross profit both in absolute amounts and as percentages of our total revenues, or gross profit margin, for the third quarter and the second quarter of 2023, respectively:

	<b>Unaudited</b>			
	<b>Three Months Ended</b>			
	<b>September 30, 2023</b>		<b>June 30, 2023</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>			
Gross profit	<b>14,453</b>	<b>51.7</b>	13,934	50.2

As a result of the foregoing, our gross profit increased by 3.7% to RMB14.5 billion for the third quarter of 2023, from RMB13.9 billion for the second quarter of 2023. Our gross profit margin increased to 51.7% for the third quarter of 2023, from 50.2% for the second quarter of 2023.

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

Our selling and marketing expenses slightly increased by 3.5% to RMB8.9 billion for the third quarter of 2023, from RMB8.6 billion for the second quarter of 2023, and increased to 32.0% for the third quarter of 2023 from 31.1% for the second quarter of 2023 as a percentage of our total revenues. The increase was primarily attributable to additional marketing spending during summer vacation season.

### ***Administrative Expenses***

Our administrative expenses were RMB898 million and RMB945 million for the third quarter and second quarter of 2023, respectively.

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

Our research and development expenses decreased by 6.0% to RMB3.0 billion for the third quarter of 2023, from RMB3.2 billion for the second quarter of 2023, primarily due to a decrease in employee benefit expenses, including the related share-based compensation expenses.

### ***Other Income***

Our other income increased to RMB434 million for the third quarter of 2023, from RMB113 million for the second quarter of 2023, primarily due to increases in government grants and value-added tax preferences for the third quarter of 2023 as compared to the second quarter of 2023.

### ***Other Gains/(Losses), Net***

We had other gains, net of RMB128 million for the third quarter of 2023, compared to other losses, net of RMB15 million for the second quarter of 2023.

### ***Operating Profit***

As a result of the foregoing, we had operating profit of RMB2.2 billion for the third quarter of 2023, compared to operating profit of RMB1.3 billion for the second quarter of 2023, and our operating margin was 7.9% for the third quarter of 2023, compared to 4.7% for the second quarter of 2023.

The following table sets forth our operating profit/(loss) by segment in absolute amounts for the third quarter and the second quarter of 2023, respectively:

	<b>Unaudited Three Months Ended</b>		
	<b>September 30, 2023</b>	June 30, 2023	Quarter-over- quarter change
	<i>(RMB millions, except for percentages)</i>		
Domestic	<b>3,155</b>	3,034	4.0%
Overseas	<b>(635)</b>	(780)	(18.6%)
Unallocated items	<b>(309)</b>	(958)	(67.7%)
<b>Total</b>	<b><u>2,211</u></b>	<b><u>1,296</u></b>	70.6%

Our operating profit from the domestic segment increased to RMB3.2 billion for the third quarter of 2023, from RMB3.0 billion for the second quarter of 2023, mainly due to quarter-over-quarter decrease in domestic revenue sharing costs.

Our operating loss from the overseas segment decreased to RMB635 million for the third quarter of 2023, from RMB780 million for the second quarter of 2023, mainly due to growth in overseas revenues.

#### ***Finance Income, Net***

We had finance income, net of RMB135 million and RMB158 million for the third and second quarter of 2023, respectively.

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

Our share of losses of investments accounted for using the equity method was RMB26 million and RMB18 million for the third and second quarter of 2023, respectively.

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

As a result of the foregoing, we had a profit before income tax of RMB2.3 billion and RMB1.4 billion for the third and second quarter of 2023, respectively.

#### ***Income Tax (Expenses)/Benefits***

We incurred income tax expenses of RMB138 million for the third quarter of 2023, compared to income tax benefits of RMB45 million for the second quarter of 2023. The fluctuation was primarily due to the prior year tax return true-up adjustments recorded in the second quarter of 2023.

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

As a result of the foregoing, we had a profit of RMB2.2 billion and RMB1.5 billion for the third and second quarter of 2023, respectively.

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

We believe that the presentation of non-IFRS 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 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. In addition, these non-IFRS 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 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 financial measures for the third quarter of 2023, the second quarter of 2023 and the third quarter of 2022, and the first nine months of 2023 and 2022, respectively, to the nearest measures prepared in accordance with IFRS:

	<b>Unaudited</b>		
	<b>Three Months Ended</b>		
	<b>September 30,</b>	June 30,	September 30,
	<b>2023</b>	2023	2022
	<i>(RMB millions)</i>		
<b>Profit/(loss) for the period</b>	<b>2,182</b>	1,481	(2,712)
Add:			
Share-based compensation expenses	<b>871</b>	1,056	1,708
Net fair value changes on investments <sup>(1)</sup>	<b>120</b>	157	332
<b>Adjusted net profit/(loss)</b>	<b><u>3,173</u></b>	<b><u>2,694</u></b>	<b><u>(672)</u></b>
<b>Adjusted net profit/(loss)</b>	<b>3,173</b>	2,694	(672)
Add:			
Income tax expenses/(benefits)	<b>138</b>	(45)	137
Depreciation of property and equipment	<b>1,029</b>	978	810
Depreciation of right-of-use assets	<b>737</b>	808	780
Amortization of intangible assets	<b>38</b>	39	37
Finance income, net	<b>(135)</b>	(158)	(69)
<b>Adjusted EBITDA</b>	<b><u>4,980</u></b>	<b><u>4,316</u></b>	<b><u>1,023</u></b>

	<b>Unaudited Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(RMB millions)</i>	
<b>Profit/(loss) for the period</b>	<b>2,787</b>	<b>(12,142)</b>
Add:		
Share-based compensation expenses	<b>2,917</b>	5,137
Net fair value changes on investments <sup>(1)</sup>	<b>205</b>	1,299
<b>Adjusted net profit/(loss)</b>	<b><u>5,909</u></b>	<b><u>(5,706)</u></b>
<b>Adjusted net profit/(loss)</b>	<b>5,909</b>	<b>(5,706)</b>
Add:		
Income tax expenses	<b>368</b>	774
Depreciation of property and equipment	<b>2,971</b>	2,321
Depreciation of right-of-use assets	<b>2,333</b>	2,446
Amortization of intangible assets	<b>115</b>	103
Finance income, net	<b>(404)</b>	(59)
<b>Adjusted EBITDA</b>	<b><u>11,292</u></b>	<b><u>(121)</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 Capital Resources**

Other than the funds raised through our global offering in February 2021, we historically funded our working capital and other capital needs primarily through capital contributions from Shareholders, cash generated from issuance of convertible redeemable preferred shares and cash generated from our operating activities. We had cash and cash equivalents of RMB11.3 billion as of September 30, 2023, compared to RMB13.2 billion as of June 30, 2023.

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 RMB55.4 billion as of September 30, 2023, compared to RMB50.5 billion as of June 30, 2023.

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

	<b>Unaudited Three Months Ended September 30, 2023</b>	Unaudited Nine Months Ended September 30, 2023
	<i>(RMB millions)</i>	
Net cash generated from operating activities <sup>(1)</sup>	<b>7,674</b>	15,874
Net cash used in investing activities <sup>(1)</sup>	<b>(7,065)</b>	(13,094)
Net cash used in financing activities <sup>(1)</sup>	<b>(2,542)</b>	(4,891)
Net decrease in cash and cash equivalents	<b>(1,933)</b>	(2,111)
Cash and cash equivalents at the beginning of the period	<b>13,218</b>	13,274
Effects of exchange rate changes on cash and cash equivalents	<b>(13)</b>	109
Cash and cash equivalents at the end of the period	<b><u>11,272</u></b>	<b><u>11,272</u></b>

*Note:*

- (1) Taking into account some suppliers' preference, the operating and investing expenditures with them were settled by notes issued by financial institutions, substituting for trade payables to suppliers.

For the three months ended September 30, 2023, the amount of repayment to financial institutions of such notes was RMB1.6 billion, comprising RMB1.4 billion and RMB238 million for operating and investing expenditures respectively, which was presented in the statement of cash flows under financing activities in accordance with the accounting standards. Solely for reference purpose, if such repayment were to be treated as payment by the Company to suppliers, the net cash generated from operating activities would instead be RMB6.3 billion, net cash used in investing activities would instead be RMB7.3 billion and net cash used in financing activities would instead be RMB896 million, respectively, and other items on the financial statements would remain the same.

For the nine months ended September 30, 2023, the amount of repayment to financial institutions of such notes was RMB2.4 billion, comprising RMB1.7 billion and RMB648 million for operating and investing expenditures respectively, which was presented in the statement of cash flows under financing activities in accordance with the accounting standards. Solely for reference purpose, if such repayment were to be treated as payment by the Company to suppliers, the net cash generated from operating activities would instead be RMB14.2 billion, net cash used in investing activities would instead be RMB13.7 billion and net cash used in financing activities would instead be RMB2.5 billion, respectively, and other items on the financial statements would remain the same.

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

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

For the third quarter of 2023, our net cash generated from operating activities was RMB7.7 billion, which was primarily attributable to our profit before income tax of RMB2.3 billion, adjusted by non-cash items, primarily comprising share-based compensation expenses of RMB871 million, depreciation of property and equipment of RMB1.0 billion, depreciation of right-of-use assets of RMB737 million. The amount was further adjusted by changes in working capital, which primarily comprised increases in other payables and accruals of RMB3.1 billion. We also paid income tax of RMB271 million.

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

For the third quarter of 2023, our net cash used in investing activities was RMB7.1 billion, which was primarily attributable to the net investments in financial assets at fair value through profit or loss of RMB7.3 billion, the net proceeds from maturity of time deposits with initial terms of over three months of RMB451 million and purchase of property, equipment and intangible assets of RMB535 million.

### ***Net Cash Used in Financing Activities***

For the third quarter of 2023, our net cash used in financing activities was RMB2.5 billion, which was primarily attributable to net settlement to notes payable and related interests of RMB1.7 billion, payments for principal elements of lease and the related interest of RMB620 million.

## FINANCIAL INFORMATION

### CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Three months ended September 30,		Unaudited Nine months ended September 30,	
		2023	2022	2023	2022
		<i>(RMB millions)</i>			
<b>Revenues</b>	3	<b>27,948</b>	23,128	<b>80,909</b>	65,890
Cost of revenues	4	<b>(13,495)</b>	(12,425)	<b>(40,810)</b>	(36,635)
<b>Gross profit</b>		<b>14,453</b>	10,703	<b>40,099</b>	29,255
Selling and marketing expenses	4	<b>(8,939)</b>	(9,130)	<b>(26,298)</b>	(27,381)
Administrative expenses	4	<b>(898)</b>	(1,060)	<b>(2,762)</b>	(2,887)
Research and development expenses	4	<b>(2,967)</b>	(3,533)	<b>(9,042)</b>	(10,338)
Other income		<b>434</b>	687	<b>599</b>	1,097
Other gains/(losses), net		<b>128</b>	(280)	<b>213</b>	(1,061)
<b>Operating profit/(loss)</b>		<b>2,211</b>	(2,613)	<b>2,809</b>	(11,315)
Finance income, net		<b>135</b>	69	<b>404</b>	59
Share of losses of investments accounted for using the equity method		<b>(26)</b>	(31)	<b>(58)</b>	(112)
<b>Profit/(loss) before income tax</b>		<b>2,320</b>	(2,575)	<b>3,155</b>	(11,368)
Income tax expenses		<b>(138)</b>	(137)	<b>(368)</b>	(774)
<b>Profit/(loss) for the period</b>		<b><u>2,182</u></b>	<b><u>(2,712)</u></b>	<b><u>2,787</u></b>	<b><u>(12,142)</u></b>
<b>Attributable to:</b>					
— Equity holders of the Company		<b>2,181</b>	(2,713)	<b>2,788</b>	(12,143)
— Non-controlling interests		<b>1</b>	1	<b>(1)</b>	1
		<b><u>2,182</u></b>	<b><u>(2,712)</u></b>	<b><u>2,787</u></b>	<b><u>(12,142)</u></b>
<b>Earnings/(loss) per share attributable to the equity holders of the Company (expressed in RMB per share)</b>	5				
Basic earnings/(loss) per share		<b><u>0.51</u></b>	<b><u>(0.64)</u></b>	<b><u>0.65</u></b>	<b><u>(2.86)</u></b>
Diluted earnings/(loss) per share		<b><u>0.49</u></b>	<b><u>(0.64)</u></b>	<b><u>0.63</u></b>	<b><u>(2.86)</u></b>



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)

	Unaudited Three months ended September 30,		Unaudited Nine months ended September 30,	
Note	2023	2022	2023	2022
	(RMB millions)			
<b>Profit/(loss) for the period</b>	<b>2,182</b>	(2,712)	<b>2,787</b>	(12,142)
<b>Other comprehensive (loss)/income</b>				
<i>Items that will not be reclassified to profit or loss</i>				
Share of other comprehensive income of				
investments accounted for using the equity				
method	7	10	14	—
Currency translation differences	(466)	4,142	2,304	7,788
<i>Items that may be subsequently reclassified to</i>				
<i>profit or loss</i>				
Currency translation differences	336	(2,888)	(1,684)	(5,313)
<b>Other comprehensive (loss)/income</b>				
<b>for the period, net of taxes</b>	<b>(123)</b>	1,264	<b>634</b>	2,475
<b>Total comprehensive income/(loss)</b>				
<b>for the period</b>	<b>2,059</b>	(1,448)	<b>3,421</b>	(9,667)
<b>Attributable to:</b>				
— Equity holders of the Company	2,058	(1,449)	3,422	(9,668)
— Non-controlling interests	1	1	(1)	1
	<b>2,059</b>	(1,448)	<b>3,421</b>	(9,667)

## CONDENSED CONSOLIDATED BALANCE SHEET

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

## CONDENSED CONSOLIDATED BALANCE SHEET

	<b>Unaudited</b> <b>As of</b> <b>September 30,</b> <b>2023</b>	<b>Audited</b> <b>As of</b> <b>December 31,</b> <b>2022</b>
<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	274,206	274,473
Treasury shares	(45)	—
Other reserves	32,797	29,239
Accumulated losses	(261,094)	(263,882)
	<u>45,864</u>	<u>39,830</u>
<b>Non-controlling interests</b>	<u>7</u>	<u>8</u>
<b>Total equity</b>	<b><u>45,871</u></b>	<b><u>39,838</u></b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Lease liabilities	8,184	8,721
Deferred tax liabilities	19	23
Other non-current liabilities	9	16
	<u>8,212</u>	<u>8,760</u>
<b>Current liabilities</b>		
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
	<u>43,838</u>	<u>40,709</u>
<b>Total liabilities</b>	<b><u>52,050</u></b>	<b><u>49,469</u></b>
<b>Total equity and liabilities</b>	<b><u>97,921</u></b>	<b><u>89,307</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Unaudited</b>	
	<b>Nine months ended</b>	
	<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>
	<i>(RMB millions)</i>	
<b>Net cash generated from/(used in) operating activities</b>	<b>15,874</b>	<b>(2,767)</b>
<b>Net cash used in investing activities</b>	<b>(13,094)</b>	<b>(13,005)</b>
<b>Net cash used in financing activities</b>	<b>(4,891)</b>	<b>(2,439)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,111)</b>	<b>(18,211)</b>
Cash and cash equivalents at the beginning of the period	<b>13,274</b>	32,612
Effects of exchange rate changes on cash and cash equivalents	<b>109</b>	558
<b>Cash and cash equivalents at the end of the period</b>	<b><u>11,272</u></b>	<b><u>14,959</u></b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 1 Basis of preparation

This condensed consolidated interim financial information for the three months and nine months ended September 30, 2023 (“**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, 2022 which have been prepared in accordance with International Financial Reporting Standards by the Group as set out in the 2022 annual report of the Company dated March 29, 2023 (the “**2022 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, 2022, as described in the 2022 Financial Statements, except for the adoption of certain new standards and 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 2022 Financial Statements.

The Interim Financial Information has not been audited but 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 result would present revenues, cost of revenues and operating expenses, and operating profit or loss for each segment, which is in line with CODM’s performance review. There were no material inter-segment sales during the three months and nine months ended September 30, 2023 and 2022.

The revenues from customers reported to CODM are measured as revenues in each segment. The operating profit or loss in each segment reported to CODM are measured as cost of revenues and operating expenses deducted from its revenues. Certain items are not allocated to each segment as they are not directly relevant to the operating results upon performance measurement and resource allocation by the CODM. Share-based compensation expenses, other income and other gains/(losses), net are not allocated to individual operating segments.

The segment results for the three months and nine months ended September 30, 2023 and 2022 are as follows:

	<b>Three months ended September 30, 2023</b>			
	<b>Domestic</b>	<b>Overseas</b>	<b>Unallocated items</b>	<b>Total</b>
	<i>(RMB millions)</i>			
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenues</b>	<b>27,296</b>	<b>652</b>	<b>—</b>	<b>27,948</b>
Cost of revenues and operating expenses	<b>(24,141)</b>	<b>(1,287)</b>	<b>—</b>	<b>(25,428)</b>
Unallocated items	<b>—</b>	<b>—</b>	<b>(309)</b>	<b>(309)</b>
<b>Operating profit/(loss)</b>	<b><u>3,155</u></b>	<b><u>(635)</u></b>	<b><u>(309)</u></b>	<b><u>2,211</u></b>
	<b>Three months ended September 30, 2022</b>			
	<b>Domestic</b>	<b>Overseas</b>	<b>Unallocated items</b>	<b>Total</b>
	<i>(RMB millions)</i>			
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenues</b>	22,939	189	—	23,128
Cost of revenues and operating expenses	(22,564)	(1,876)	—	(24,440)
Unallocated items	—	—	(1,301)	(1,301)
<b>Operating profit/(loss)</b>	<b><u>375</u></b>	<b><u>(1,687)</u></b>	<b><u>(1,301)</u></b>	<b><u>(2,613)</u></b>
	<b>Nine months ended September 30, 2023</b>			
	<b>Domestic</b>	<b>Overseas</b>	<b>Unallocated items</b>	<b>Total</b>
	<i>(RMB millions)</i>			
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenues</b>	<b>79,472</b>	<b>1,437</b>	<b>—</b>	<b>80,909</b>
Cost of revenues and operating expenses	<b>(72,320)</b>	<b>(3,675)</b>	<b>—</b>	<b>(75,995)</b>
Unallocated items	<b>—</b>	<b>—</b>	<b>(2,105)</b>	<b>(2,105)</b>
<b>Operating profit/(loss)</b>	<b><u>7,152</u></b>	<b><u>(2,238)</u></b>	<b><u>(2,105)</u></b>	<b><u>2,809</u></b>
	<b>Nine months ended September 30, 2022</b>			
	<b>Domestic</b>	<b>Overseas</b>	<b>Unallocated items</b>	<b>Total</b>
	<i>(RMB millions)</i>			
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenues</b>	65,550	340	—	65,890
Cost of revenues and operating expenses	(66,625)	(5,479)	—	(72,104)
Unallocated items	—	—	(5,101)	(5,101)
<b>Operating loss</b>	<b><u>(1,075)</u></b>	<b><u>(5,139)</u></b>	<b><u>(5,101)</u></b>	<b><u>(11,315)</u></b>

### 3 Revenues

The breakdown of revenues during the three months and nine months ended September 30, 2023 and 2022 is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Online marketing services	14,690	11,590	42,101	33,948
Live streaming	9,719	8,947	29,006	25,354
Other services	3,539	2,591	9,802	6,588
	<b>27,948</b>	<b>23,128</b>	<b>80,909</b>	<b>65,890</b>

### 4 Expenses by nature

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	<i>(RMB millions)</i>			
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue sharing costs and related taxes	8,320	7,164	25,251	20,937
Promotion and marketing expenses	8,263	8,315	24,316	25,216
Employee benefit expenses	4,475	5,434	13,610	15,503
Bandwidth expenses and server custody costs	1,343	1,654	4,491	4,780
Depreciation of property and equipment	1,029	810	2,971	2,321
Depreciation of right-of-use assets <i>(Note a)</i>	737	780	2,333	2,446
Amortization of intangible assets	38	37	115	103
Payment processing cost	623	527	1,769	1,366
Outsourcing and other labor costs	290	319	826	1,020
Tax surcharges	237	229	536	724
Professional fees	65	74	188	187
Credit loss allowances on financial assets	17	6	74	3
Others <i>(Note b)</i>	862	799	2,432	2,635
	<b>26,299</b>	<b>26,148</b>	<b>78,912</b>	<b>77,241</b>

*Note a:* The depreciation of right-of-use assets included 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 fees and office facilities fees.

## 5 Earnings/(Loss) per share

### (a) Basic earnings/(loss) per share

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

	Three months ended September 30,		Nine months ended September 30,	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Earnings/(loss) attributable to equity holders of the Company ( <i>RMB millions</i> )	2,181	(2,713)	2,788	(12,143)
Weighted average number of ordinary shares in issue ( <i>million shares</i> )	4,316	4,262	4,310	4,244
Basic earnings/(loss) per share ( <i>expressed in RMB per share</i> )	<u>0.51</u>	<u>(0.64)</u>	<u>0.65</u>	<u>(2.86)</u>

### (b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the three months and nine months ended September 30, 2023 and 2022, the Company had two categories of potential ordinary shares: share options and restricted share units ("RSUs"). As the Company incurred losses for the three months and nine months ended September 30, 2022, these potential ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive. Accordingly, the amounts of diluted loss per share for the three months and nine months ended September 30, 2022 were the same as basic loss per share for the respective periods.

	Three months ended September 30,		Nine months ended September 30,	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Earnings/(loss) attributable to equity holders of the Company ( <i>RMB millions</i> )	2,181	(2,713)	2,788	(12,143)
Weighted average number of ordinary shares in issue ( <i>million shares</i> )	4,316	4,262	4,310	4,244
Adjustments for share options and RSUs ( <i>million shares</i> )	118	—	120	—
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/(loss) per share ( <i>million shares</i> )	4,434	4,262	4,430	4,244
Diluted earnings/(loss) per share ( <i>expressed in RMB per share</i> )	<u>0.49</u>	<u>(0.64)</u>	<u>0.63</u>	<u>(2.86)</u>



## 6 Investments

	As of September 30, 2023	As of December 31, 2022
	<i>(RMB millions)</i>	
	(Unaudited)	(Audited)
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss		
— Investments in unlisted entities	2,723	2,876
— Investment in a listed entity	63	78
— Wealth management products and others	3,143	672
	<u>5,929</u>	<u>3,626</u>
Other financial assets at amortized cost	592	670
	<u>6,521</u>	<u>4,296</u>
<b>Current assets</b>		
Financial assets at fair value through profit or loss		
— Investment in a listed entity	11	16
— Wealth management products and others	20,283	13,071
	<u>20,294</u>	<u>13,087</u>
Other financial assets at amortized cost	826	726
	<u>21,120</u>	<u>13,813</u>
<b>Total</b>	<u><u>27,641</u></u>	<u><u>18,109</u></u>

## OTHER INFORMATION

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

During the three months ended September 30, 2023 and up to the date of this announcement, the Company repurchased a total of 11,635,700 Class B Shares (the “**Shares Repurchased**”) on the Stock Exchange at an aggregate consideration of HK\$680,478,131.38. 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\$)
July 2023	1,800,000	53.95	51.05	95,523,580.00
August 2023	800,000	65.95	62.60	51,953,520.00
September 2023	2,673,500	65.25	59.50	166,785,304.06
October 2023	6,362,200	64.90	55.60	366,215,727.32
<b>Total</b>	<b>11,635,700</b>			<b>680,478,131.38</b>

As at the date of this announcement, a total of 4,035,700 Class B Shares repurchased from August up until October 13, 2023 have been cancelled on September 28, 2023 and October 20, 2023, respectively, and the number of Class B Shares in issue was reduced by 4,035,700 as a result of such cancellations. Upon cancellation of such Class B Shares, Reach Best Developments Limited, a holder of Class A Shares, simultaneously converted 471,414 Class A Shares and 237,290 Class A Shares into Class B Shares on a one-to-one ratio on September 28, 2023 and October 20, 2023, respectively, pursuant to Rule 8A.21 of the Listing Rules, such that the proportion of shares carrying weighted voting rights of the Company would not be increased, pursuant to the requirements under Rules 8A.13 and 8A.15 of the Listing Rules. As at the date of this announcement, a total of 5,800,000 Class B Shares repurchased had not been cancelled.

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 during the nine months ended September 30, 2023 and up to the date of this announcement.

### Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting high standard of corporate governance which is crucial to the Group's development and safeguard 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. The Company complied with all applicable code provisions as set out in the Part 2 of the Corporate Governance Code during the nine months ended September 30, 2023.

## **Audit Committee**

The Audit Committee, after the discussion with the Auditor, has reviewed the Company's unaudited Interim Financial Information for the three and nine months ended September 30, 2023. The Audit Committee has reviewed the accounting principles and practices adopted by the Company and discussed matters in respect of risk management and internal control of the Company. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

The Company's unaudited Interim Financial Information for the three and nine months ended September 30, 2023 have been prepared in accordance with IFRS.

## **Significant Events after September 30, 2023**

Save as disclosed in this announcement, there were no other significant events affecting the Group which occurred after September 30, 2023 and up to the date of this announcement.

## **APPRECIATION**

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

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

Hong Kong, November 21, 2023

*As at the date of this announcement, the Board comprises Mr. Cheng Yixiao and Mr. Su Hua as executive Directors; Mr. Li Zhaohui, Mr. Zhang Fei, Mr. Lin Frank and Mr. Wang Huiwen as non-executive Directors; Mr. Huang Sidney Xuande, Mr. Ma Yin and Prof. Xiao Xing 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” or “Articles of Association”</b>	the articles of association of the Company adopted on and with effect from June 16, 2023, 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”, “our Company”, “the Company”, “Kuaishou”, “we” or “us”</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 14 to the Listing Rules
<b>“DAUs”</b>	refers to daily active users, which 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”, “our Group” or “the 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\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of the PRC
<b>“IFRS”</b>	International Financial Reporting Standards, amendments and interpretations issued by the International Accounting Standards Board
<b>“KOL”</b>	key opinion leader
<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>“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>	refers to 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 16, 2023, as amended from time to time
<b>“paying user”</b>	a user account that purchases a particular service at least once during a given period

<b>“PRC” or “China”</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 of Association, 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>“US\$” or “US Dollars”</b>	the lawful currency of the United States of America
<b>“%”</b>	per cent